

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):  
August 6, 2013

**ALLIANCE DATA SYSTEMS CORPORATION**

(Exact Name of Registrant as Specified in Charter)

**DELAWARE**  
(State or Other Jurisdiction  
of Incorporation)

**001-15749**  
(Commission  
File Number)

**31-1429215**  
(IRS Employer  
Identification No.)

**7500 DALLAS PARKWAY, SUITE 700**  
**PLANO, TEXAS 75024**  
(Address and Zip Code of Principal Executive Offices)

**(214) 494-3000**  
(Registrant's Telephone Number, including Area Code)

**NOT APPLICABLE**  
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K 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
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act
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**ITEM 7.01. Regulation FD Disclosure**

Attached as Exhibit 99.1 is a presentation to be given to investors and others by senior officers of Alliance Data Systems Corporation.

On August 6, 2013, Alliance Data Systems Corporation issued a press release announcing that its Retail Services business has come to multiple agreements with payments industry leader PayPal, an eBay Inc. subsidiary. A copy of this press release is attached hereto as Exhibit 99.2.

**ITEM 9.01. Financial Statements and Exhibits**

(d) Exhibits

**Exhibit No.   Document Description**

99.1            Investor Presentation Materials.

99.2            Press release dated August 6, 2013 announcing an agreement with PayPal.

*Note:* The information contained in this report (including Exhibits 99.1 and 99.2) shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as expressly set forth by specific reference in such a filing.

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SIGNATURES

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

Date: August 6, 2013

Alliance Data Systems Corporation

By: /s/ Charles L. Horn  
Charles L. Horn  
Executive Vice President and  
Chief Financial Officer

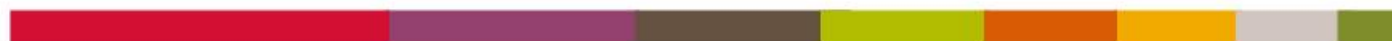
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**EXHIBIT INDEX**

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- |      |   |
|------|---|
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# Alliance Data Company Overview NYSE: ADS



Third Quarter 2013  
Investor Presentation



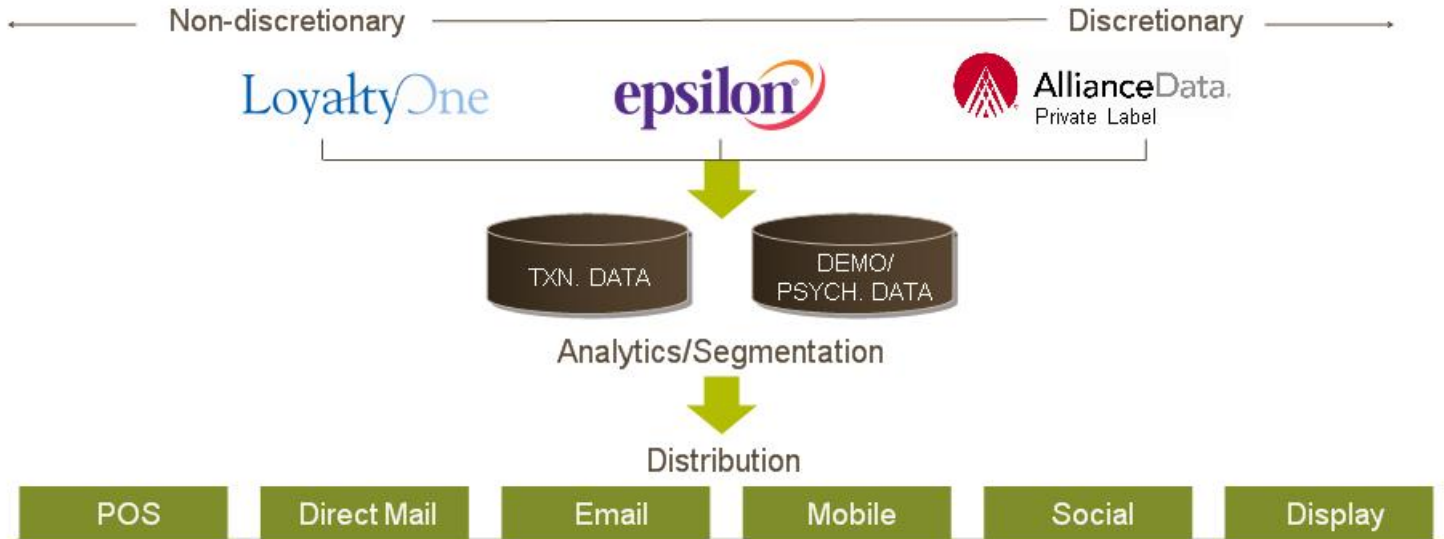
# \$400 Billion Opportunity

## Opportunity:

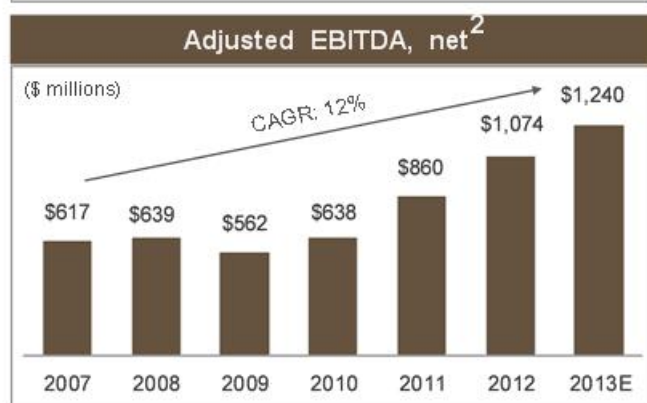
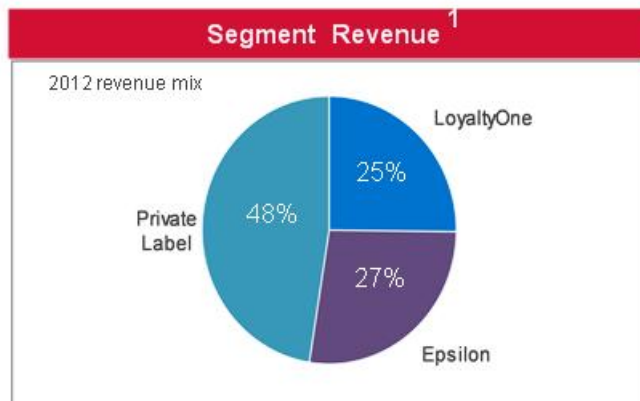
- \$400 Billion in North American marketing spend expected by 2016
- Over half has shifted to data-enabled, multi-channel direct marketing

## Alliance Data:

- The largest and most comprehensive provider of transaction-based marketing and loyalty solutions
- Three businesses → same focus



# Financial Snapshot



<sup>1</sup> Segment revenue exclude corporate and eliminations.

<sup>2</sup> Adjusted EBITDA values are net of discontinued operations and credit card funding costs.

Note: 2013E reflects annual guidance.





# Business Segment Review





# LoyaltyOne

- LoyaltyOne has two coalition loyalty programs: the AIR MILES® Reward Program in Canada and the dotz joint venture in Brazil
- A coalition loyalty program allows Collectors to earn points for their every day shopping across a wide range of retail brands and categories
- All points accumulate in a *single* account so the Collectors can redeem sooner and more often
  - In the US, a consumer has *separate* loyalty accounts with retailers, airlines, hotels, etc.
- Program is payment-method-neutral and provides 360-degree customer view
- Collectors have hundreds of rewards options and stay loyal to coalition retail partners in order to continue earning
- Each retail partner has some level of category or geographic exclusivity

## Major Coalition Loyalty Programs



## Reliability & Visibility

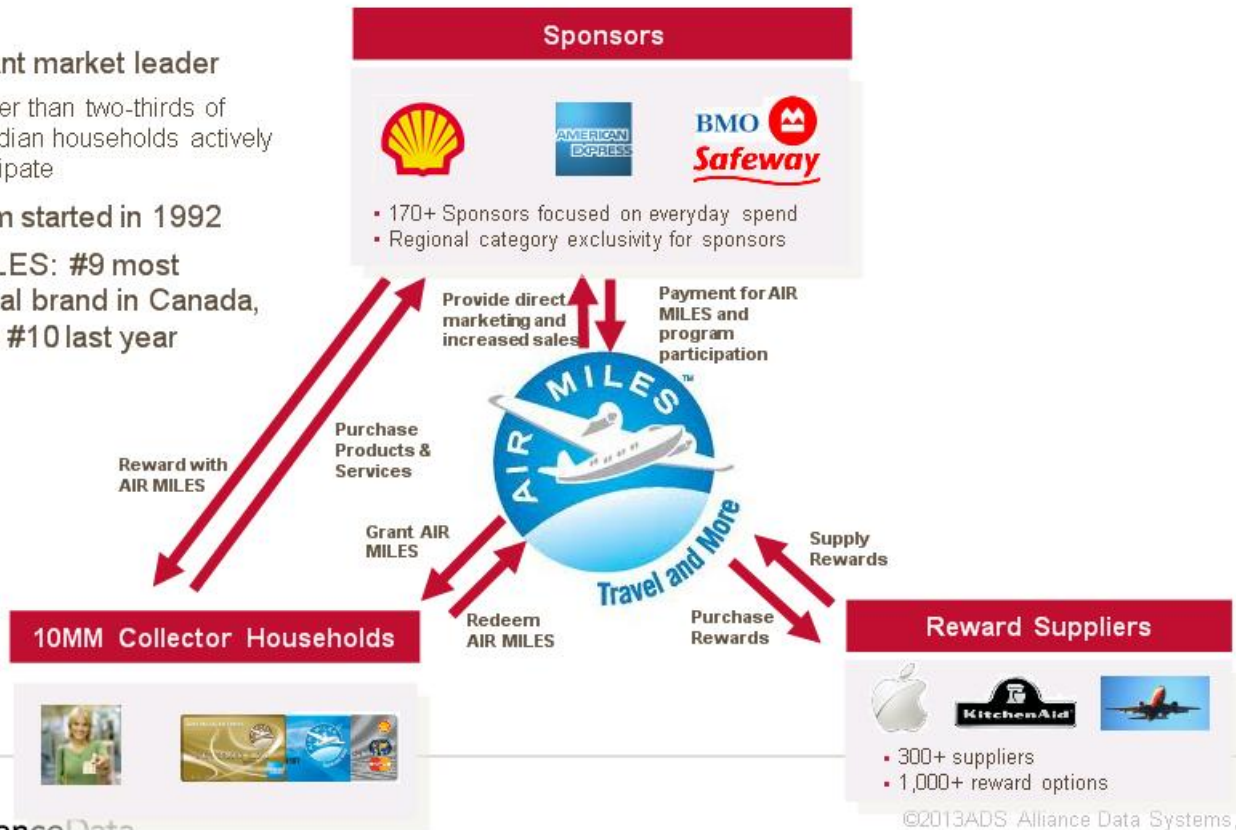
## Total Marketing Spend - Canada



# LoyaltyOne AIR MILES Reward Program (Canada) Overview

*Alliance Data provides all customer service, communication and reward and redemption management*

- Dominant market leader
  - Greater than two-thirds of Canadian households actively participate
- Program started in 1992
- AIR MILES: #9 most influential brand in Canada, up from #10 last year



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**Marketing Database**  
Design + Development + Hosting

**Digital & Interactive**  
Email Service Provider  
Web design & hosting  
Real-time decision support

**Loyalty Management**  
Technology platforms & Program  
Strategy Services

**Data Processing Services**  
CDI/PDI  
Data Hygiene  
NCOA, PCOA, M/P



**Demographics**  
115 million HH, 225 million individuals  
with 31 different sources.

**Financials**  
HH Income, Credit Card Capacity,  
Financials Stress Indicators, Home  
Value, NetWorth

**Lifestyles**  
Self-reported lifestyles & interests  
from 40 million consumers

**Market Activity**  
Online and Offline purchase  
Information, with details RFM data  
For 60 million+ HH

**Triggers**  
Behavioral data w/ life event and life  
stage triggers, + purchase propensity

**Digital Engagement**  
Websites, Microsites & Custom Landing  
Pages, Email & Mobile Campaigns,  
Social & Word-of-mouth Programs,  
Online Communities

**Direct Response**  
Concept-to-Mailbox Campaigns,  
Web-to-print Technology,  
Database Management & In-house Lettershop

**Strategic Consulting & Advanced Analytics**  
Program Strategies, Investment Justification,  
Implementation Road Maps, Customer  
Segmentation, ROI Analytics, Predictive Modeling  
& Marketing Mix Modeling

**Creative Services**  
Strategic Thinking, Creative Ideation,  
Copywriting, Art Direction, Digital  
Design & Production

**Consumer Promotions & Events**  
Loyalty & Continuity Programs,  
Partnerships & Sponsorships, In-Store  
Marketing, Mobile Tours, Guerilla  
Marketing & Sampling, Events

**Hispanic Marketing**  
Consumer Promotions, Direct, Digital  
& Experiential Marketing

**Total Marketing Spend - US**



**\$381 bn**  
**+3% CAGR**

- Mix Shift on Marketing Spend:
  - Away from **traditional media**
  - To ROI-based **digital marketing**
  - Overall marketing spend: **+3% CAGR through 2015**
  - But digital marketing spend: **+19% CAGR through 2015**
  - **Epsilon provides end-to-end, integrated, digital solutions**

**Innovation & Growth**





Know more.  
Sell more.®

- Why do Retailers prefer Alliance Data's private label card?
  - Transaction-level data for deeper understanding of customers
  - Reach their customers in meaningful ways with relevant, tailored offers
  - Replace broad, untargeted campaigns with targeted communication strategy
  - Enhance Consumer Loyalty and Marketing ROI
- Who are the Industry Leaders?
 

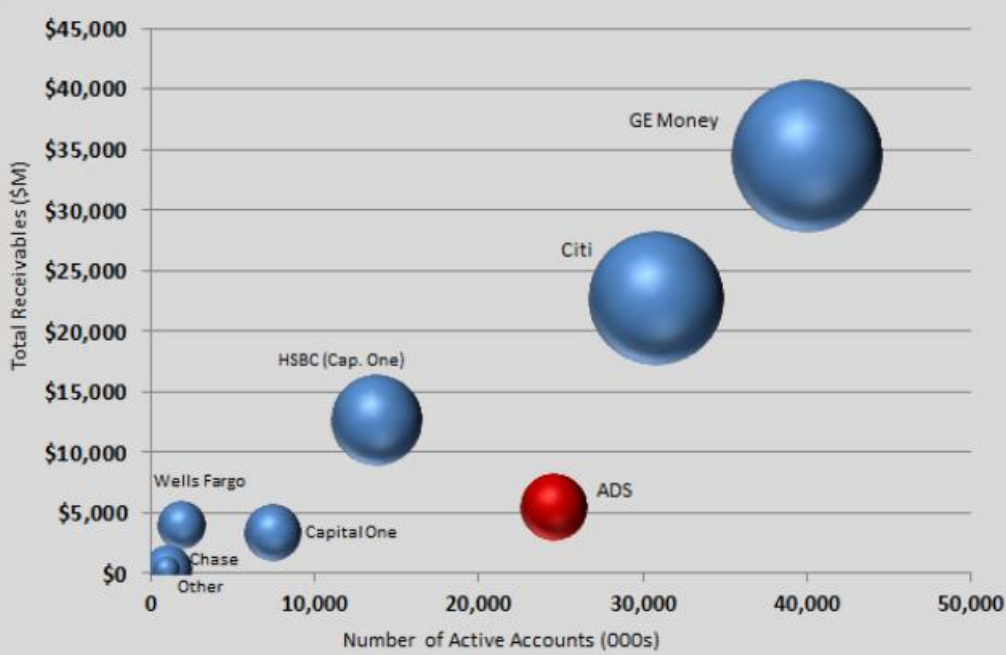
Non-Bank Issuer	{	<ul style="list-style-type: none"> <li>• Alliance Data Private Label               <ul style="list-style-type: none"> <li>• 3<sup>rd</sup> largest overall (largest non-bank) third-party based on number of accounts</li> <li>• <i>Focused on specialty retailers (i.e. apparel) who value exceptional customer service</i></li> </ul> </li> </ul>
Bank Issuers	{	<ul style="list-style-type: none"> <li>• GE Money, Citi, Capital One (acquired HSBC's portfolio), Chase, Wells Fargo               <ul style="list-style-type: none"> <li>• <i>Focused on bigger-ticket retailers like electronics and home hardware</i></li> </ul> </li> </ul>
- Who are our Customers?
  - National and regional retailers across the US
  - Victoria's Secret, Ann Taylor, J. Crew, Pottery Barn, Bon -Ton, Pier 1 and others

### *The Key Ingredient to a Successful and Loyal Customer Relationship*



# Private Label's Market Position

Bubbles represent share of private label credit card sales



Source: The Nilson Report, 2012 (Capital One acquisition of HSBC finalized in May, 2012)

## Private Label's Strategic Niche

- The only sizable non-bank, marketing-services focused firm
- High number of active accounts
  - Repeat Customers, not one-time big ticket purchasers
  - Recent 2013 wins including Barneys New York and Caesars Entertainment
- Lower total receivables due to focusing on specialty retailers
- Collection risk minimized via lowest average balance per active account among peers



# Financial Model

- ① Focus on Organic Growth  
2012 and 2013e: high-single digits → 3x real GDP
- ② Double Digit EPS Growth  
Minimal CAPEX and solid operating leverage
- ③ Robust and Growing Free Cash Flow  
\$720 million guidance for 2013, up 15 percent from 2012
- ④ Additional Growth via Modest M&A
- ⑤ Additional Cash Flow Dedicated to Share Repurchases  
Over \$200 million spent year-to-date
- ⑥ Track Record of Growth, Consistency and Visibility  
49 quarters

# ADS 2013 Guidance

(\$MM, exception per share)

	2011		2012		2013	
<b>Avg. Share Price</b>	\$90		\$130		\$178 (assumed)	
<b>Revenue</b>	\$3,173	+14%	\$3,641	+15%	\$4,275	+17%
<b>Core Earnings</b>	\$441	+35%	\$559	+27%	\$652	+17%
<b>Diluted Shares</b>	57.8		64.1		66.2	
<b>Core EPS</b>	\$7.63	+30%	\$8.71	+14%	\$9.85	+13%
<b>Economic Core EPS*</b>	\$8.30		\$10.06		\$11.28	+12%
*excludes phantom shares of:	4.6		8.6		8.4	



# Safe Harbor Statement and Forward-Looking Statements

This presentation may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such statements may use words such as “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “intend,” “predict,” “project,” “would” and similar expressions as they relate to us or our management. When we make forward-looking statements, we are basing them on our management’s beliefs and assumptions, using information currently available to us. Although we believe that the expectations reflected in the forward-looking statements are reasonable, these forward-looking statements are subject to risks, uncertainties and assumptions, including those discussed in our filings with the Securities and Exchange Commission.

If one or more of these or other risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, actual results may vary materially from what we projected. Any forward-looking statements contained in this presentation reflect our current views with respect to future events and are subject to these and other risks, uncertainties and assumptions relating to our operations, results of operations, growth strategy and liquidity. We have no intention, and disclaim any obligation, to update or revise any forward-looking statements, whether as a result of new information, future results or otherwise, except as required by law.

“Safe Harbor” Statement under the Private Securities Litigation Reform Act of 1995: Statements in this presentation regarding Alliance Data Systems Corporation’s business which are not historical facts are “forward-looking statements” that involve risks and uncertainties. For a discussion of such risks and uncertainties, which could cause actual results to differ from those contained in the forward-looking statements, see “Risk Factors” in the Company’s Annual Report on Form 10-K for the most recently ended fiscal year. Risk factors may be updated in Item 1A in each of the Company’s Quarterly Reports on Form 10-Q for each quarterly period subsequent to the Company’s most recent Form 10-K.





## Financial Measures

In addition to the results presented in accordance with generally accepted accounting principles, or GAAP, the Company presents financial measures that are non-GAAP measures, such as constant currency financial measures, adjusted EBITDA, adjusted EBITDA margin, adjusted EBITDA net of funding costs, core earnings and core earnings per diluted share (core EPS). The Company believes that these non-GAAP financial measures, viewed in addition to and not in lieu of the Company's reported GAAP results, provide useful information to investors regarding the Company's performance and overall results of operations. These metrics are an integral part of the Company's internal reporting to measure the performance of reportable segments and the overall effectiveness of senior management. Reconciliations to comparable GAAP financial measures are available in the accompanying schedules and on the Company's website. The financial measures presented are consistent with the Company's historical financial reporting practices. Core earnings and core earnings per diluted share represent performance measures and are not intended to represent liquidity measures. The non-GAAP financial measures presented herein may not be comparable to similarly titled measures presented by other companies, and are not identical to corresponding measures used in other various agreements or public filings.



**NEWS RELEASE**

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**ALLIANCE DATA ANNOUNCES AGREEMENTS WITH PAYPAL**

**DALLAS, Aug. 6, 2013** -- Alliance Data Systems Corporation (NYSE: ADS), a leading provider of loyalty and marketing solutions derived from transaction-rich data, today announced its Retail Services business, which manages more than 120 branded credit programs, has come to multiple agreements with payments industry leader PayPal, an eBay Inc. (NASDAQ: EBAY) subsidiary.

Under a multi-year agreement with PayPal, Alliance Data will become an issuer for Bill Me Later® credit products and will maintain a partial interest in the receivables generated under the program. Bill Me Later is a PayPal service that lets you buy now and pay later once you're approved and is a secure, instant, and reusable credit line that doesn't require qualifying customers to keep another credit card in their wallets. Bill Me Later is offered as a payment option at thousands of online stores.

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Additionally, Alliance Data and PayPal have agreed to collaborate to support PayPal's offline expansion, which is enabling PayPal to be accepted in more physical merchant locations across the U.S. Alliance Data will work with PayPal to develop and pilot strategies that drive growth for both companies. Consumers who hold a branded private label credit card from Alliance Data's partners that accept PayPal payments will be able to add their branded card through PayPal and continue to use it as their preferred method of payment for PayPal purchases made with those brands when shopping online, in-store or on a mobile device. Alliance Data's private label partners – which include many top-tier specialty retailers – will have the opportunity to begin adding their branded card programs into PayPal in early 2014.

"We're excited to work with Alliance Data Retail Services, a leader in providing highly successful branded credit programs for numerous marquee retailers, and a company whose reputation for delivering excellence makes them a great choice," said Don Kingsborough, vice president, Retail Services at PayPal. "Offering our mutual retail clients the convenience and security of PayPal allows them to reinforce their relationships with consumers and will help them sell more."

"PayPal is a recognized powerhouse in the payments world, widely known for its innovative products, services and visionary thinking, and we are thrilled to have the opportunity to work with them to bring smart credit solutions to their customers," added Melisa Miller, president of Alliance Data Retail Services. "The relationship between PayPal and Alliance Data marks our strategic entry into a new ecosystem of customer transactions while continuing to drive business growth for our partners' private label credit and loyalty programs. We look forward to working with PayPal and exploring even more opportunities to collaborate in the future."

#### **About Alliance Data Retail Services**

Alliance Data Retail Services is one of the nation's leading providers of branded credit card programs, with over 120 marketing-driven private label, co-brand and commercial programs in partnership with many of North America's best-known brands. The business delivers upon its Know More. Sell More.® commitment by leveraging customer insight to drive sales for its client partners. Leveraging deep-rooted retail industry expertise, transaction-based customer data, and advanced analytics, Alliance Data Retail Services creates turnkey, multichannel credit programs designed to help its clients develop stronger, more profitable customer relationships. Alliance Data Retail Services is part of the Alliance Data family of companies. To learn more about Alliance Data Retail Services visit [www.alliancedata.com](http://www.alliancedata.com).

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**About Alliance Data**

Alliance Data® (NYSE: ADS) and its combined businesses is North America's largest and most comprehensive provider of transaction-based, data-driven marketing and loyalty solutions serving large, consumer-based industries. The Company creates and deploys customized solutions, enhancing the critical customer marketing experience; the result is measurably changing consumer behavior while driving business growth and profitability for some of today's most recognizable brands. Alliance Data helps its clients create and increase customer loyalty through solutions that engage millions of customers each day across multiple touch points using traditional, digital, mobile and other emerging technologies. Headquartered in Dallas, Alliance Data and its three businesses employ approximately 11,000 associates at more than 70 locations worldwide.

Alliance Data consists of three businesses: Alliance Data Retail Services, a leading provider of marketing-driven credit solutions; Epsilon®, a leading provider of multichannel, data-driven technologies and marketing services; and LoyaltyOne®, which owns and operates the AIR MILES® Reward Program, Canada's premier coalition loyalty program. For more information about the company, visit our website, [www.alliancedata.com](http://www.alliancedata.com), or follow us on Twitter via [@AllianceData](https://twitter.com/AllianceData).

**Alliance Data's Safe Harbor Statement/Forward Looking Statements**

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