

---

---

**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):  
October 26, 2010**

---

**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
- 
-

**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

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

*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.

**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: October 26, 2010

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


Q4 2010



©2010 ADS Alliance Data Systems, Inc.  
Confidential and Proprietary

## 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

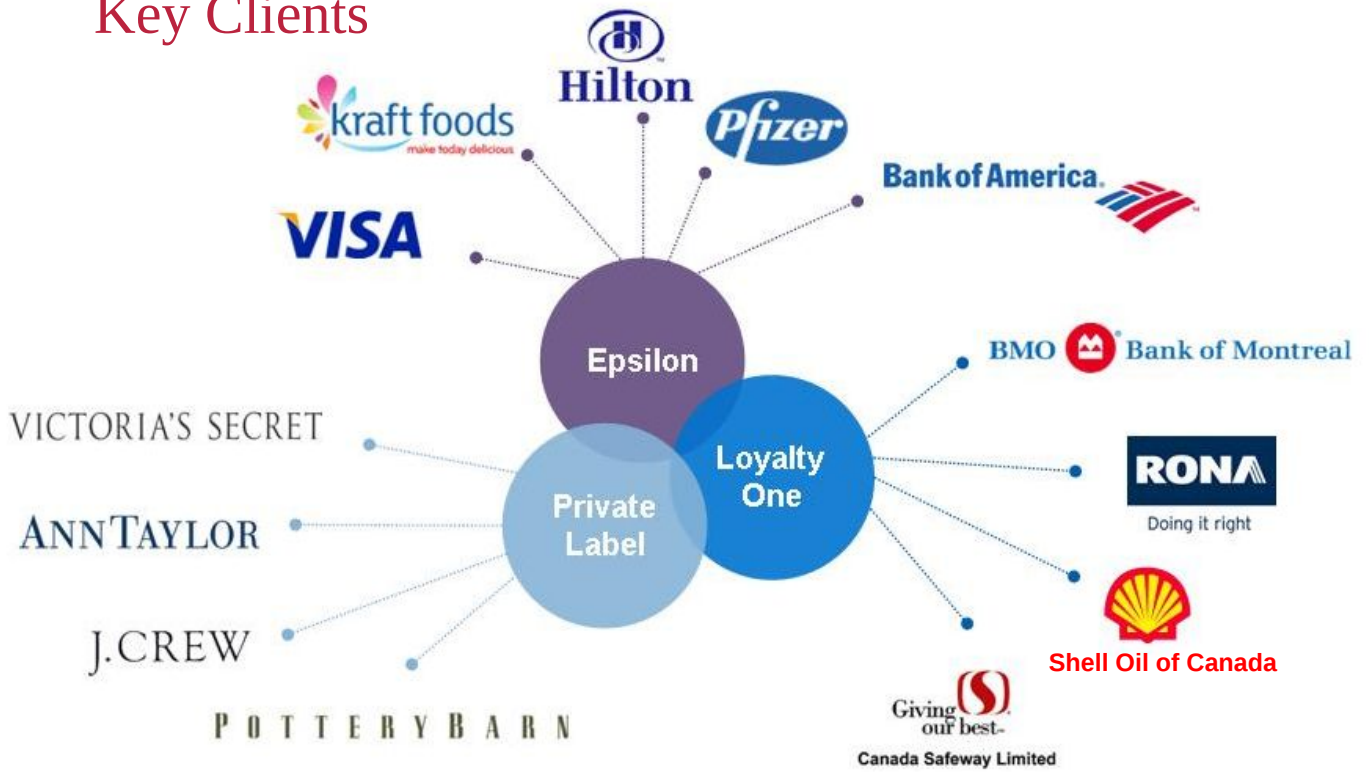


# Three Businesses. One Focus.

<p><b>The largest and most comprehensive provider of transaction-based marketing and loyalty solutions. These solutions are delivered through 3 businesses:</b></p>		
<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>YTD Revenue: \$576mm YTD adj. EBITDA: \$159mm</p>	<p><b>epsilon.</b></p> <p>Designs and executes ROI-based marketing programs that deliver measurable results</p> <p>*****</p> <p>YTD Revenue: \$434mm YTD adj. EBITDA: \$103mm</p>	<p> <b>AllianceData.</b> <b>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>YTD Revenue: \$1.0bn YTD adj. EBITDA, net of funding costs: \$265mm</p>



# Key Clients



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



## 2010 YTD Operating Results

(\$MM, except per share data)

	Nine Months Ended September 30,			% Change 10/09PF
	2009 Actual	2009 Pro Forma <sup>1</sup>	2010 Actual	
<b>Revenue</b>	\$1,418	\$1,819	\$2,036	12%
<b>Net Income</b>	\$103	\$103	\$147	43%
<b>EPS</b>	\$1.78	\$1.78	\$2.63	48%
<b>Adjusted EBITDA</b>	\$415	\$518	\$629	21%
<b>Core EPS</b>	\$3.53	\$3.53	\$4.31	22%

1. 2009 revenue and adjusted EBITDA are shown pro forma to reflect the commercial presentation format effective January 1, 2010. Net income, EPS and core EPS are not impacted by the change in accounting presentation.



## Liquidity and Capital

### Liquidity and Capital at September 30, 2010

#### Corporate:

- \$500 million in available liquidity, excluding \$274 million of cash held at bank subsidiaries
- Debt levels remain moderate (leverage ratio 2.5x at September 30, 2010)

#### Bank Liquidity:

- \$3.0 billion of available liquidity
- All financings completed for 2010
- Diversified funding sources: conduits, bank issued CDs and term ABS
- Approximately 70% fixed rate

#### Bank Capital:

- WFNNB Regulatory Ratios at September 30, 2010:
- Tier 1: 13%
  - Leverage: 11%
  - Total risk based: 20%

## 2010 Guidance

(\$MM, except per share data)

		2009 Pro Forma	2010 Guidance	% Change
<b>Revenue</b>	Reported	\$2,513		+11%
	Normalized <sup>1</sup>	\$2,478	\$2,800	+13%
<b>Core EPS</b>	Reported	\$5.16		+10%+
	Normalized <sup>1</sup>	\$4.64	\$5.70+	+23%+

1. Excludes infrequently occurring items.



## 2010 Trends

Double-digit Revenue Growth Across All 3 Businesses		
<p><b>LoyaltyOne:</b></p> <ul style="list-style-type: none"> <li>• Flat issuance growth</li> <li>• 100% sponsor renewal rate</li> <li>• New sponsors YTD: Whirlpool, Ontario Power</li> <li>• Brazilian pilot – moving toward national roll-out with select sponsors</li> </ul>	<p><b>Epsilon:</b></p> <ul style="list-style-type: none"> <li>• Accelerating back-half of year due to key program launches</li> <li>• Significant new wins YTD: Kraft, Dell, Unilever, AAA</li> <li>• Acquisition of Equifax DMS adds approximately 5% to full year revenue growth</li> </ul>	<p><b>Private Label:</b></p> <ul style="list-style-type: none"> <li>• Available liquidity of \$3.0 billion</li> <li>• Principal loss rates continue to improve (9.4% Q3,09 to 8.3% Q3,10)</li> <li>• Solid growth in average credit card receivables; up approximately 10% for year</li> <li>• Regulatory matters resolved favorably</li> <li>• David's Bridal, MyPoints signed for new programs; expect 1-2 additional wins</li> </ul>

## 2011 Guidance

(\$MM, except per share data)

	2010 Guidance	2011 Guidance	% Change
<b>Revenue</b>	\$2,800	≥\$3,000	≥8%
<b>EPS</b>	\$3.48	≥\$4.66	≥34%
<b>Core EPS</b>	\$5.70	≥\$6.75	≥18%
<b>Diluted shares</b>	55.6	56.0	+1%



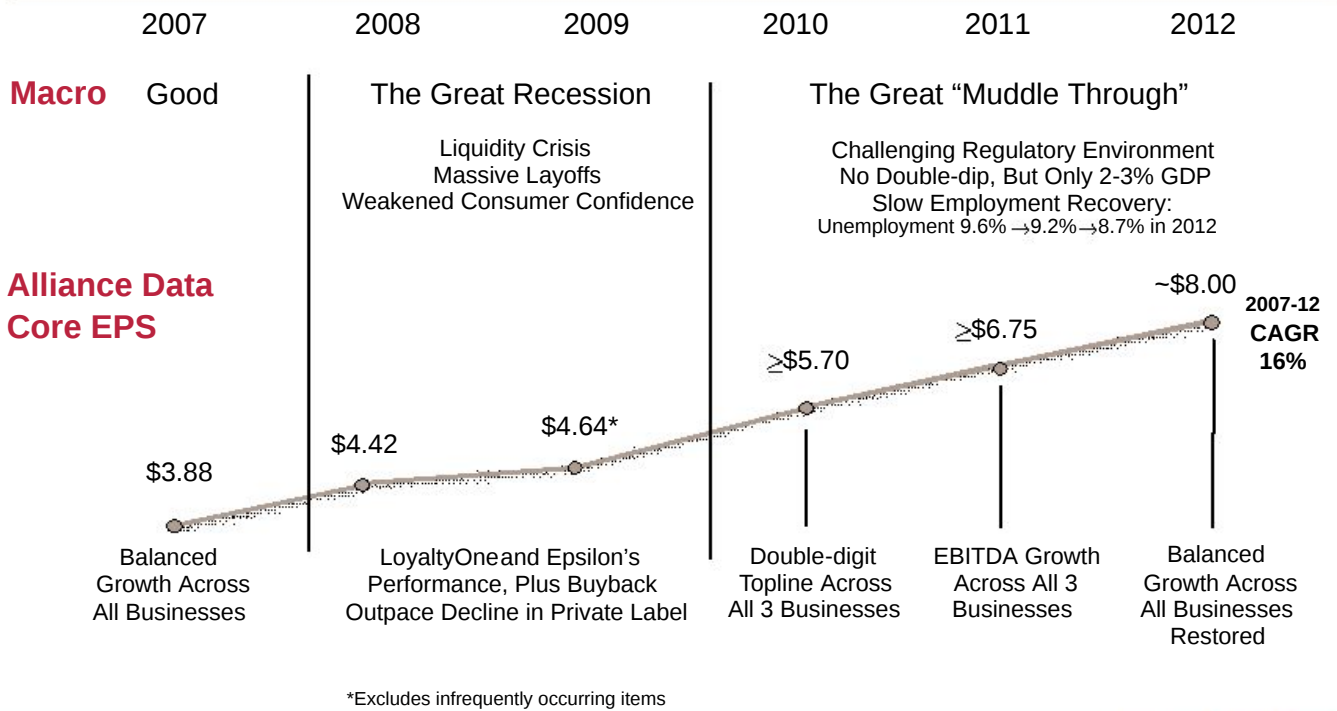
## 2011 Outlook

Revenue and Core EPS Growth of at Least 8% and 18%, Respectively		
<p><b>LoyaltyOne:</b></p> <ul style="list-style-type: none"> <li>•Single-digit growth in both revenue and adj. EBITDA</li> <li>•Miles issued increase approximately 5%</li> <li>•Increased international investment</li> </ul>	<p><b>Epsilon:</b></p> <ul style="list-style-type: none"> <li>•Strongest growth rates in the Company</li> <li>•Double-digit organic growth in both revenue and adj. EBITDA</li> <li>•Backlog of wins and DMS acquisition drive above average growth</li> </ul>	<p><b>Private Label:</b></p> <ul style="list-style-type: none"> <li>•Moderate portfolio growth</li> <li>•Continued divergence between unemployment and credit loss rates; 70 basis point improvement in credit loss rate</li> <li>•High single-digit growth in revenue and mid-teens growth in adj. EBITDA</li> <li>•Bank dividends will resume</li> </ul>
<ul style="list-style-type: none"> <li>• Over \$400 million in free cash flow or \$7.15 per diluted share in 2011</li> </ul>		



# The Business Model: Units Cycle Differently

Strong Growth and Consistency Regardless of Macro



## 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.