GLOBAL CASH ACCESS HOLDINGS, INC.

FORM 8-K
(Current report filing)

Filed 08/09/07 for the Period Ending 08/09/07

Address	7250 S. TENAYA WAY SUITE 100 LAS VEGAS, NV 89113
Telephone	702-855-3000
CIK	0001318568
Symbol	GCA
SIC Code	6199 - Finance Services
Industry	Business Services
Sector	Services
Fiscal Year	12/31

GLOBAL CASH ACCESS HOLDINGS, INC.

FORM 8-K
(Current report filing)

Filed 8/9/2007 For Period Ending 8/9/2007

Address	3525 EAST POST ROAD SUITE 120
	LAS VEGAS, Nevada 89120
Telephone	705-855-3000
CIK	0001318568
Industry	Misc. Financial Services
Sector	Financial
Fiscal Year	12/31

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: August 9, 2007
(Date of Earliest Event Reported)

GLOBAL CASH ACCESS HOLDINGS, INC.
(Exact Name of Registrant as Specified in its Charter)

Delaware	001-32622	20-0723270
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

3525 East Post Road, Suite 120

Las Vegas, Nevada	89120
(Address of Principal Executive Offices)	(Zip Code)

(800) 833-7110
(Registrant's Telephone Number, Including Area Code)

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 (see General Instruction A.2. below):

|_| 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))

Item 1.01. Entry into a Material Definitive Agreement.

On August 8, 2007, Global Cash Access Holdings, Inc. (the "Company"), together with its wholly-owned subsidiary Global Cash Access, Inc., entered into Amendment No. 2 to Second Amended and Restated Credit Agreement (the "Amendment") with Bank of America, N.A., as Administrative Agent, which amended certain terms of the Second Amended and Restated Credit Agreement, dated as of November 1, 2006 and amended by Amendment No. 1 thereto dated June 22, 2007 (the "Credit Agreement"). The Amendment increased to $30 million the aggregate amount that the Company is permitted to invest in Arriva Card, Inc. The foregoing description does not purport to be complete and is qualified by the full text of the Amendment, a copy of which is attached hereto as Exhibit 10.1.

Item 2.02. Results Of Operations And Financial Condition.

On August 9, 2007, Global Cash Access Holdings, Inc. issued a press release announcing its results of operations for the quarter ended June 30, 2007. A copy of the press release is attached hereto as Exhibit 99.1. This Item 2.02 and the attached Exhibit 99.1 are furnished to, but not filed with, the Securities and Exchange Commission. The information contained in Item 2.02 and in the accompanying Exhibit 99.1 shall not be incorporated by reference into any filing of the registrant, whether made before or after the date hereof, regardless of any general incorporation language in such filing, unless expressly incorporated by specific reference into such filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Document
10.1	Amendment No. 2 to Second Amended and Restated Credit Agreement, dated as of August 8, 2007, by and among Global Cash Access Holdings, Inc., Global Cash Access, Inc. and Bank of America, N.A., as Administrative Agent
99.1	Press Release announcing results of operations for the quarter ended June 30, 2007.

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: August 9, 2007 *By: /s/ Kirk Sanford*

Kirk Sanford
Chief Executive Officer

EXHIBIT INDEX

Exhibit No.	Document
10.1	Amendment No. 2 to Second Amended and Restated Credit Agreement, dated as of August 8, 2007, by and among Global Cash Access Holdings, Inc., Global Cash Access, Inc. and Bank of America, N.A., as Administrative Agent
99.1	Press Release announcing results of operations for the quarter ended June 30, 2007.

Exhibit 10.1

AMENDMENT NO. 2
TO
SECOND AMENDED AND RESTATED CREDIT AGREEMENT

AMENDMENT NO. 2, dated as of August __, 2007 (this "Amendment") among GLOBAL CASH ACCESS HOLDINGS, INC., a Delaware corporation ("Holdings"), GLOBAL CASH ACCESS, INC., a Delaware corporation (the "Borrower"), and BANK OF AMERICA, N.A., as Administrative Agent (in such capacity, the "Administrative Agent").

WHEREAS, Holdings, the Borrower, the banks and other financial institutions from time to time party hereto (the "Lenders"), Bank of America, N.A., as Swing Line Lender and as L/C Issuer, and the Administrative Agent are parties to a Second Amended and Restated Credit Agreement dated as of November 1, 2006, as amended by Amendment No. 1 thereto dated as of June 22, 2007 (as so amended, the "Credit Agreement").

WHEREAS, Holdings and the Borrower have requested that the Lenders agree to certain amendments to the Credit Agreement, and each of the Lenders signatory hereto, which Lenders collectively constitute the Required Lenders referred to in the Credit Agreement, have agreed, subject to the terms and conditions set forth herein, to amend the Credit Agreement as herein provided.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereby agree as follows:

1. Terms. All terms used herein shall have the same meanings as in the Credit Agreement unless otherwise defined herein.

2. Amendment. Section 7.06(a)(xiii) of the Credit Agreement is hereby amended by substituting "$30,000,000" in place of "$10,000,000" therein.

3. Representations and Warranties. Each of Holdings and the Borrower represents and warrants to the Administrative Agent and the Lenders that, on and as of the date hereof, and after giving effect to this Amendment:

3.1 Authorization. The execution, delivery and performance by each of Holdings and the Borrower of this Amendment has been duly authorized by all necessary action, and this Amendment has been duly executed and delivered by each of Holdings and the Borrower.

3.2 Binding Obligation. This Amendment constitutes the legal, valid and binding obligation of each of Holdings and the Borrower, enforceable in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally and by principles of equity.

3.3 No Legal Obstacle to Amendment. The execution, delivery and performance of this Amendment will not (a) contravene the Organization Documents of Holdings or the Borrower; (b) contravene any contractual restriction binding on or affecting Holdings or the Borrower or any of their property; (c) contravene any court decree, order or Law binding on or affecting Holdings or the Borrower; or (d) result in, or require the creation or imposition of, any Lien on any of Holdings or the Borrower's properties. Except as have been obtained prior to the date hereof, no authorization or approval of any governmental authority is required to permit the execution, delivery or performance by Holdings or the Borrower of this Amendment, or the transactions contemplated hereby.

3.4 Incorporation of Certain Representations. After giving effect to the terms of this Amendment, the representations and warranties set forth in Article V of the Credit Agreement are true and correct in all respects on and as of the date hereof as though made on and as of the date hereof, except as to such representations made as of an earlier specified date.

3.5 Default. No Default or Event of Default under the Credit Agreement has occurred and is continuing.

4. Conditions, Effectiveness.

4.1 Conditions. This Amendment shall become effective as of the date first written above (the "Second Amendment Effective Date") upon satisfaction of each of the following conditions:

(a) The Administrative Agent shall have received a Consent of Lender in the form of Exhibit B executed by the Required Lenders.

(b) The Administrative Agent shall have received an affirmation letter substantially in the form of Exhibit A from each of the Guarantors.

(c) The Administrative Agent shall have received payment of all fees and expenses payable to it and its counsel in connection with this Amendment.

5. Miscellaneous.

5.1 Effectiveness of the Credit Agreement and the Notes. Except as hereby expressly amended, the Credit Agreement and the Notes shall each remain in full force and effect, and are hereby ratified and confirmed in all respects on and as of the date hereof.

5.2 Waivers. This Amendment is limited solely to the matters expressly set forth herein and is specific in time and in intent and does not constitute, nor should it be construed as, a waiver or amendment of any other term or condition, right, power or privilege under the Credit Agreement or under any agreement, contract, indenture, document or instrument mentioned therein; nor does it preclude or prejudice any rights of the Administrative Agent or the Lenders thereunder, or any exercise thereof or the exercise of any other right, power or privilege, nor shall it require the Required Lenders to agree to an amendment, waiver or consent for a similar transaction or on a future occasion, nor shall any future waiver of any right, power, privilege or default hereunder, or under any agreement, contract, indenture, document or instrument mentioned in the Credit Agreement, constitute a waiver of any other right, power, privilege or default of the same or of any other term or provision.

5.3 Counterparts. This Amendment may be executed in any number of counterparts, and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

5.4 Governing Law. This Amendment shall be governed by and construed in accordance with the laws of New York.

IN WITNESS WHEREOF, the signatories hereto have caused this Amendment to be executed by their respective officers thereunto duly authorized as of the day and year first above written.

HOLDINGS:	GLOBAL CASH ACCESS HOLDINGS, INC.
	By:_________________________________ Name:_______________________________ Title:______________________________
BORROWER:	GLOBAL CASH ACCESS, INC.
	By:________________________________ Name:______________________________ Title:_____________________________
ADMINISTRATIVE AGENT:	BANK OF AMERICA, N.A., as Administrative Agent
	By:________________________________ Name:______________________________ Title:_____________________________

Exhibit 99.1

Global Cash Access Announces Second Quarter 2007 Financial Results

Revenue of $151.5 million and Diluted Adjusted Cash EPS of $0.17 and Diluted Cash EPS of $0.16

LAS VEGAS--(BUSINESS WIRE)--Aug. 9, 2007--Global Cash Access Holdings, Inc. (NYSE:GCA) ("GCA" or the "Company") today announced unaudited financial results for the quarter ended June 30, 2007.

Summary Non-GAAP Results

For the quarter ended June 30, 2007, revenues were $151.5 million, an increase of 13.4% over the $133.6 million in revenues recorded in the same quarter last year. Adjusted Cash Earnings, which exclude stock-based compensation and other items that typically do not occur on a recurring basis, were $14.3 million in Q2 2007, an increase of 11.2% over Q2 2006. Adjusted Cash Earnings per diluted share were $0.17 in Q2 2007 as compared to $0.16 in Q2 2006. Cash Earnings, which include stock-based compensation, were $12.9 million in Q2 2007 as compared to $10.6 million in Q2 2006, an increase of 21.8%. Cash Earnings per diluted share were $0.16 in Q2 2007 as compared to $0.13 in Q2 2006. EBITDA (which excludes stock-based compensation) was $28.7 million in Q2 2007, an increase of 14.7% from Q2 2006.

"In the second quarter of 2007, we continued to see growth in our core business with double-digit revenue growth in our Cash Advance and ATM business," commented Kirk Sanford, President and Chief Executive Officer of GCA. "While we continue to expect solid growth in our core business, we are experiencing greater than expected delays in the timing of new business that have tempered our expectations for the second half of the year. With our recent Venetian Macao agreement and continued progress made with several other notable prospects, our business in Macau and other international markets continues to build strong momentum."

Recent Highlights

-- Recorded revenue of $151.5 million, the highest quarterly total ever recorded by the Company.
-- Significant increases in key metrics versus the same quarter in the prior year:
-- Same store surcharge revenue up 9.8% -- Cash advance dollars disbursed up 16.9% -- ATM transaction volume up 8.9%.
-- 3-in-1 enabled Redemption Kiosk installations reached 506 as of June 30, 2007
-- Arriva Card account growth continued (statistics as of June 30, 2007):
-- 7,306 accounts
-- $30.2 million in Arriva Card transaction volume since the launch of the Arriva Card, with $8.4 million in volume in Q2 2007 -- Charge-offs to date of $1.0 million -- Q2 average cash advance transaction amount of $791 vs. $571 on non-Arriva cards.
-- Repurchased $5.6 million of common stock under our $50 million common stock repurchase authorization through July 31, 2007

GAAP Results

For the second quarter of 2007, total revenues were $151.5 million, an increase of 13.4% over the second quarter of 2006. Operating Income in the second quarter of 2007 was $22.5 million, an increase of 11.4% from the same period in 2006. Net income in the second quarter of 2007 was $8.6 million, up 36.5% from the second quarter of 2006. Diluted earnings per share were $0.10 in the second quarter of 2007 as compared to $0.08 in the second quarter of 2006.

For the first half of 2007, total revenues were $300.3 million, an increase of 14.0% over the first half of 2006. Operating Income in the first half of 2007 was $43.9 million, an increase of 7.4% from the same period in 2006. Net income in the first half of 2007 was $16.5 million, up 24.4% from the first half of 2006. Diluted earnings per share were $0.20 in the first half of 2007 as compared to $0.16 in the same period of 2006.

Second Quarter Results of Operations

Total revenues in the second quarter of 2007 were $151.5 million, an increase of 13.4% from revenues of $133.6 million in the second quarter of 2006. Same store revenues for cash advance and ATM surcharge increased 9.8% in the second quarter of 2007.

The following is a comparison of selected revenue components for the second quarter of 2007 to the same period in 2006:

-- Cash advance revenues were up 15.3%, from $69.1 million to $79.7 million. Cash disbursed increased 16.9%, from $1.4 billion to $1.6 billion. The number of transactions increased 14.8%, from 2.5 million to 2.9 million. The average transaction amount increased from $540.94 to $550.73. The average fee decreased from 5.03% to 4.96%. Average revenue per transaction increased 0.4% from $27.18 to $27.29.

-- ATM revenues increased 11.9% to $61.1 million. The number of transactions increased 8.9%, from 17.0 million to 18.5 million. Cash disbursed was $3.4 billion compared to $3.0 billion, an increase of 14.5%. Average revenue per transaction increased 2.8% from $3.22 to $3.31.

-- Check services revenues were $7.5 million, an increase of 0.4%. The face amount of checks warranted increased by 2.6%, from 339.0

million to 347.9 million. The number of check warranty transactions grew 3.3%, from 1.29 million to 1.33 million. The average face amount per check warranted decreased from $263.51 to $261.82. The average check warranty fee decreased from 2.01% to 1.94%. Average check warranty revenue per transaction decreased from $5.29 to $5.07.

-- Central Credit and other revenues increased 35.8%, from $2.4 million to $3.2 million. Most of the increase is attributable to $0.7 million of interest and fee revenue from the Arriva Card in Q2 2007 vs. $0 in the comparable 2006 quarter.

Cost of revenues (exclusive of depreciation and amortization) increased 15.7% in the second quarter of 2007 to $109.1 million from $94.3 million in the second quarter of 2006. Commissions, the largest component of cost of revenues, increased 17.0%. Interchange increased 15.4%, driven largely by the increase in cash advance volumes.

Operating expenses in the second quarter of 2007 were $17.1 million, an increase of 2.6% over the same period in 2006. Operating expenses, excluding non-cash compensation expense and other items that do not occur on a recurring basis, were $14.8 million in the current quarter, an increase of 10.5% from the comparable total of $13.4 million in the second quarter of 2006. This increase is principally related to additional payroll and related benefit costs and higher system maintenance expenses.

Depreciation and amortization expense was $2.9 million in the second quarter of 2007, an increase of 18.3% from $2.4 million in the second quarter of 2006.

Interest income was $1.0 million in the second quarter of 2007, an increase of 17.6% from the comparable 2006 period.

Interest expense in the second quarter of 2007 was $9.7 million as compared to $10.7 million in the second quarter of 2006. Interest expense on the Company's borrowings declined $1.1 million due to the lower level of outstanding indebtedness and lower interest rates on the floating rate portion of that indebtedness in the second quarter of 2007. Interest expense on the Company's ATM funds increased $0.1 million from $4.0 million in Q2 2006 to $4.1 million in Q2 2007, primarily as a result of increases in the LIBOR rate on which those funds are priced and offset by a reduction in the average ATM funds outstanding from $296.0 million in Q2 2006 to $290.5 million in Q2 2007.

Income tax expense in the second quarter of 2007 was $5.3 million. The Company's provision in the second quarter of 2007 is based on an expected full year effective rate of 38.1%.

Arriva Card

Revenues from the Arriva Card in the second quarter of 2007 were $0.7 million. Cost of revenues (exclusive of depreciation and amortization) in the second quarter of 2007 were $1.2 million and operating expenses for Arriva in the quarter were $0.6 million. Operating loss from Arriva operations was $1.2 million.

Receivables held by the Company's financing partner were $2.3 million at June 30, 2007. Total receivables at June 30, 2007 were $13.8 million, of which $11.5 million were held by Arriva.

Balance Sheet

At June 30, 2007, the Company had unrestricted cash and cash equivalents of $61.7 million, settlement receivables of $73.4 million and settlement liabilities of $80.6 million.

Total borrowings at June 30, 2007, were $264.0 million, consisting of $111.2 million of borrowings under the Company's senior secured credit facilities and $152.8 million face amount of 8 3/4% senior subordinated notes.

The Company made investments in property, equipment and intangible assets of $1.5 million during the three months ended June 30, 2007, which include ATM and other casino floor equipment as well as purchases of computer and communications hardware and software.

During the quarter ended June 30, 2007, the Company repurchased 0.1 million shares of common stock at an average price per share of $16.05 for a total investment of $3.6 million. As of July 31, 2007, repurchases stood at 0.4 million shares at an average price of $15.37 and a total investment of $5.6 million.

Financial Guidance

Several factors have contributed to the Company's decision to lower second half and full year expectations. The Company's existing contract with Mandalay Resorts Group, which expired in May and hereafter falls under the current MGM agreement, will have a greater than expected adverse impact on gross margins. In addition our revenues will be impacted by an unanticipated third quarter loss of a significant customer along with greater than expected delays of previously anticipated new business. We currently expect 2007 revenues in a range of $630 million to $639 million, diluted Adjusted Cash Earnings in a range of $0.70 to $0.72 per share, and diluted Cash Earnings (including stock compensation expense) in a range of $0.58 to $0.60 per share.

For the third quarter of fiscal 2007, the Company currently expects revenues in a range of $160 to $165 million and adjusted diluted cash EPS of approximately $0.17 and Cash Earnings (including stock compensation expense) of approximately $0.12.

This financial guidance is given as of the date hereof and is based on factors and circumstances known to the Company at this time. Such factors and circumstances may change, and such changes may have an impact on the Company's financial outlook.

Non-GAAP Financial Information

In order to enhance investor understanding of the underlying trends in our business and to provide for better comparability between periods in different years, the Company is providing adjusted results on a supplemental basis. Adjusted results in the second quarter of 2007 and 2006 exclude $3.3 million and $2.4 million, respectively, of stock-based compensation expense. Adjusted results in the first half of 2007 and 2006 exclude $6.2 million and $4.3 million, respectively, of stock-based compensation expense. In addition, the Company uses certain non-GAAP measures of financial performance. Reconciliations between GAAP measures and non-GAAP measures and between actual results and adjusted results are provided at the end of this press release.

None of Adjusted EBITDA, EBITDA (which excludes stock-based compensation), Cash Earnings or Adjusted Cash Earnings is a measure of financial performance under United States generally accepted accounting principles ("GAAP"). Accordingly, none of them should be considered a substitute for net income, operating income or other income or cash flow data prepared in accordance with GAAP. The Company believes that Adjusted EBITDA, EBITDA (which excludes stock-based compensation), Cash Earnings and Adjusted Cash Earnings are widely-referenced financial measures in the financial markets. In addition, the Company has identified certain adjustments to its financial results that address income or expenses that the Company believes are unusual or non-recurring in nature. The Company believes that referencing Adjusted EBITDA, EBITDA (which excludes stock-based compensation), Cash Earnings and Adjusted Cash Earnings and identifying unusual or non-recurring items is helpful to investors. Reconciliations between GAAP and non-GAAP measures and between actual and adjusted financial results are presented elsewhere in this press release.

Cautionary Note Regarding Forward-Looking Statements

This press release contains forward-looking statements within the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. All statements included in this press release, other than statements that are purely historical, are forward-looking statements. Words such as "going forward," "believes," "intends," "expects," "forecasts," "anticipate," "plan," "seek," "estimate" and similar expressions also identify forward-looking statements. Forward-looking statements in this press release include, without limitation, our expectation that our effective tax rate for the full year 2007 will be 38.1% and all of the statements in the section of this release entitled "Financial Guidance."

Our beliefs, expectations, forecasts, objectives, anticipations, intentions and strategies regarding the future, including without limitation those concerning expected operating results, revenues and earnings are not guarantees of future performance and are subject to risks and uncertainties that could cause actual results to differ materially from results contemplated by the forward-looking statements, including but not limited to:

-- with respect to our expectation that our effective tax rate will be 38.1% for the full year 2007:
-- changes in financial results from the expectations identified under "Financial Guidance";
-- incurrence of expenses that are not deductible for tax purposes; and
-- the entry into business lines or foreign countries with tax structures different from the ones we are currently subject to.

-- with respect to our Financial Guidance:
-- our failure to correctly predict increases in revenue due to inaccuracies in our assumptions, our inability to execute on business opportunities or other reasons; -- our failure to correctly predict future gross margins and operating expenses due to inaccuracies in our assumptions, our inability to control expenses or other reasons; -- our failure to correctly anticipate our capital spending in 2007, which would affect the level of depreciation expense and the level of cash available for debt repayment or share repurchases;
-- our failure to anticipate other uses of our cash which could prevent us from repaying debt as anticipated; -- our inability to correctly predict the future levels of interest rates;
-- changes in income tax rates in the jurisdictions in which we operate;
-- challenges by the Internal Revenue Service to the tax step-ups that contribute to the bulk of our deferred tax asset; -- unanticipated changes in the amount of our diluted common shares outstanding; and
-- unanticipated expenses or other contingencies incurred in connection with our compliance with Section 404 of the Sarbanes-Oxley Act of 2002.

The forward-looking statements in this press release are subject to additional risks and uncertainties set forth under the heading "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our filings with the Securities and Exchange Commission, including, without limitation, our registration statement on Form S-1 (No. 333-133996), our Annual Report filed on Form 10-K (No. 001-32622) and our quarterly reports on Form 10-Q, and are based on information available to us on the date hereof. We 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 press release.

About Global Cash Access Holdings, Inc.

Las Vegas-based Global Cash Access Holdings, Inc. is a holding company whose principal asset is the stock of Global Cash Access, Inc., a leading provider of cash access systems and related marketing services to the gaming industry. For more information, please visit the Company's Web site at www.globalcashaccess.com.

GLOBAL CASH ACCESS HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(amounts in thousands, except per share)

(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2007	2006	2007	2006
REVENUES:				
Cash advance	$ 79,702	$ 69,143	$ 157,114	$ 136,198
ATM	61,093	54,586	121,859	107,746
Check services	7,492	7,459	14,843	14,703
Central Credit and other revenues	3,243	2,388	6,458	4,764
Total revenues	151,530	133,576	300,274	263,411
Cost of revenues (exclusive of depreciation and amortization)	(109,057)	(94,292)	(215,786)	(185,643)
Operating expenses	(17,068)	(16,636)	(35,000)	(31,926)
Amortization	(1,353)	(1,384)	(2,679)	(2,886)
Depreciation	(1,527)	(1,050)	(2,958)	(2,115)
OPERATING INCOME	22,525	20,214	43,851	40,841
INTEREST INCOME (EXPENSE), NET				
Interest income	1,021	868	1,917	1,424
Interest expense	(9,710)	(10,701)	(19,353)	(20,949)
Total interest income (expense), net	(8,689)	(9,833)	(17,436)	(19,525)
INCOME BEFORE INCOME TAX PROVISION AND MINORITY OWNERSHIP LOSS	13,836	10,381	26,415	21,316
INCOME TAX PROVISION	(5,327)	(4,140)	(10,070)	(8,147)
INCOME BEFORE MINORITY OWNERSHIP LOSS	8,509	6,241	16,345	13,169
MINORITY OWNERSHIP LOSS, net of tax	59	38	123	74
NET INCOME	$ 8,568	$ 6,279	$ 16,468	$ 13,243
Earnings per share				
Basic	$ 0.10	$ 0.08	$ 0.20	$ 0.16
Diluted	$ 0.10	$ 0.08	$ 0.20	$ 0.16
Weighted average number of common shares outstanding				
Basic	81,752	81,619	81,758	81,588
Diluted	82,084	82,230	82,026	81,965

GLOBAL CASH ACCESS HOLDINGS, INC. AND SUBSIDIARIES
Reconciliation of Adjusted Cash Earnings and Cash Earnings to Net Income, and Adjusted EBITDA and EBITDA (which excludes stock-

based

compensation) to Net Income
(amounts in thousands)
(unaudited)

	Three Months Ended June 30, 2007	Three Months Ended June 30, 2006	Six Months Ended June 30, 2007	Six Months Ended June 30, 2006
Adjusted EBITDA	$27,681	$ 25,900	$ 54,700	$ 51,055
Plus:				
Escheatment recovery	994	-	994	-
Minus:				
Secondary offering costs	-	(690)	-	(690)
Litigation settlement costs	-	(200)	-	(200)
EBITDA (which excludes stock-based compensation)	$28,675	$ 25,010	$ 55,694	$ 50,165
Minus:				
Stock-based compensation expense	(3,270)	(2,362)	(6,206)	(4,323)
Amortization	(1,353)	(1,384)	(2,679)	(2,886)
Depreciation	(1,527)	(1,050)	(2,958)	(2,115)
Interest expense	(9,710)	(10,701)	(19,353)	(20,949)
Income tax provision	(5,327)	(4,140)	(10,070)	(8,147)
Plus:				
Interest income	1,021	868	1,917	1,424
Minority ownership loss, net of tax	59	38	123	74
Net Income	$ 8,568	$ 6,279	$ 16,468	$ 13,243
Plus:				
Deferred tax amortization related to acquired goodwill	4,359	4,336	8,717	8,672
Cash Earnings	$12,927	$ 10,615	$ 25,185	$ 21,915
Plus:				
Non-cash compensation expense, net of tax	2,023	1,466	3,840	2,684
Secondary offering costs, net of tax	-	690	-	690
Litigation settlement costs, net of tax	-	124	-	124
Minus:				
Escheatment recovery, net of tax	(615)	-	(615)	-
Adjusted Cash Earnings	$14,335	$ 12,895	$ 28,410	$ 25,413
Weighted average number of common shares outstanding				
Basic	81,752	81,619	81,758	81,588
Diluted	82,084	82,230	82,026	81,965
Cash Earnings per share				
Diluted	$ 0.16	$ 0.13	$ 0.31	$ 0.27
Adjusted Cash Earnings per share				
Diluted	$ 0.17	$ 0.16	$ 0.35	$ 0.31

CONTACT: Global Cash Access Holdings, Inc. Investor Contact:

Kirk Sanford, CFO, (702) 855-3000

or
Media Contact:

Sommerfield Communications

Adria Greenberg, (212) 255-8386