
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):
March 2, 2006

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)

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

On March 2, 2006, Alliance Data Systems Corporation provided to market analysts an IR Update announcing that through its Epsilon business unit it will provide Citibank, Inc. (“*Citi*”) a comprehensive loyalty solution to support Citi’s points-based customer rewards program, the ThankYou NetworkSM. A copy of this IR Update is attached hereto as Exhibit 99.1.

ITEM 9.01. Financial Statements and Exhibits

(d) Exhibits

<u>EXHIBIT NUMBER</u>	<u>DESCRIPTION</u>
99.1	IR Update dated March 2, 2006.

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: March 2, 2006

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

EXHIBIT INDEX

**EXHIBIT
NUMBER**

DESCRIPTION

99.1

IR Update dated March 2, 2006.



Investor Relations Update

Thursday, March 2nd, 2006

ALLIANCE DATA'S EPSILON SIGNS MULTI-YEAR AGREEMENT WITH CITIBANK, INC. TO PROVIDE LOYALTY MARKETING SERVICES

- Under terms of the multi-year agreement, Epsilon, a business unit of Alliance Data, will provide Citibank, Inc. (Citi) a comprehensive loyalty solution to support Citi's points-based customer rewards program, the ThankYou NetworkSM.
- Epsilon will provide three core services under terms of the agreement, including:
 - The design and build of a licensed loyalty application platform to support the ThankYou Network program (recently completed).
 - Hosting and managing the loyalty platform on behalf of Citi. Also developing, maintaining and hosting the customer interface website for Citi's redemption network.
 - Performing ongoing platform feature enhancements as the program continues to expand and evolve with the goal of driving increased customer loyalty for Citi.
- The ThankYou Network allows customers to earn loyalty points across consumer products (including credit card, checking, debit, home equity and mortgage, among others), and utilizing one common reward currency. The ThankYou Network is one of the largest consumer loyalty programs in the United States, and future plans include expanding the program internationally.
- Currently, the ThankYou Network has several million members in the United States, and Citi estimates significant membership growth over the next five years.
- Members can redeem accumulated points for rewards such as vacations, CDs, MP3 players, airline tickets, TVs and gift cards from leading retailers.

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