

Global Access Corporation
Second Quarter Earnings Conference Call
August 11, 2011

Operator: Good day, ladies and gentlemen. Thank you for standing by. Welcome to the Global Access Corp. Second Quarter 2011 Financial Results Conference Call. During today's presentation, all parties will be in a listen-only mode. Following the presentation, the conference will be open for questions. If you have a question, please press the star, followed by the one on your touchtone phone. If you would like to withdraw your question, you can press the star, followed by the two. And if you are using speaker equipment, please lift the handset before making your selection. This conference is being recorded today, Thursday August 11th, 2011.

I would now like to turn the conference over to Brett Maas of Hayden IR. Please go ahead.

Brett Maas: Thank you, and good day to all participants. On the call with me today from Global Access are Co-CEO and Vice Chairman Lock Ireland; and Co-CEO and Director Michael Connolly; and Michael Loiacono Chief Financial Officer.

On slide two, I'm sure you are all familiar with the stated proper statement. I'd like to just briefly mention this conference call may contain forward-looking statements that are made pursuant to the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements involve risks, uncertainties and assumptions, as described more fully in periodic reports that we file with the Securities and Exchange Commission. I encourage everyone to review these risk statements as filed and understand them fully, as actual results may differ from those described in the forward-looking statement. We caution investors that these forward-looking statements speak only as of today and the Company hereby expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any such statements to reflect any change in the Company's expectations or any changes in events, conditions or circumstances on which these statements are based.

As a reminder, please complete the voting process for Honors and Board of Directors, and we are happy to host our shareholders on the 22nd of August, which is next Monday, to our annual shareholder meeting.

I'd now like to turn the call over to Michael Connolly for opening remarks. Michael, congratulations on your second quarter record revenue.

Michael Connolly: Well, thank you, Brett, and congratulations to the Global team for those fine results. Good morning, shareholders and other

interested parties, thank you for attending our Q2 call. Particularly given the volatility in the stock market, we appreciate you taking the time out to get updated regarding the performance of our Company. There are a handful of key messages that we want you to take away from today's meeting.

First of all, Global has returned a profitability. We had record Q2 revenues, we had record Q2 ATM revenues, we had record Q2 EBITDA, and although we will not be able to see the results in Q2, our DVD business is on the path to profitability. While we are pleased with these results and progress, we are not satisfied, we know that we can do better, and we will continue to look at all profit improvement opportunities to continue to create shareholder value.

To put this in context, GAXC, Global, exists to provide automated time saving services to help people enjoy life, and our mission, as we've talked about in the past, for 2011 to 2013, is we're committed to grow and expand the profitability of our ATM business; to maintain a branded DVD business in dispensable locations, such as The Exchange; be held to certain metrics which are generating consistent returns, such as 20% compound annual growth rate in our revenues, a 35% minimum gross margin and a 20% EBITDA; and we are committed to creating a culture of great performance and an exciting place to work in a growth environment.

So, today, we are going to talk about our Q2 financial results, give you guidance on Q3, and we will also share with you some other updates about how we will be creating shareholder value, and then we'll go to questions and answers.

Next slide please, Sharon. Great.

So, just a minor correction in my opening remarks and that is we had record ATM EBITDA, that's what I was trying to express there.

Okay, on the state of the company, currently, we are moving from defense to offense, and you'll see in our comments and our performance that all phases of our Company are moving ahead. Let me talk first about the ATM business, and we will get into some financial results here in a moment, but I just want to use some examples of how the Company is moving ahead.

For example, in our sales area, our lead sales person in 2010, while we were busy rolling out the DVD business, had 114 placements for the full calendar year. We are projecting that we will have at least 330 placements for the full year, so it's doubling. That shows momentum in our sales efforts. In our cost structure, we did a shootout with our manufacturers and have reduced our cost to acquire ATM machines by 14%, and got other sorts of

benefits, et cetera. In the DVD business—Lock is going to talk about that in more detail in a moment. In corporate support, our headcount started the year roughly around 65, now it is at 53, and that group, which is performing admirably, is delivering better financial performance than we've had recently. In addition, we've instituted a number of HR processes that will allow us to identify high performers and be consistent in our training and development of these individuals. We have gotten the IT department to prioritize their projects. We've added marketing resources to the Company and, therefore, we are able to better serve the marketing needs of our ATM and DVD business.

Again, on a moving-forward basis, we're moving off of defense to offense; we have a solid strategy; we have a solid plan; we have metrics; and we're ready to perform.

Going to the next slide, which is talking about our ATM, as we've already alluded to, this was the strongest quarter for our ATM business in our history, both in terms of revenue and EBITDA.

Let's go look at the next slide which is our revenue growth. As you see, in most of 2010, we were relatively flat with our revenues in the ATM world. You see a significant increase going into Q1, then another jump in Q2. Michael's going to provide some more details about how those revenue increases have come from our acquisitions, the addition of new ATMs, as well as from our surcharge increase that we instituted in roughly February of 2011.

Next slide.

Continuing on with the ATM business, again you see that pivoting off a low in Q4, we're starting to grow our profitability in the ATM business again, and this is a function, of course, of the revenues that we just talked about, but it will continue to expand, we anticipate, because of a number of cost savings initiatives that we outlined in previous calls. I want to underscore that those cost initiatives that we have underscored, which are roughly about a \$1.2 million on an annual basis, will start kicking in in Q3 of 2011, so you'll see, hopefully, improvements in our margin as we move forward. We are taking a continuous look at our cost structure while we are also putting more resources to grow our ATM business, both in our organic sales, knock-out sales, M&A, et cetera. So, that is basically the update on the ATM. We'll get in some more details. Michael is aggregating some of these numbers.

I will turn it over now to Lock Ireland.

Lock Ireland: Thank you, Michael. Let me also welcome our shareholders and I would like to reiterate the second quarter was a good start in turning around Global in many aspects. Then I get the privilege of covering our DVD business, for which I couldn't be more excited to talk about The Exchange,

which, as you know, is all the Army and Air Force bases in the United States, but first let me cover the results of our other customer, a large grocery store chain acquired in May of 2010. Revenue for this customer declined in the quarter and we lost 406,000 in EBITDA for the quarter, which they are presently dealing in bankruptcy. So, what did management do? First we moved 200 kiosks of the worst performing stores, keeping 94 based on EBITDA, breakeven, or above. This move saves us 900,000 in cash for the remainder of 2011, and over a million plus in capital, not to mention accretive to our earnings.

Now, for The Exchange, a tremendous customer, second quarter, continued improvement in revenue and 293 in positive earnings with older and smaller capacity machines. Late in May, we began the replacement of older machines that had less capacity with ours and immediately experienced a significant increase in revenue per machine. This has continued in July, and our total deployment plan of 200 machines will be over 90% completed by September 30, meaning The Exchange will be further accretive to our fourth quarter.

The next two slides depict the EBITDA change consolidated for both customers, and I would be more than happy to answer questions at end of the presentation on the DVD business. Thank you.

Michael Connolly: Great. Sharon, can we move to the corporate support slide, please? Thank you.

Our corporate support matched up slightly in Q2. It's basically kind of remained flat over the past three quarters. I will say, though, that our corporate support cost in Q2 2010 was 6.1% of our sales and currently it is 5% of sales. So, we are always continuously examining our corporate expenses to see if we can make sure that we are getting value from them and staying lean and mean, and with the revenue increases that we have, we think it is largely in the line.

Next slide. The next slide indicates the large expense that we took with regard to George McQuain, the prior CEO's severance expense, and I just want to highlight that it threw off the corporate support expenses for Q1.

At this point, we are going to get into a little bit more detail on the financial results. Mike will primarily lead you, but I'll chirp in periodically.

Michael Loiacono: Thanks, Michael. Before we begin, I need to go through my accounting legalese and read my standard disclaimer. The results we are about to review, and have already been reviewed, are discussed on generally accepted accounting principles, or GAAP, basis. Additionally, we are

providing our net income on a non-GAAP basis. We believe non-GAAP measures will aid investors in overall understanding of our results by providing better transparency for certain expenses and providing a level of disclosure that will help investors understand how we plan and measure our business. However, non-GAAP net income should not be construed as an alternative to GAAP or as an indicator of our operating performance, because the items excluded from the non-GAAP measures often have a material impact on our result of operations. Therefore, management users and investors should use non-GAAP measures in conjunction with our reported GAAP results. In our press release, we reconcile the GAAP to the non-GAAP results.

We're going to take a look at our Q2 2011 results compared to Q2 of 2010. Slide 13 reminds us of our results for the second quarter of 2010. Turning to the next slide, we compare the second quarter 2010 to 2011, side by side. Then, on slide 15, we show the year-over-year change.

Our record revenue for Q2 was 8.3 million, an increase of 2.8 million or over 50% from Q2 of 2010. In Q2 of this year, we saw additional revenue generated by our current acquisitions, as the two acquisitions combined for a \$1.6 million increase to our revenues over Q2 of last year. As Michael mentioned, we reported record revenue in the ATM business of 6.3 million, which was about 16% higher than last year's ATM revenue of 5.4 million. Our surcharge transactions year-over-year increased about 3.3%. Our surcharge revenue increased 900,000 year-over-year, and that was a result of our surcharge increase in Q1 of this year, combined with the increase in transactions, and the impact of the acquisitions in the ATM business. As Lock mentioned, our DVD revenue was \$2 million for the quarter, which compares to 60,000 of last year. Obviously, this was due to the acquisition of the Tejas business and the A&P revenue which we did not begin to generate until Q3 of last year.

Cost of sales increased by 2.2 million. Our costs in the ATM side increased by 685,000. This was mainly due to increased commissions paid to our clients on the higher surcharged revenues, increased ATM insurance fees, increased first and second line maintenance costs and higher cash costs. Our cash costs increased in Q2, from the same quarter in 2010, mainly due to the increased number of ATMs that we had at the end of Q2 versus Q2 of last year. We ended June with about 80 more ATMs than we ended June of last year. During the quarter, however, a client's contract, with about 130 ATMs that we were providing service only for, expired, and excluding those 130 ATMs that we lost, we would have ended the quarter with about 200 more ATMs than we ended Q2 of last year. By the way, that contract who's 130 ATMs, it was generating about \$5,000 to \$6,000 a month in revenue and margin and that did not have a significant impact on our Q2 financials, nor will it have an impact going forward. About 1.6 million of the increase cost of sales related to the DVD side of the business, mainly represented by expenses for our DVD

library and commissions paid to our clients as a revenue share. Again, this increase year-over-year was due to the acquisition of the Tejas business and that the A&P costs that we did not begin to incur until Q3 of last year.

Gross profit for the quarter increased by over \$500,000 from Q2 of last year and gross profit percentage was 36.9%, which was down from 45.6%. This decline in the overall gross margin percentage was due to several factors: one, a decline in ATM gross margin percentage as a result of the increased first and second line maintenance expenses and bulk cash insurance charges that we began discussing in Q3 of last year; two, a decline in the ATM gross margin percentage as a result of integrating lower margin ATMs from the ATM acquisitions; and three, a larger mix of DVD revenue for the quarter versus last year, as the DVD margins for Q2 this year were 17%, thereby driving down our overall margin percentages.

Excluding severance expenses recorded in Q2, our total operating expenses increased by \$585,000. Depreciation and amortization expenses were at 863 for the quarter, which was an increase of 343 year-over-year. That increase was due to the DVD kiosks we purchased in mid-2010, and amortization expenses of contracts we acquired in December and January.

Consolidated SG&A expenses increased by \$250,000 from last year's SG&A of 1.6 million. The increase was due to the increased SG&A incurred in connection with supporting the A&P DVD business, combined with the overlay of the Tejas operations which contributed \$167,000 of the increased SG&A. SG&A as a percentage of revenue decreased sharply to 22.3% from 29.1% in Q2 of last year. On an apples-to-apples basis, and therefore excluding severance expenses, our Q2 operating income was \$325,000 compared to 332,000 in Q2 of last year.

Net income for the quarter was 183 versus 121 last year. Net income for this quarter does include \$64,000 relating to a gain on a sale of assets. Therefore, again on an apples-to-apples basis, net income was flat year-over-year.

As Michael has previously mentioned, we are focusing the business on EBITDA generation, and on an adjusted EBITDA basis we saw an increase of about 33% to \$1.2 million for the quarter. As Michael also pointed out, we recorded record adjusted EBITDA of \$1.7 million in the ATM business.

We're going to take a look at the slide 16, the results of—we're going to look at Q1 2011 versus Q2 of 2011, which are primarily trending in the right direction. Slide 16 is a reminder of our Q1 2011 results, which included a then record revenue of 8 million.

Slide 17 shows the last two quarters, and then slide 18 we show the sequential change. The main highlights are sequential increase in total revenue of about \$300,000 or 4.3 % over Q1; ATM revenue was up nearly 6% from Q1; our DVD revenue was flat at 2 million; ATM surcharge transactions were up 1.3% from Q1 while ATMs, excluding the service only ATMs, were up by 18 ATMs.

Michael Connolly: I'll give Michael a brief pause here. One of the concerns that Lock and I and the whole team have here is on that gross margin line and we believe as we move forward—this gross margin line has been negatively impacted particularly by our grocery store chain up on the east coast, so as those expenses go away, we should see improvement in the gross margin. So, we share that—we're mightily focused on that. Go back to you, Michael.

Michael Loiacono: Thanks, Michael. I appreciate the break so I can drink some water. During the quarter, we showed stabilized operating expenses, excluding restructuring costs in Q1 and Q2; total operating expenses decreased by 4%; SG&A as a percentage of revenue decreased again to 22.3% from 24.7% in Q1; operating income, excluding those restructuring costs, increased over 44% for the quarter; net income, excluding restructuring costs, made it back into positive territory with a \$266,000 swing to the positive, resulting in the \$183,000 net income; adjusted EBITDA increased nearly 9% to 1.2 million.

Now we are going to take a look at year-to-date results for 2011, as compared to 2010. Slide 19 reminds us where we were a year ago on a year-to-date basis. Our slide 20 overlays our year-to-date 2011 results, and slide 21 is the year-over-year percentage change, and it highlights again our increase in total revenue of 5.3 million, or an increase of over 49%; 3.9 million of the increase came from our DVD business while 1.4 million of that increase was derived from our record six month revenue in our ATM business; 3.1 million of our six-month revenues were generated from the ATM and DVD acquisitions we made in December and January.

Our cost of sales increased significantly, as well, primarily driven by higher cost in the DVD business, which impacted gross margins for the year-to-date period.

The decline in overall gross margin percentage is due to the same factors I mentioned previously, which are increased first and second line maintenance costs, bulk cash insurance costs on the ATM side, the integration of the lower margin ATMs from the ATM acquisition, and a larger mix of the DVD revenue for the quarter, or for the six months, actually.

Excluding restructuring costs, total operating expenses increased by 1.3 million or 31%; \$700,000 of that was related to depreciation and amortization and \$600,000 was an increase in SG&A from our

DVD business. SG&A as a percentage of revenue decreased to 23.5% for the six months versus 28.7% in 2010, a positive trend.

Adjusted EBITDA for the six-month period increased 22% to 2.3 million.

We don't have a slide for balance sheet, but let me take a minute to go over some key balance sheet items. We entered the second quarter with \$1.4 million in cash, down from 1.7 million at year end 2010. There was an increase of about \$700,000 in net inventory, mainly relating to our DVD inventory. With regards to the DVD inventory, we are referring to the value of the unamortized DVD library that's located physically in our DVD kiosks. Merchant contracts increased \$1 million net as a result of acquisitions, less our normal monthly amortization expenses. Net cash provided by operations for the six months was \$943,000, as compared to 274,000 for the same period in 2010. In 2010, however, cash provided by operations was negatively impacted due a timing of a \$1.3 million prepayment made to a vendor. So, therefore, on an apples-to-apples basis, our net cash provided by operations would have decreased year-over-year by about \$600,000.

Now on to slide 22, I just want to give a quick summary of where we stand with our credit facility and our banking relationship with Fifth Third. We ended Q2 with a balance of \$10.5 million out of our total facility of 18.65 million. We do anticipate the need to draw down up to \$2.2 million throughout the remainder of the year and we expect to end 2011 with about \$11.3 million of total debt, 11 million of that being our anticipated balances with Fifth Third. The 11.3 million is down from the previously expected year-end balances of 12.7 million, as a result of moving the underperforming kiosks at A&P over to The Exchange, thus saving cap ex purchases of new equipment for The Exchange locations.

Michael Connolly: I think that's very important to reiterate, the effectiveness of taking machines that we already have within A&P and moving them to The Exchange and the save on cap ex. I just want to underscore that as well, Michael.

Michael Loiacono: Okay, well, I am actually just handing it back to you for our Q3 outlook.

Michael Connolly: Great, let's go to our outlook for the next quarter. This is what we did in 2010, 5.8, 700,000 on adjusted EBITDA, and a penny on an EPS basis. We are going to give guidance on Q3 for 2011, but we do want to say that as we are moving machines, roughly 115 of them, from A&P into kiosks, there are a number of moving parts here. With that being said, here is our guidance for Q3 2011, and you'll see that our estimate for sales is 8 million, adjusted EBITDA of 1.3, which is a 38% increase in sales year-over-year and an

85% increase in EBITDA. So, that's the outlook and then to wrap this up, we'll go to the final summary slide.

In summary, we are pleased with the progress that the team and Lock and I are being able to make thus far. We have a ways to go, we're not satisfied with—we're not declaring victory either, but our team is motivated, it's lean, is executing to plan, and continuously taking an entrepreneurial approach to looking at and seizing profit improvement ideas. Our ATM business, we've had an attitude adjustment, and our attitude is, even though this is a mature business, even though it has headwinds, we're going to out compete, out hustle and gain more business, and keep our cost structure lean and grow the profitability in sales of that.

I'll turn it over to Lock to talk about the DVD business here.

Lock Ireland: We feel very strongly that we have stopped the leakage in the DVD business by moving machines out of the customer which we've been having problems with, and on the other side of the fence, The Exchange has been very good for us, significant volume increases per machine, and we are excited now as one of the top three most interesting vendors for The Exchange out of a couple of hundred. They've been very pleased with our results. Our movement of the kiosks from our grocery store chain that we have moved into The Exchange have performed very well and to date we have not installed any purchased machines, so everything that's been moved into The Exchange has been transferred, which, as our CFO and Michael Connelly stated, saved a lot of cap ex, and we are just looking forward to the rest of the summer and to get the deployment completed by the end of September so that we can enjoy our results. I think we've turned the DVD business totally around at this point.

Michael Connolly: Perfect. Well, now, we'll go to the Q&A session and turn it over to those who may have some questions.

Operator: Thank you. Ladies and gentlemen, as a reminder, if you have a question, please press the star, followed by the one on your touchtone phone. If you would like to withdraw your question, you can press the star, followed by the two. And if you are using speaker equipment, please lift the handset before making your selection. Once again, if you have a question, please press the star, followed by the one at this time.

Our first question is from the line Jonathan Lauer with Beach (sp?) Capital Market. Please go ahead.

Jonathan Lauer: Hi, guys, good quarter. Thanks. Just a quick question on the inventory spend, is that going to—can you give a sense as to

when, you know, we're going to sort of see rescues of cash in terms of the DVD buildup?

Lock Ireland: This is Lock. Very definitely. I mean, actually, the month of September is when we actually achieve the results of more cash and less expenditure. We have a few one-time expenditures in August because we are doing a lot of transfers, the 115 machines that we moved out, in a short timeframe, but other than that, September will be a positive month for us.

Michael Loiacono: If I could add—Jonathan, this is Michael Loiacono. Yes, we're going to see reduced inventory purchases actually starting in August, but the big drop will begin in September

Jonathan Lauer: Okay, thanks. Then, in terms of the guidance, obviously, EBITDA is sort of, you know, right in line with where we were this quarter, and given I guess the rollout of the 400 contract that we couple of weeks ago, as well as the 900,000 in savings on A&P which we should be seeing in the second half of the year, I'm just curious as to why we are not seeing a bigger boost in EBITDA, and if you could just talk a little bit—you know, your revenue's obviously down a bit from, or even this quarter. I imagine some of that relates to shipping the DVDs kiosks. So, if you could just give us color on that.

Michael Connolly: Hey, Jonathan, it's Michael, and it was good to see you last week up the New York. Very good questions. On the revenue side, you're right, we have a decline in revenues because we are displacing many, many machines out of A&P. With regard to the margin improvements and expenses that we should be seeing due to the fact that we're getting out of A&P and due to the fact that I've also indicated to shareholders that we have a variety of profit improvement initiatives, we're hopeful that we can out perform this guidance, but given the fact that there are a lot of moving parts right now, we think it's prudent and conservative to give these numbers to you.

Jonathan Lauer: Okay, thanks. Then, one final question and I'll jump back in the queue. The service contract which you guys lost, the 130 ATMs, can you just give us a little bit of insight as to why you think you lost that, did it go to a competitor or did they phase out their ATMs, et cetera?

Michael Loiacono: No, they decided to do their own service. Again, it was a service only, it was a small dollar value contract, like I said, \$5,000 to \$6,000 a month, and they just decided to do the service in-house.

Jonathan Lauer: Okay. Thanks, guys.

Michael Connolly: Jonathan, the Save-A-Lot rollout, we now have, I think, roughly 10 ATMs, out there and starting this month we'll start moving out

roughly 50 to 60 a month out into that market place, and our next call we'll give you an update about how they're performing.

Jonathan Lauer: Great. Thanks, guys.

Michael Connolly: No problem.

Operator: Thank you. Ladies and gentlemen, if there are any additional questions, please press the star, followed by the one at this time, and as a reminder, if you are using speaker equipment today, please lift the handset before making your selection. Once again, if you would like to ask a question, press the star, followed by the one at this time. One moment, please.

We have a question from the line of Al Shams with MidSouth Capital. Please go ahead.

Al Shams: Yes, gentlemen, good morning. I haven't really studied the numbers real closely, but, you know, the approach I take when things are going pretty good, I don't spend a lot of time on a company. So, you know, congrats to you in executing well and I look forward to better days down the road. My thoughts, as I've expressed to you, Michael Connolly, is I think we really should really try to run this business for a period of time and really try to maximize the value. I know the question of selling out always comes up, but my preference really is to, you know, since we're beginning to develop some momentum and some steam behind us, you know, let's really continue to operate this thing down the road.

On question I would like ...

Michael Connolly: One moment, Al. I think that's really an important comment and we appreciate it. We're making progress. Lock and I and the rest of the team know we have a ways to go, but we truly believe the best way to create shareholder value is to put our heads down and continue to execute the business and grow value, and opportunities to execute this business and to act will always be available.

Al Shams: Okay, great. If we're doing well, there is always going to be some (inaudible).

Lock Ireland: Al, this is Lock. I just simply appreciate your perception that you just expressed. Thank you.

Al Shams: Okay, thank you. Do we have any kind of tax laws carry forward that can shelter income going forward?

Michael Connolly: We do, and can't wait to use it. Michael will answer that question.

Al Shams: Okay.

Michael Loiacono: We do, and we used some last year and we will be using some this year. I don't have the numbers in front of me, so I can't give you a range, but we'll definitely be utilizing that going forward.

Al Shams: I mean, do you have an idea as to what, generally, what the number is, 2 million, 4 million, anything like that?

Michael Loiacono: Right now, I don't have the number on top of my head.

Michael Connolly: I have one in my head, but I'm reluctant to share it because Michael's the CFO. We owe that back to you, Al, we'll send that to you.

Al Shams: Okay, okay. Again, you know, good luck and we're hanging in.

Michael Connolly: Thank you for your support.

Michael Loiacono: Thanks, Al.

Operator: Thank you. The next question is from the line of Chris Sesay (sp?) with Sesay (sp?) Asset Management, please go ahead.

Chris Sesay: Hey, guys, congratulations on the progress. Lock, I guess this first question is for you. I'm having a hard time following the machines and how many machines we have on the DVD side, ATM side and where they are. Lock, could you please tell me where the DVD machines are now, how many we have now, and then where we'll be at the end of September when you finish The Exchange rollout?

Lock Ireland: Okay, good question, Chris. We originally had 323 machines and there were basically all deployed at the A&P. Now, The Exchange, when we purchased the contract, they had 251 machines at The Exchange. However, since they had low capacity machines in a lot of cases, they had two, three at one spot; they could only hold 100 movies when ours actually hold 500 to 600. So, we are deploying 190 to replace their 251. That leaves us 133 machines that we have yet to deploy. We have room at The Exchange on bases that have never had the machines because the previous company didn't have the financial capital to do so, as well as commissaries, you know, the main grocery store in The Exchange, as well as box office video stores that had to close and had us put a machine at. So, after our initial deployment

September 30, to answer your question, which equals 190, we'll start working on the rest, and although we did leave 94 at A&P, we're not sure what's going to happen in the next three or four months, but if they are still there, then we're going to be at the point where we might have to purchase the machines, depending on volumes that we get, but are having a significant increase in revenues per machine right now. The Exchange could be very handsome for us.

Chris Sesay: Okay, and, Michael, what does our ATM portfolio look like now? How many machines do we have out in the field?

Michael Loiacono: Chris, how you doing? We have 4,700 as of the end of June, we have about 5,000 total when you include seasonal ATMs that come on and off during the year, but we ended June with 4,700, and about 2,100 were company owned and then the balance are merchant owned or distributor.

Chris Sesay: Okay, excellent. And I guess, Michael C., I guess this question is for you. What does the ATM pipeline look like right now?

Michael Connolly: Which pipeline, the sales pipeline?

Chris Sesay: Correct.

Michael Connolly: Yes, okay. There's three ways we look at it, Chris. We have a sales person that has a healthy pipeline, with over 500 potential installs, now we don't know if we're going to get that, but beyond what we already have in place for this year through Save-A-Lot, he is working on large accounts that will have the potential of generating an additional 500 installations. In addition, on the Save-A-Lot, we've started to sign up the licensees. So, as you recall, there's 400 corporate stores and 900 licensees, and we sent a letter out to the licensees and we're starting to get those to come in and purchase—or, excuse me, for us to own and operate ATMs at their stores. In addition, some of those licensees are owners of other grocery store chains, or licensees of them, and we are starting to penetrate some of their accounts, as well. So, on that side, we're making some progress. We are also exploring hiring low-cost sales people, and I'll have an update on that probably in roughly 30 to 45 days, to put them in the market, give them the lead generation tools, give them the sales tools and allow them to get new business. We have found through our M&A activities that a number of people are having quite a bit of success in growing their business simply by having sales people out in the field, calling on customers and replacing them, and given our outstanding service levels, we think we have a good crack at it. But, historically, as you know, we haven't had a robust sales effort. I will pause there in case you have any follow up to that.

Chris Sesay: No, I'll go on to the next question. Do we have an update on yet Food Lion yet?

Michael Connolly: We continue to serve Food Lion and have a good relationship with them. We have no update regarding whether or not we will extend and renew their contract.

Chris Sesay: All right, I'll step back into the queue. Thank you, guys. Good luck.

Michael Loiacono: Thanks, Chris

Operator: Thank you. Once again, ladies and gentlemen, if you'd like to ask a question, please press the star, followed by the one at this time. One moment, please.

I am showing no further questions at this time. I will turn it back over to management for the closing remarks.

Michael Connolly: Lock and I are delighted to share these results with you, we'll get back to work, and appreciate your interest and support in the company.

Lock Ireland: Thanks, everybody. We appreciate it.

Operator: Ladies and gentlemen, this does conclude the Global Access Corp. Second Quarter 2011 Financial Results Conference Call, you may now disconnect and thank you for your participation.