

**UNITED STATES
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 19, 2008 (March 17, 2008)**

ACI WORLDWIDE, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction
of incorporation)

0-25346

(Commission File Number)

47-0772104

(IRS Employer
Identification No.)

120 Broadway, Suite 3350

New York, New York 10271

(Address of principal executive offices) (Zip Code)

Registrant's Telephone Number, Including Area Code: **(646) 348-6700**

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing 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 (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01. Entry into a Material Definitive Agreement

On March 17, 2008, ACI Worldwide, Inc. (the "Company") entered into a Master Services Agreement ("Outsourcing Agreement") with International Business Machines Corporation ("IBM") to outsource the Company's internal information technology ("IT") environment to IBM. Under the terms of the Outsourcing Agreement, IBM will provide the Company with global IT infrastructure services including the following services, which services are currently provided by the Company: cross functional delivery management services, asset management services, help desk services, end user services, server system management services, storage management services, data network services, enterprise security management services and disaster recovery/business continuity plans (collectively, the "IT Services"). The Company will retain responsibility for its security policy management and on-demand business operations. As a result of the Outsourcing Agreement, approximately 20 employees of the Company and its subsidiaries are currently expected to become employees of IBM and another 59 positions may be eliminated by the Company in 2008 as IT Services transition to IBM.

The initial term of the Outsourcing Agreement is seven years, commencing on March 17, 2008. The Company has the right to extend the Outsourcing Agreement for two additional one-year terms unless otherwise terminated in accordance with the terms of the Outsourcing Agreement. Under the Outsourcing Agreement, the Company retains the right to terminate the agreement both for cause and for its convenience. However, upon any termination of the Outsourcing Agreement by the Company for any reason (other than for material breach by IBM), the Company will be required to pay a termination charge to IBM, which charge may be material.

The Company will pay IBM for the IT Services through a combination of fixed and variable charges, with the variable charges fluctuating based on the Company's actual need for such services as well as the applicable service levels and statements of work. Based on the currently projected usage of these IT Services, the Company expects to pay \$116 million to IBM in service fees and project costs over the initial seven-year term.

In addition, IBM will provide the Company with certain transition services required to transition the Company’s IT operations embodied in the IT Services in accordance with a mutually agreed upon transition plan (the “Transition Services”). The Company currently expects the Transition Services to be completed approximately 18 months after the effective date of the Outsourcing Agreement and to pay IBM approximately \$8 million for the Transition Services over a period of five years.

To protect the Company’s expectations regarding IBM’s performance, the Outsourcing Agreement has performance standards and minimum services levels that IBM must meet or exceed. If IBM fails to meet a given performance standard, the Company would, in certain circumstances, receive a credit against the charges otherwise due.

Additionally, to assure that the charges under the Outsourcing Agreement do not become significantly higher than the market rate for such services, the Company has the right to periodically perform benchmark studies to determine whether IBM’s price and performance are consistent with the then current market. The Company has the right to conduct such benchmark studies, at its cost, beginning in the second year of the Outsourcing Agreement.

The Company will file a copy of the Outsourcing Agreement as an exhibit to its Quarterly Report on Form 10-Q for the quarter ending on March 31, 2008.

Item 7.01. Regulation FD

The Company also issued a press release on March 18, 2008 announcing that the Company entered into the Outsourcing Agreement. A copy of the press release is furnished and attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d)	Exhibits.
99.1	Press Release dated March 18, 2008

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ACI WORLDWIDE, INC.

By: /s/ Victoria H. Finley

Its: Vice President

Date: March 19, 2008

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press Release dated March 18, 2008



ACI Worldwide, Inc.
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News Release

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ACI Worldwide, Inc. Signs IT Outsourcing Agreement with IBM

(NEW YORK — 18 March 2008) — ACI Worldwide, Inc. (NASDAQ:ACIW), a leading international provider of software for electronic payment systems, today announced an agreement to outsource its internal information technology (IT) services to IBM (NYSE: IBM). As part of the agreement, IBM will provide ACI with global infrastructure services including management of ACI's mainframe, storage and related server platforms, data network monitoring and management, and end-user support services. ACI will retain responsibility for its security policy management and on-demand business operations.

The seven-year agreement is estimated to deliver operating cost savings for ACI of \$25 million to \$30 million over the course of the contract, providing the company with advanced technology and enhanced service capabilities.

David Morem, senior vice president of global business operations at ACI, said, "This agreement allows ACI to focus on its core competence in developing, delivering and supporting payment solutions for our customers. By outsourcing infrastructure management to IBM, we can leverage their worldwide resources to consolidate our data centers, upgrade hardware and software, and standardize on proven tools and processes to improve our operational performance in our on-demand business and IT infrastructure. IBM will bring enhanced disaster recovery capabilities and more stringent security standards to our IT systems, reducing our risk exposure, and provide an IT foundation that can grow very cost-efficiently as ACI's global business expands."

Philip Hausler, vice president for the banking industry at IBM Global Technology Services, said, "This agreement reflects the broad range of services IBM can offer to help customers maximize their efficiency and leverage modern technology. We look forward to serving ACI and adding value to their worldwide business."

The outsourcing agreement will include incremental cash cost of approximately \$4 million of severance expenses, transition costs and professional fees in 2008 and is expected to be cash-positive for ACI primarily due to a decrease in capital expenditures. In addition, ACI expects to incur up to \$5.5 million of transition-related charges in 2008 for which cash payment will be deferred and paid out in periodic installments in years 2009 through 2012.

About ACI Worldwide

Every second of every day, ACI Worldwide solutions are at work processing electronic payments, managing risk, automating back office systems and providing application infrastructure services. ACI is a leading international provider of solutions for banking, retail and cross-industry systems. ACI serves more than 800 customers in 86 countries including many of the world's largest financial institutions, retailers and payment processors. Visit ACI Worldwide at www.aciworldwide.com.

About IBM

For more information, visit www.ibm.com.

Forward-Looking Statements

This news release contains forward-looking statements based on current expectations that involve a number of risks and uncertainties. Generally, forward-looking statements do not relate strictly to historical or current facts and may include words or phrases such as the Company "believes," "will," "expects," "looks forward to," and words and phrases of similar impact. The forward-looking statements are made pursuant to safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements in this release include, but are not limited to, statements regarding the Company's expectations related to (i) the benefits of the outsourcing agreement, including operating cost savings and decreases in capital expenditures, (ii) costs associated with the outsourcing agreement, including severance-related expenses, transition costs and professional fees, and (iii) the timing that the Company will receive such benefits and/or incur such costs.

Any or all of the forward-looking statements may turn out to be wrong. They can be affected by the judgments and estimates underlying such assumptions or by known or unknown risks and uncertainties. These factors may include, without limitation, (i) the Company's ability to achieve the expected operating cost savings and capital expenditure reductions, which may be substantially less than expected due to unanticipated changes in operations, (ii) many functions are being transitioned to IBM and many new personnel are assuming responsibilities across these functions, increasing the risk of operational delays, potential errors and control failures, which may have an impact on the Company and its financial condition, and (iii) new information technology systems and process changes are also being put into place increasing the risk of operational delays, potential errors and control failures, which may have an impact on the Company and its financial condition. Consequently, no forward-looking statement can be guaranteed. In addition, the Company disclaims any obligation to update any forward-looking statements after the date of this release.

All of the foregoing forward-looking statements are expressly qualified by the risk factors discussed in the Company’s filings with the Securities and Exchange Commission. For a detailed discussion of these risk factors, parties that are relying on the forward-looking statements should review the Company’s filings with the Securities

and Exchange Commission, including the Company’s Form 10-K filed on January 30, 2008, and the Company’s Form 10-Q filed on February 19, 2008, both as amended by the Form 10-K/A and Form 10-Q/A, respectively, filed on March 4, 2008, and specifically the section entitled “Factors That May Affect the Company’s Future Results or the Market Price of the Company’s Common Stock.”