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**SECURITIES AND EXCHANGE COMMISSION**  
WASHINGTON, D.C. 20549

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**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):  
December 6, 2002

**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.)

**17655 WATERVIEW PARKWAY**  
**DALLAS, TEXAS 75252**  
(Address and Zip Code of Principal Executive Offices)

**(972) 348-5100**  
(Registrant's telephone number, including area code)

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

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**ITEM 9. Regulation FD Disclosure**

In accordance with General Instruction B.2. of Form 8-K, the following information shall not be deemed "filed" for purposes of Section 18 of the Securities Act of 1934, as amended, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such a filing.

Alliance Data Systems Corporation is furnishing its investor presentation that will be available via its web site, <http://www.alliancedatasystems.com>, beginning December 6, 2002. The presentation is attached to this Form 8-K as Exhibit 99.1 and is incorporated herein by reference.

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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.

Alliance Data Systems Corporation

Date: December 6, 2002

By: /s/ Edward J. Heffernan  
Edward J. Heffernan  
Executive Vice President and  
Chief Financial Officer

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## EXHIBIT INDEX

EXHIBIT NUMBER	DESCRIPTION
99.1	Web site presentation



**Alliance Data Systems**  
**NYSE : ADS**  
**Q4 2002**

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**Forward Looking Statements**

Statements contained in this presentation that are not historical facts may be forward-looking statements within the meaning of the Private Litigation Reform Act. Such statements may use words such as “anticipate,” “believe,” “estimate,” “expect,” “intend,” “predict,” “project” and similar expressions as they relate to Alliance Data Systems 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 the risks discussed in our filings with the Securities and Exchange Commission. If one or more of these risks 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.

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**Alliance Data: Integration of Transaction Processing and Marketing Services**

- **Build and Strengthen Loyal Relationships for Our Clients**
- **Focus on 300 Specialized Relationships, not “Commodity” Items**
- **Offer Full Suite of Services**
  - **Transaction, Credit, Loyalty and Marketing**
- **Three Engines All Offering Double-Digit Growth**
  - **Private Label Outsourcing**
  - **Utility Processing**
  - **Loyalty AIR MILES® Reward Program (Canada)**

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**Private Label Services**  
**(50% of Company)**

- **Solid Low-teens Growth**
- **Services:**
  - **Private Label Processing**
  - **Customer Care / Call Center**

- Database Marketing Services
- Credit (700 FICO, No Sub-Prime Targeting)
- **Income Streams: Split Between Processing and Credit**
- **Clients: Victoria s Secret, Pottery Barn, Abercrombie & Fitch, Ann Taylor, Crate & Barrel**
- **Our Advantages:**
  - Retail Heritage (Driving Loyalty, Highest Service Standards)
  - Innovation (Quick Credit, Smart Statements)
  - Efficient (Small Balances, High Transaction Focus)

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## **Utility Services** (10% of Company)

- **Fastest Growth Segment**
- **Serving Both Regulated & De-regulated**
- **Income Stream: Earnings Based on Monthly # Statements**
- **Services**
  - Core Processing
  - Customer Care/Call Center
  - Database and Marketing Services
- **Clients: Duke, Puget Sound, NYSEG, Georgia Nat'l Gas**
- **Our Advantages:**
  - Critical Mass
  - Leverages Traditional Core Capabilities
  - Complete Solution, Not Piecemeal

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## **Loyalty AIR MILES®** (25% of Company)

- **Solid Mid-teens Growth**
- **Coalition Loyalty Program**
- **2/3 of Canada Active**
- **Income Stream: Earnings and Cash Flow Generated When Points Issued at Point of Sale**
- **Clients: Shell Oil, Safeway, American Express, Bank of Montreal**
- **Our Advantages**
  - Dominant Position
  - Over 10 Years of History
  - Coalition Concept vs. "One-off" Programs

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## Experienced Management Team

Name	Responsibility	Years of Experience	Background
Mike Parks	Chairman, CEO and President	25	First Data
Ed Heffernan	EVP and CFO	16	First Data, Citigroup, CS First Boston
Mike Beltz	President, Transaction Services	19	First Data
Ivan Szeftel	President, Credit Services	19	Charming Shoppes
John Scullion	President, Loyalty Marketing	14	The Rider Group
Dwayne Tucker	EVP and CAO	23	Northwest Airlines, First Data
Alan Utay	EVP and General Counsel	12	Akin Gump Strauss Hauer and Feld

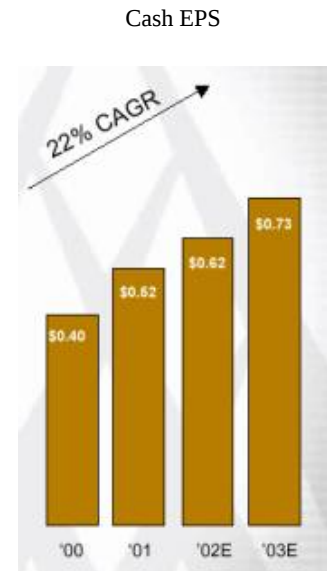
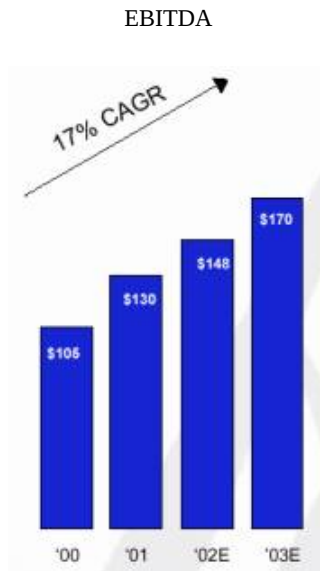
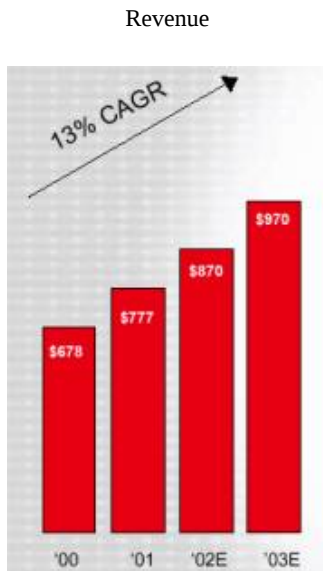
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## Financial Themes

- Growth
- Visibility & Predictability
- Operating Leverage

**2000 — 2003**  
(in \$MM, except per share)



- **Targets: 12% Revenue, 15% EBITDA, High-Teens Cash EPS**

**Visibility and Predictability**

- **Model Validated During Difficult 2001 – 2002 Macro Environment**
- **Strong Recurring Revenue Base**
  - 95% of Revenue Retained Each Year
  - 3 – 5 Year Average Contract Term
- **Deep Relationships Preserve Pricing Power**
- **Over \$350MM in Deferred Revenue to Flow In**

**Visibility & Predictability**

**Consumer Spending Slowdown – 2003 Impact**

<u>Segment</u>	<u>% ADS</u>	<u>Likely Impact</u>
• Transaction	50%	- <u>Minimal, if any</u> • Non-discretionary (Gas, Utility) • Retail: # Statements, not Spending
• Credit	25%	- <u>Mitigated by 4 Factors</u>

- Loyalty AIR MILES®

25%

- Gross Sales, not 'Comps'
- Start-ups Ramping
- Credit Losses Improving
- Funding Costs Improving
- Minimal, if any.
- Based on Non-discretionary Spend

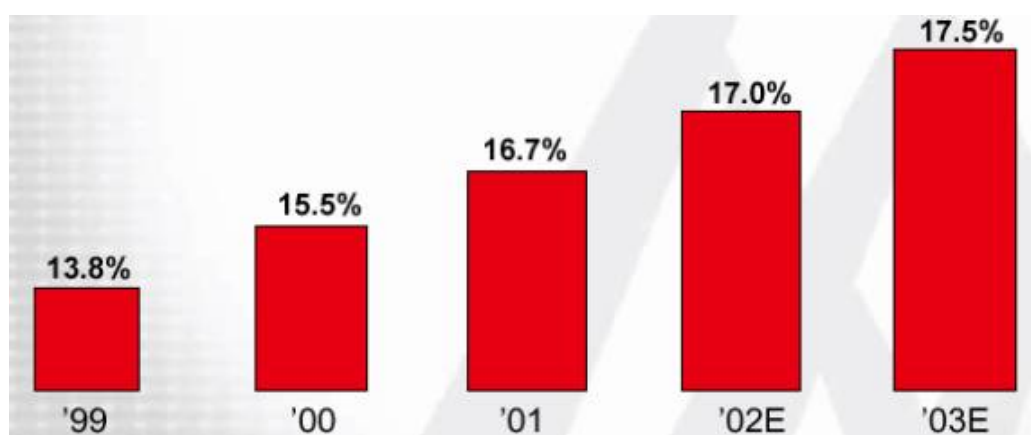
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## Operating Leverage

- **Margin Expansion**

- Increased Scale
- Modest Capex ( $\leq 5\%$  of Revenues)
- Deferred Revenue Model

EBITDA Margin: Long-term Goal of 20%



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## 2002E Free Cash Flow (\$MM, Except per Share)

• EBITDA	\$ 148
• Cash Flow Adjustment (Canada)	20
• Operating EBITDA	<u>\$ 168</u>
• Less Capex	(40)
• Net Cash from Ops	<u>\$ 128</u>
• Less: Interest / Taxes	(57)
• Free Cash Flow	<u>\$ 71+</u>
per Share	<u>\$ 0.92+</u>

- Estimated Free Cash Flow per Share of \$0.92 vs. Estimated Reported Cash EPS of \$0.62
- 2003 Free Cash Flow Estimated in Excess of \$1 per Share

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## Investment Highlights

- **Compelling Growth Characteristics**
- **Minimal Impact from Potential Consumer Slowdown**

- **Experienced Management Team**
- **Strong Financial Track Record**