

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):
April 16, 2008

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

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>
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99.1	Investor Presentation Materials.
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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: April 16, 2008

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

EXHIBIT INDEX

EXHIBIT
NUMBER DESCRIPTION

99.1 Investor Presentation Materials.

Alliance Data
NYSE:ADS



Q1
2008



Alliance Data's Safe Harbor Statement/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. These risks, uncertainties and assumptions include those made with respect to and any developments related to the proposed merger with an affiliate of The Blackstone Group, including the risk that conditions to closing, including the condition relating to OCC approval, may not be satisfied and that the proposed merger may not be consummated, as well as risks and uncertainties arising from actions that the respective parties to the merger agreement may take in connection therewith. The Company cannot provide any assurance that the conditions to closing the transaction will be satisfied or that the proposed merger will be completed. 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 adjusted EBITDA, operating EBITDA and cash earnings per share. The Company believes that these non-GAAP measures, viewed in addition to and not in lieu of the Company's reported GAAP results, provide useful information to investors regarding its 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. Definitions of these financial terms and reconciliations of these financial measures to comparable GAAP measures are available on the Company's website, except where, as in the case of adjusted EBITDA, operating EBITDA and cash earnings per share, the appropriate GAAP financial measure is not available on a forward-looking basis. The financial measures presented are consistent with the Company's historical financial reporting practices, except as noted with respect to the Company's revised segment reporting. The non-GAAP measures presented herein may not be comparable to similarly titled measures presented by other companies, and are not identical to corresponding measures used in our various agreements or public filings.



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 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

Very "sticky" programs: recession resistant and resilient pricing power



Compelling Growth Company – Four Financial Metrics

1. Double-digit Organic Growth
2. Strong Free Cash Flow Conversion
 - Double-digit organic business growth, plus
 - Margin expansion: 14% (2000) → 32% (2007); >250bps a year
 - Capex improving from 5% → 3% of top-line
3. Strong Visibility, Predictability and Transparency
 - 27 consecutive quarters since IPO
 - High recession resiliency
4. Excellent Liquidity
 - \$3.8BN Capacity in Place → \$1.8BN Unused
 - Leverage <1x

Comfort at 3x →
("investment grade")

\$2.0BN Available

\$3.8BN Unused/Available



2008 Guidance

- Reiterate Organic Growth Targets:

- Operating EBITDA >\$730MM
- Adjusted EBITDA >\$700MM
- Cash EPS \$4.30

Cash EPS: Mid-teens Organic Growth

Q1: Flat (\$0.98-1.00)	(-) Lane Bryant Drag (-) 2008's Most Difficult Comps	
Q2: Low to Mid-teens (\$1.00)	(-) Lane Bryant Drag (+) Funding Benefits	(+) Private Label Ramp-ups
Q3: Mid to High-teens (\$1.15)	(-) Lane Bryant Drag (+) Funding Benefits	(+) Private Label Ramp-ups (+) Loyalty & Epsilon
Q4: Mid-20's (>\$1.15)	(+) Lane Bryant Anniv. (+) Funding Benefits	(+) Private Label Ramp-ups (+) Loyalty & Epsilon

Note: Adjusted EBITDA Will Follow A Similar Distribution



2008 Est. Free Cash Flow

(\$MM, Except per Share)

Adjusted EBITDA	> \$700	
Loyalty Adjustment	<u>30</u>	
Operating EBITDA	> <u>\$730</u>	
Less Capex/Int./Taxes	<u>(330)</u>	
Free Cash Flow	<u>\$400</u>	
Per Share	<u>\$5.00</u>	(11% yield)
+ Asset Sales / Other Initiatives	<u>TBD</u>	



One Business Model → Drives Multiple Service Offerings



2008 Outlook: Loyalty Services - Canada

- **AIR MILES® Reward Program is the Largest Mass Consumer Coalition Loyalty Program in Canada**
- 70% of Canadian Households Active in the Program
- One of Canada's Most Recognizable Brands
- Despite Name, Revenues are not Driven by Airline Industry.
- Revenues Generated from Consumers' Non-discretionary, High Frequency, Everyday Spend
 - Gas, Grocery, Pharmacy, Etc.
- Long Term Contracts with High Renewal Rate
- 2007 Operating EBITDA of \$174MM
 - (Adjusted EBITDA plus Loyalty Adjustment)
- Expect Mid-teens Adjusted EBITDA Growth in 2008
 - 100% Organic; driven by network effect, new sponsors, and larger commitments from current sponsors



Canada Safeway Limited



Shell Oil of Canada



2008 Outlook: Epsilon Marketing Services

- **Only Recognized Leader in Both Database Marketing and Email Marketing Services by Forrester**
- Most Comprehensive and Only Integrated Database Marketing Services Firm in the Industry
 - Marketing Strategy
 - Database Management
 - Proprietary Data Services
 - Analytical Services
 - Distribution (35 BN+ Permission-based Emails Sent Annually)
- Coalition Programs: Abacus, CitiThankYou Network
- Individual Programs: Hilton HHonors, Barnes & Noble, Pfizer
- Top 25 Clients have Average Tenure of 10 Years
- 2007 Adjusted EBITDA of \$118MM
- Expect Mid-teens Adjusted EBITDA Growth in 2008
 - \$670BN Market: TV, radio, newspapers, magazines, outdoor, direct response & mail, events & promos
 - Massive Shift to ROI-based Programs
 - 100% Organic: Larger Commitments from Existing Clients and New Clients



Hilton



BARNES & NOBLE



2008 Outlook: Private Label Services

- **Fully Integrated Loyalty-driven Private Label and Co-brand Programs**
 - Loyalty & Marketing Programs
 - High-end Customer Care
 - Transaction Processing
- Consumer's Choice Driven by Loyalty and Relationship to Retailer, not a Need for Credit
- 2 of 3 Services (Loyalty/Marketing and Customer Care) Provide "Special Sauce" That Makes the Business Unique
- High Renewal Rate; Key Clients with Long Tenure
- 2007 Adjusted EBITDA of \$99MM
- Expect Mid-single Digit Adjusted EBITDA Growth in 2008
 - Grow-over from Lane Bryant
 - 280+ potential clients (50% have a program today)
 - Sign 4-5 new clients per year

ANNTAYLOR

J. CREW

Crate&Barrel

VICTORIA'S SECRET

Eddie Bauer[®]
EST. 1920

POTTERY BARN



2008 Outlook: Private Label Credit

- 11MM Active Households Each Month
 - 85% Female; Mid-to High-Income
 - Customer Views as Loyalty Program, not an Extension of Credit
 - 700 Average Bureau Score; Small Average Balances (\$350/acct.)
 - No Sub-prime Targeting
 - 2007 Adjusted EBITDA of \$350MM
 - Expect Mid-single Digit Adjusted EBITDA Growth in 2008 – It's Not the Macro Issues; It's Lane Bryant v. ramp-ups
 - (+) Yields Solid
 - (+) Portfolio Growth Solid – excl. Lane Bryant: 6%; including : flat
 - (+) Portfolio Sales Decent – excl. Lane Bryant: 5%; including: flat
-
- (+) Funding Rates
 - (-) Slight Creep in Credit Losses – Master Trust
- } **Offset – Natural Hedge**

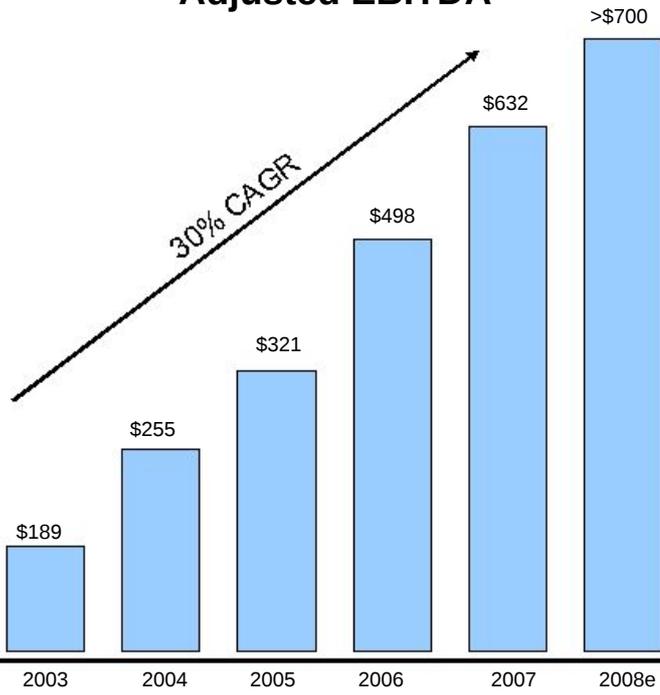
	<u>Sep '07</u>	<u>Oct '07</u>	<u>Nov '07</u>	<u>Dec '07</u>	<u>Jan '08</u>	<u>Feb '08</u>
Delinquencies	5.4%	5.5%	5.3%	5.1%	5.4%	5.3%
Losses	5.7%	5.4%	6.2%	5.7%	6.5%	6.3%



2003-2008e

(in \$MM, except per share)

Adjusted EBITDA



Cash EPS

