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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 9, 2011**

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**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)

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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

**EXHIBIT  
NUMBER**

**DESCRIPTION**

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 9, 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 NYSE: ADS

Q1 2011



## A Unique Business Model.

***Alliance Data is the largest and most comprehensive provider of transaction-based marketing and loyalty solutions.***



Comprehensive suite of products that target the \$190 billion direct and digital marketing channel:

- Multi-channel marketing strategy
- Data products
- Database design and build
- Analytics
- Permission-based email
- Customer care
- Processing
- Credit

Advantages over traditional marketing channels:

- Transaction-based programs allow micro-segmentation of clients' customer data
- Provide high, measurable ROIs for our clients



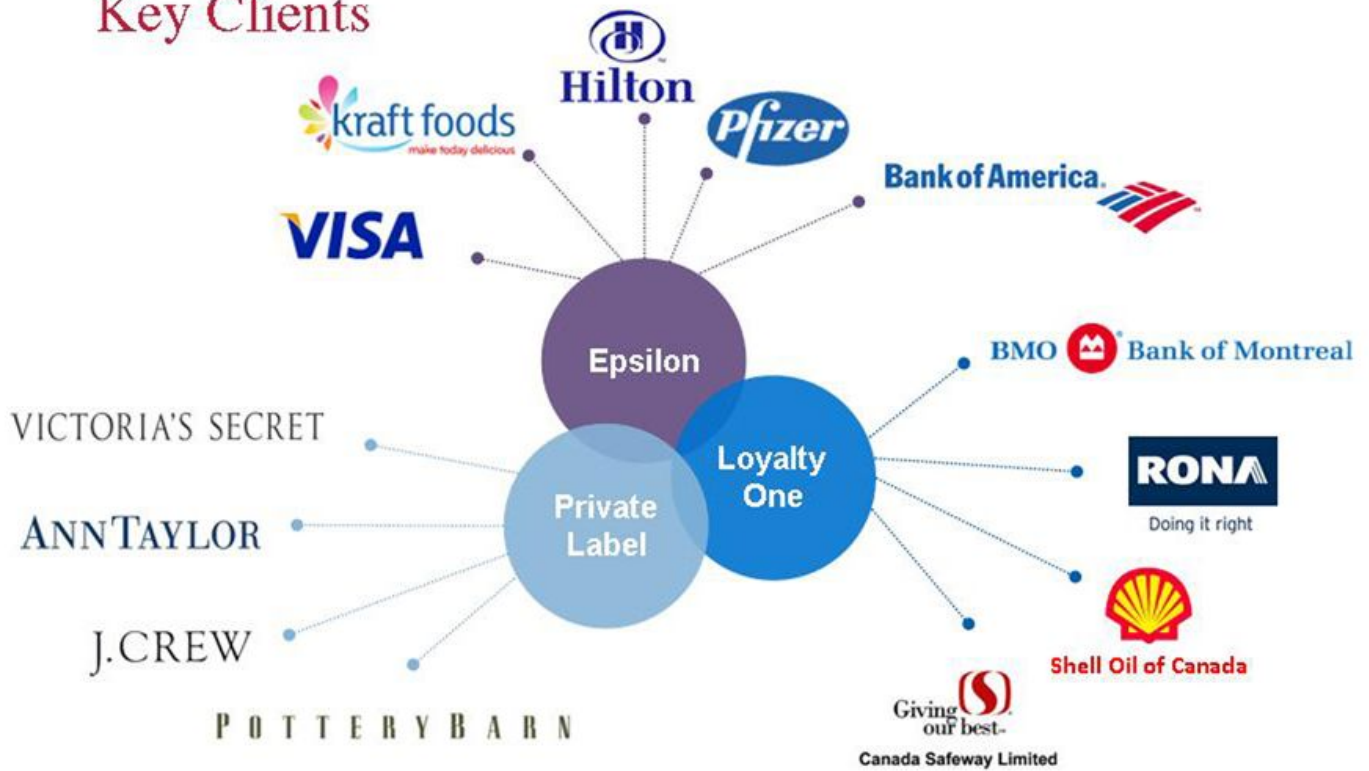
# Three Businesses. One Focus.

**The largest and most comprehensive provider of transaction-based marketing and loyalty solutions. These solutions are delivered through 3 businesses:**

<p><b>LoyaltyOne</b></p> <p>Designs, delivers and manages a suite of loyalty marketing programs and services to profitably change customer behavior</p> <p>*****</p> <p>2010 Revenue: \$800mm 2010 EBITDA: \$205mm</p>	<p><b>epsilon</b></p> <p>Designs and executes ROI-based marketing programs that deliver measurable results</p> <p>*****</p> <p>2010 Revenue: \$613mm 2010 EBITDA: \$152mm</p>	<p><b>AllianceData. Private Label</b></p> <p>Drives sales for our clients by providing marketing driven branded credit programs that build customer loyalty</p> <p>*****</p> <p>2010 Revenue: \$1.4bn 2010 EBITDA, net of funding costs: \$346mm</p>
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# Key Clients



**We work with the biggest brands in North America.**





## 2010 Operating Results

(\$MM, except per share data)

	Year Ended December 31,			% Change 10/09 Adjusted
	2009 Actual	2009 Adjusted <sup>1</sup>	2010 Actual	
<b>Revenue</b>	\$1,964	\$2,485	\$2,791	12%
<b>Income from continuing operations per diluted share</b>	\$3.06	\$2.54	\$3.51	38%
<b>Adjusted EBITDA</b>	\$590	\$717	\$823	15%
<b>Core EPS</b>	\$5.16	\$4.64	\$5.86	26%

<sup>1</sup> See Reconciliation in Appendix



## Liquidity and Capital

### Liquidity and Capital at December 31, 2010

#### Corporate:

- \$500 million in available liquidity
- Debt levels remain moderate (leverage ratio 2.3x at December 31, 2010)

#### Bank Liquidity:

- \$2.9 billion of available liquidity
- Diversified funding sources: conduits, bank issued CDs and term ABS
- Approximately 90% fixed rate

#### Bank Capital:

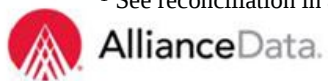
WFNNB Regulatory Ratios at Dec. 31, 2010:

- Tier 1: 13%
- Leverage: 12%
- Total risk based: 19%

# 2011 Guidance

	<u>Adjusted</u> <u>2009</u> <sup>1</sup>	<u>Actual</u> <u>2010</u>	<u>%</u> <u>Increase</u>	<u>Guidance</u> <u>2011</u>	<u>%</u> <u>Increase</u>
Revenue	\$ 2.5 bn	\$ 2.8 bn	12%	\$ ≥ 3.0bn	~8%
Adjusted EBITDA	\$ 717 mm	\$ 823 mm	15%	\$ ≥ 900 mm	~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



# 2011 Outlook

## Revenue and Core EPS Growth of at Least 8% and 15%, Respectively

### LoyaltyOne:

- Single-digit growth in both revenue and adj. EBITDA
- Miles issued increase approximately 5%
- Increased international investment
- National launch of dotz in Brazil

### Epsilon:

- Strongest growth rates in the Company
- Double-digit organic growth in revenue
- Mid-teens growth in adjusted EBITDA
- Backlog of wins and DMS acquisition drive above average growth
- Focus on tuck-in acquisition

### Private Label:

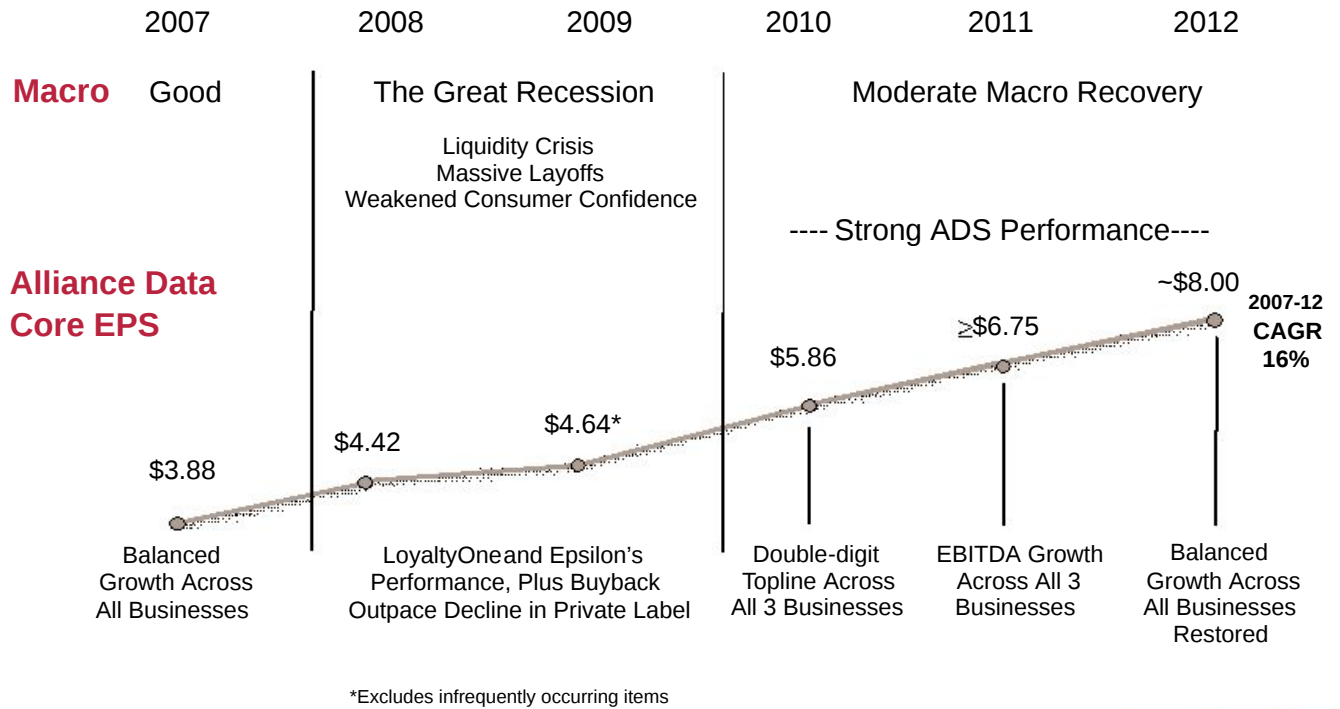
- Moderate portfolio growth - 5% increase in ending A/R
- Continued divergence between unemployment and credit loss rates; 70 basis point improvement in credit loss rate
- High single-digit growth in revenue and double-digit growth in adj. EBITDA
- Bank dividends will resume
- 4 - 5 new clients

- Over \$400 million in free cash flow or \$7.22 per diluted share in 2011



# The Business Model: Units Cycle Differently

Strong Growth and Consistency Regardless of Macro Environment



## Alliance Data's 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	708	404	144						1,256
Corp	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	315		144		(7)	(21)			431
Corp	(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

