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**SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

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**FORM 8-K**

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**CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

**Date of report (Date of earliest event reported):  
February 18, 2010**

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**ALLIANCE DATA SYSTEMS CORPORATION**

(Exact Name of Registrant as Specified in Charter)

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**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)

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 is a slide presentation to be given to investors and others by senior officers of Alliance Data Systems Corporation.

**ITEM 9.01. Financial Statements and Exhibits**

*(d) Exhibits*

<u>EXHIBIT NUMBER</u>	<u>DESCRIPTION</u>
99.1	Investor Presentation Materials.

*Note:* The information contained in this report (including Exhibit 99.1) 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.

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: February 18, 2010

By: \_\_\_\_\_ /s/ EDWARD J. HEFFERNAN  
Edward J. Heffernan  
President and Chief Executive Officer

EXHIBIT INDEX

EXHIBIT  
NUMBER

DESCRIPTION

99.1

Investor Presentation Materials.

Alliance Data  
NYSE: ADS



Q1 2010



# Alliance Data: A Unique Business Model

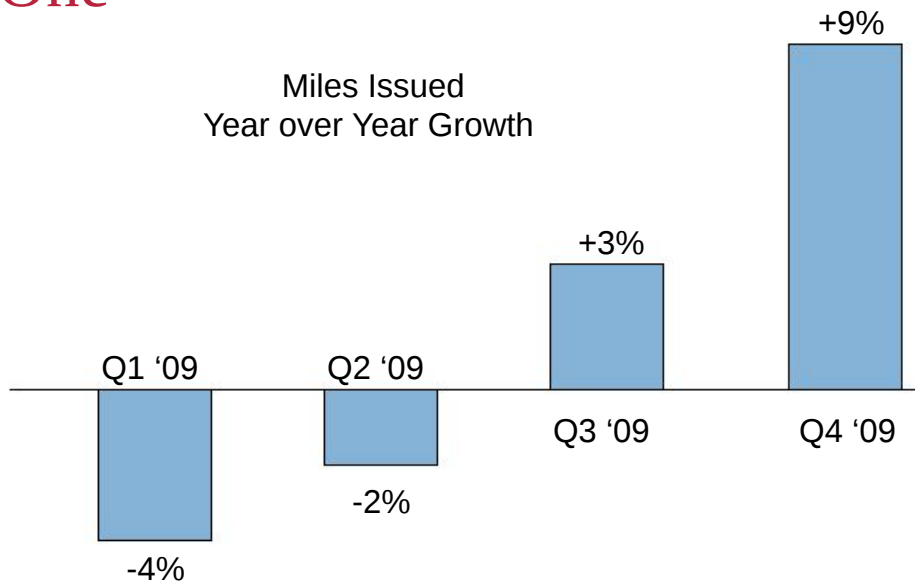
## Largest and Most Comprehensive Provider of Transaction-based Marketing and Loyalty Solutions

- Highly sophisticated transaction-based programs are measurable, trackable and allow for micro-segmentation of clients' customers.
- Drives high, measurable ROIs for our clients and displaces traditional marketing channels—a \$670 billion market.
- Comprehensive nature of our programs cuts across many traditional industries.
  - Multi-channel marketing strategy
  - Data products
  - Database design and build
  - Analytics
  - Permission-based email
  - Customer care
  - Processing
  - Credit



# LoyaltyOne

Miles Issued  
Year over Year Growth



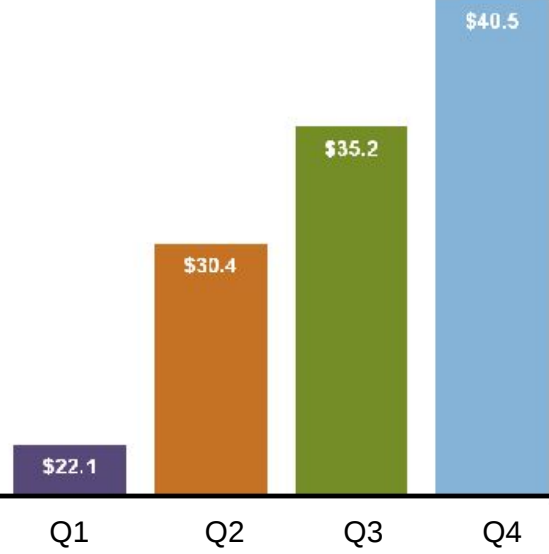
- Q4 2009: First topline increase of the year
- 2010: Solid topline, strong free cash flow, soft EBITDA (timing issue only)
- International expansion: Brazil

# Epsilon Marketing Services (\$MM)

## Revenue (2009)



## Adjusted EBITDA (2009)



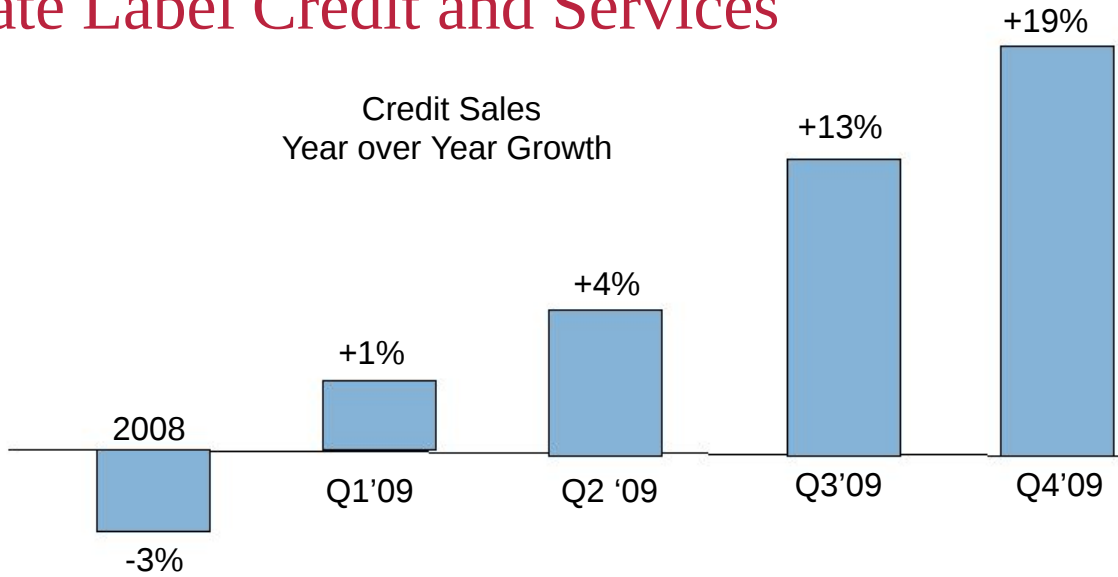
- Q4 2009: Largest Quarter in History
- 2010: Double-digit topline & Adjusted EBITDA growth – 100% organic
- 2010: Already announced deals with Kraft and NY&CO





# Private Label Credit and Services

Credit Sales  
Year over Year Growth



Credit Losses:	2007	2008	Q1 '09	Q2 '09	Q3 '09	Q4 '09
Avg. Unemployment Rate	4.7%	6.1%	8.1%	9.3%	9.6%	10.1%
Total Credit Losses	<u>5.8%</u>	<u>7.3%</u>	<u>8.9%</u>	<u>9.9%</u>	<u>9.4%</u>	<u>9.5%*</u>
Spread	(110bps)	(120bps)	(80bps)	(60bps)	+20bps	+60bps

\*Normalized (reported was 8.8%)



# 2010: Private Label Credit & Services - Trend

Credit Losses	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
	5.8%	7.3%	Mid-9%	Mid-9%
			Q1: 9.5 0.5 10.0%	Q2: Anniversary 9%
				Q3-Q4 9%
			10.0% Recovery cutover <sup>1</sup> (timing)	

<sup>1</sup>Certain charged off accounts were continuously sold; proceeds booked as recoveries; practice will now be entirely in-house; 90-day timing issue: Q1: extra 50 bps losses → more than recovered Q2 → Q4

## 2010: Private Label Credit & Services - Trend

- (+) Credit Sales
  - ↑ Strong double-digit
- (+) Portfolio Growth
  - ↑ Strong double-digit
- (+) Funding Rates
  - Flat
- (+) Credit Losses
  - Flat
- (+)(+) Financials
  - Two year drain over
  - Strong double-digit topline and EBITDA growth

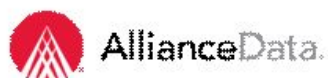


## 2010 Guidance

(\$MM, except per share)

	<u>2010</u> Guidance	<u>2009</u> Reported	<u>Change</u>
Revenues	\$2,150	\$1,964	9%
Normalized Revenues	\$2,150	\$1,929	11%
Adjusted EBITDA	\$650	\$590	10%
Normalized Adjusted EBITDA	\$650	\$573	13%
Cash EPS	\$6.00	\$5.16	16%
Normalized Cash EPS	\$6.00	\$4.64	29%

\*



## 2010 Free Cash Flow (\$MM, except per share)

Adjusted EBITDA	\$650	
Loyalty Adjusted	<u>\$50</u>	
Operating EBITDA	<u>\$700</u>	
CAPEX, Interest, Taxes	<u>(\$335)</u>	
Free Cash Flow	<u>\$365</u>	
Per Share	<u>\$6.55</u>	(12% Yield)



## Most Common Questions

### 1. Q1 Guidance:

- Last quarter of credit loss growover (10% v. 9%) → (\$0.14)
- Q1 2009 had \$5MM FX translation gain → (\$0.06)  
(\$0.20)
- Q1 2010: low-teens Cash eps growth, despite (\$0.20) in growover



## Most Common Questions

### 2. Bridge 2009 → 2010:

Q4 2009	\$1.21	(excludes infrequently occurring items)
	0.15	Seasonal Q4 expense (timing only)
	0.03	Full quarter of Charming (v. 2months actual)
Clean Jump-off	\$1.39	
	↓	
Full-Year	\$5.56	
	(.15)	Add back Q4 seasonal expense
	\$5.41	
	.41	10% core Private Label growth (excludes Charming), plus Epsilon/LoyaltyOne growth
	.20	Lower depreciation (cap-x has been declining); lower interest expense (paydown from free cash generation)
	~\$6.00	

Note: Assumes all Private Label term changes offset impact of new regulation / customer behavior costs



## Most Common Questions

### 3. New Capital Rules and Impact of FAS 166/167

- Three key ratios required to be “well capitalized”:
  - Tier 1 Capital of 6.0%
  - Leverage Ratio of 5.0%
  - Total Risk Based Capital of 10.0%
- Our Banks immediately will satisfy these regulatory requirements
- Ratios will increase over the course of the year
- These ratios will be achieved **without need** for Alliance Data to raise additional capital or compromise its current stock repurchase program or growth initiatives





### LoyaltyOne



Shell Oil of Canada



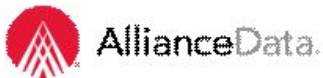
### Epsilon Marketing Services



### Private Label Services and Credit



J.CREW

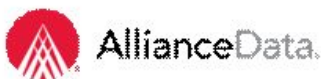


# Alliance Data's Safe Harbor Statement and Forward-Looking Statements

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," "estimate," "expect," "intend," "predict," "project" 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.

"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, operating EBITDA, cash earnings and cash earnings per diluted share. Constant currency eliminates the effect of foreign currency fluctuations. These non-GAAP financial measures exclude costs associated with the terminated merger with affiliates of The Blackstone Group and other costs. 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. 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.

