

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):  
**February 23, 2011**

**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.

**ITEM 9.01. Financial Statements and Exhibits**

(d) Exhibits

<b>EXHIBIT NUMBER</b>	<b>DESCRIPTION</b>
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 23, 2011

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

EXHIBIT INDEX

**EXHIBIT  
NUMBER**

**DESCRIPTION**

[99.1](#)

Investor Presentation Materials.

Alliance Data  
Company Overview  
NYSE: ADS  
Epsilon Discussion  
First Quarter 2011



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## Three Businesses. One Focus.

The largest and most comprehensive provider of transaction-based marketing and loyalty solutions. These solutions are delivered through three businesses:

**LoyaltyOne**

Designs, delivers and manages a suite of loyalty marketing programs and services to profitably change customer behavior

**epsilon.**

Designs and executes ROI-based marketing programs that deliver measurable results



**AllianceData.  
Private Label**

Drives sales for our clients by providing marketing driven branded credit programs that build customer loyalty

### Opportunity: ~\$300 Billion Addressable Market

Marketing spend is shifting from traditional mass marketing to data-enabled, multi-channel direct marketing

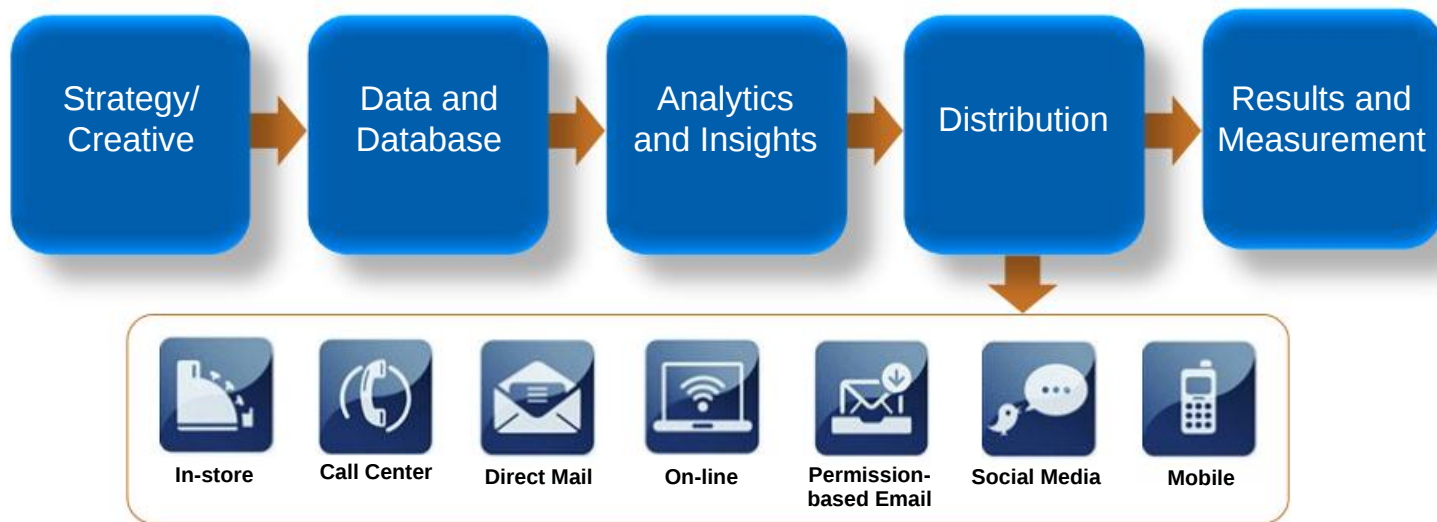
The digital channel spend directed toward transaction-based, ROI solutions:  
Strong double-digit growth market | Still less than 10% of \$300+ billion prize



# The Alliance Data End-to-End Solution

## Three Platforms, One Model

LoyaltyOne | Epsilon | Private Label



# How We Drive Measurable Results: Epsilon



Drive incremental shipping revenue

Using their NFL sponsorship

Analyze customer and transaction data collected over the past two years

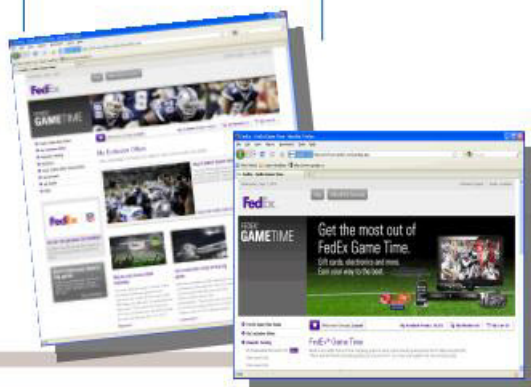
Identify goals that are 1:1 with each customer

Target segments offering based on incremental revenue net of reward costs

Multi-channel, multi-wave communication plan includes:

- 1) Personalized messaging and offers on the "Game Time" website
- 2) Direct mail
- 3) Email
- 4) Targeted banner ads on other FedEx sites
- 5) Sales force

ROI 45% higher than previous NFL campaign





## 2011 Guidance

Summary	Adjusted 2009 <sup>1</sup>	Actual 2010	% Increase	Guidance 2011	% Increase
Revenue (billions)	\$2.5	\$2.8	12%	\$≥ 3.0	~8%
Adjusted EBITDA (millions)	\$717	\$823	15%	\$≥ 900	~10%
Income from continuing ops per share	\$ 2.54	\$3.51	38%	\$≥ 4.66	~33%
Core EPS	\$4.64	\$5.86	26%	\$≥ 6.75	~15%



<sup>1</sup> See reconciliation in appendix

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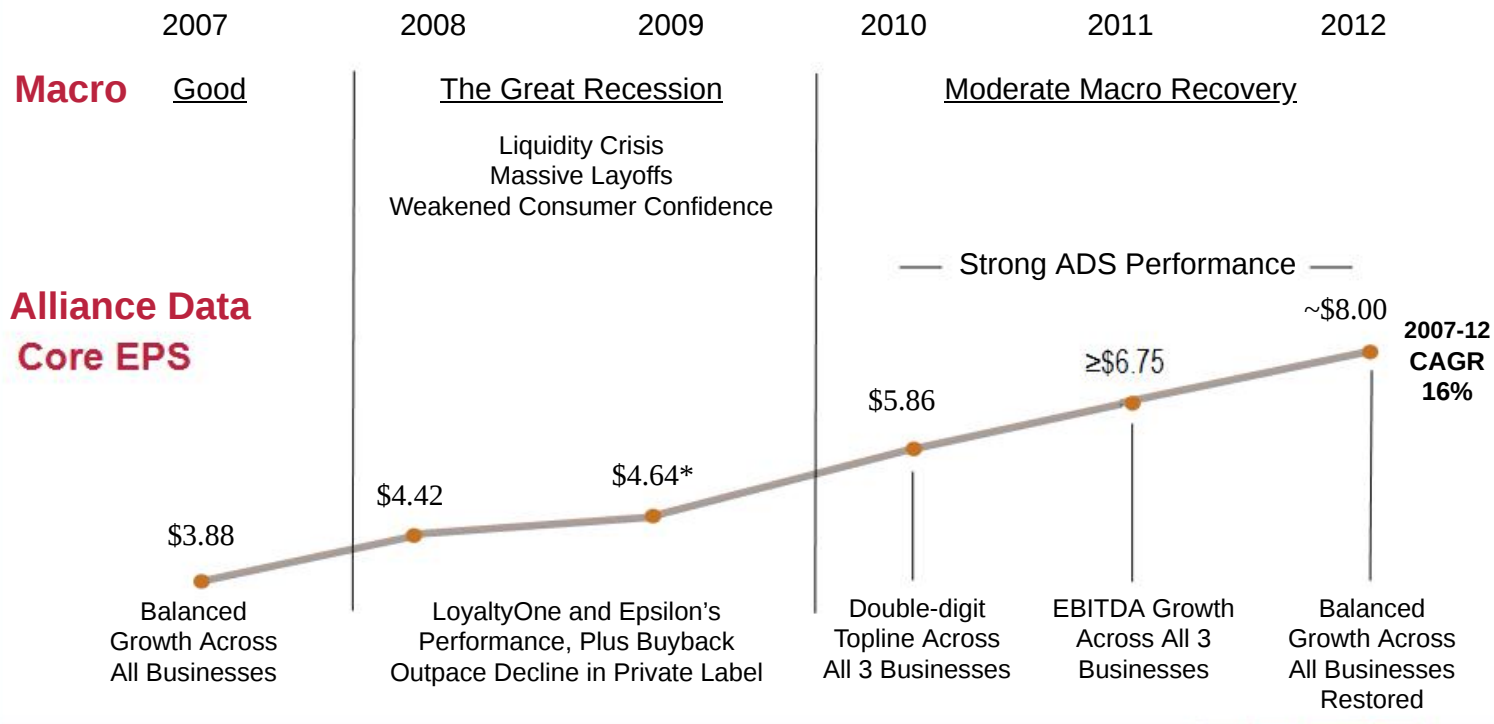
# 2011 Free Cash Flow Projection

(in millions, except per share)

Adjusted EBITDA	\$900
LoyaltyOne adjustment	50
	<hr/>
	\$950
Private Label funding costs	\$(200)
Core interest expense/capital expenditures/cash taxes/regulatory capital	\$(350)
	<hr/>
Free cash flow	\$400
Free cash flow per share	\$7.22

# The Business Model: Units Cycle Differently

**Strong Growth and Consistency Regardless of Macro Environment**



\*Excludes infrequently occurring items

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## Safe Harbor Statement and Forward-Looking Statements

This release 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 the anticipated effects of the CARD Act and 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, adjusted EBITDA margin, core earnings and core earnings per diluted share. 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. 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.



# Appendix



# Adjusted 2009 (MM, except per share)

Year Ended December 31, 2009

	As Reported	Loan Loss Expense	Securitization Funding Costs	Divested Operations	Bankruptcy Change	Bargain Purchase/Gain	Foreign Currency Loss	Tax Reserve Release	Adjusted
<b>Revenue</b>									
LoyaltyOne	\$ 715								\$ 715
Epsilon	514								514
Private Label Corp	708	404	144						1,256
	27	-	-	(27)	-	-	-	-	-
	<u>\$ 1,964</u>	<u>\$ 404</u>	<u>\$ 144</u>	<u>\$ (27)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,485</u>
<b>Adjusted EBITDA</b>									
LoyaltyOne	\$ 201						\$ 11		\$ 212
Epsilon	128								128
Private Label Corp	315		144		(7)	(21)			431
	(54)	-	-	-	-	-	-	-	(54)
	<u>\$ 590</u>	<u>\$ -</u>	<u>\$ 144</u>	<u>\$ -</u>	<u>\$ (7)</u>	<u>\$ (21)</u>	<u>\$ 11</u>	<u>\$ -</u>	<u>\$ 717</u>
<b>Income from continuing operations</b>	\$ 177				\$ (4)	\$ (21)	\$ 7	\$ (11)	\$ 147
<b>Income from continuing operations per diluted share</b>	\$ 3.06				\$ (0.09)	\$ (0.37)	\$ 0.14	\$ (0.20)	\$ 2.54
<b>Core EPS</b>	\$ 5.16				\$ (0.09)	\$ (0.37)	\$ 0.14	\$ (0.20)	\$ 4.64

