
**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): **December 17, 2007**

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 December 16, 2007, ACI Worldwide, Inc. (the "Company") entered into a Master Alliance Agreement and related agreements (collectively, the "Alliance Agreement") with International Business Machines Corporation ("IBM") to create a strategic alliance between the parties (the "Alliance"). Pursuant to the Alliance Agreement, the Company will enable its payment application software products on certain of IBM's hardware platforms, including the IBM System z Platform and the parties will collectively enter into sales and marketing efforts to offer a combination of ACI and IBM solutions. The initial term of the Alliance Agreement is five years, commencing on December 16, 2007, but will continue thereafter for up to ten years unless otherwise terminated in accordance with the terms of the Alliance Agreement.

Under the terms of the Alliance Agreement, on December 16, 2007, IBM paid the Company an initial payment of \$33,333,334.00 which represents the estimated value of the warrants described below. The actual value of the warrants will be determined by an independent third-party appraiser as soon as practicable. Under the Alliance Agreement, IBM will also pay to the Company an additional \$33,333,333.00 on or before March 31, 2008, upon the satisfaction of certain conditions, a portion of which is subject to refund by the Company to IBM in certain circumstances. The Company could also receive additional incentive payments under the Alliance Agreement based upon certain revenue recognized by IBM as a result of the Alliance.

In connection with the Alliance Agreement, the parties also entered into (i) an Enablement Assistance Agreement (the "Enablement Agreement") which establishes the framework for the Company's optimization of its payment application software, including retail and wholesale applications, on certain of IBM's platforms to develop new and enhance existing payment products and (ii) a Sales and Marketing Agreement (the "Sales and Marketing Agreement") to identify and pursue opportunities to provide a combined solution offering consisting of each party's services and the Company's payment application software on certain of IBM's platforms. Under the terms of the Enablement Agreement, the Company will fund the costs associated with the optimization of the Company's application software on certain of IBM's platforms, a portion of which is subject to partial reimbursement by IBM upon the achievement of specified incentives.

In connection with the Alliance Agreement, on December 16, 2007, the Company issued to IBM (i) a warrant to purchase 1,427,035 shares of the Company's common stock, par value, \$0.05 per share, with an exercise price of \$27.50 per share and (ii) a warrant to purchase 1,427,035 shares of common

stock at an exercise price of \$33.00 per share. The warrants are exercisable at any time prior to the fifth anniversary of the Alliance Agreement. The Company has also granted IBM certain registration rights with respect to the shares of the underlying warrants. The private placement was made pursuant Section 4(2) of the Securities Act of 1933, as amended.

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Item 3.02 Unregistered Sales of Equity Securities.

See Item 1.01 above.

Item 9.01. Financial Statements and Exhibits.

99.1 Press Release dated December 17, 2007

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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.

/s/ Henry C. Lyons

Henry C. Lyons

Senior Vice President and Chief Financial Officer

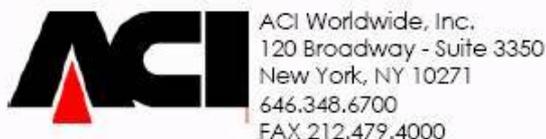
Date: December 17, 2007

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EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Exhibit Description</u>
99.1	Press Release dated December 17, 2007.

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News Release

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FOR IMMEDIATE RELEASE

IBM and ACI Forge Global Strategic Alliance

Deliver Integrated Electronic Payment Solutions for the Financial Services Industry

Monday, December 17, 2007

(An IBM Release)

NEW YORK, N.Y. — 17 Dec 2007: IBM (NYSE: IBM) and ACI Worldwide (NASDAQ: ACIW) today announced a significantly expanded strategic alliance to create an end-to-end solution for electronic payments powered by IBM's open technology. As part of the alliance, ACI will optimize a new generation of payment solutions on the IBM System z platform including IBM DB2, WebSphere, and Tivoli software and Crypto-chip technology. The optimization supports the convergence of retail and wholesale payments through the use of service oriented architecture (SOA) including IBM's Payments Framework.

ACI will further enhance its leading Money Transfer System and BASE24-eps payment solutions to take full advantage of IBM hardware, software and services. IBM will provide ACI with technical staff and laboratory support for benchmarking and performance tuning its payments software. The companies will create a worldwide team of sales and technical specialists dedicated to selling ACI solutions on System z, including IBM "migration factory" services that provide clients with trained staff and IT tools to simplify migrations from legacy payments systems. In addition, ACI plans to use IBM data centers globally to host its integrated software, allowing clients to access ACI payments solutions on demand for those who prefer a hosted versus in-house managed system.

The alliance is aimed primarily at the financial services industry. IBM is a leading technology and services provider in financial services while ACI counts more than 110 of the world's top 500 banks as its customers. Banks in particular are struggling to manage aging payments systems running on disparate platforms that are siloed and expensive to maintain. For example, a typical large bank can have multiple wholesale and retail payments systems that are not integrated and serve only specific lines of business. ACI payments software running on System z provides an SOA foundation that opens up disparate payments information to be shared across the enterprise in support of multiple software applications and lines of business. In addition to benefiting from the SOA approach, ACI clients that bring their payment transaction traffic to the System z platform can also take advantage of industry leading security, reliability and availability, and help reduce power consumption and maintenance costs through server consolidation.

"Financial services companies are looking for new ways to modernize outdated payments systems due to increasing transaction volumes and regulatory and IT cost pressures," said June Yee Felix, general manager of banking solutions and strategy, IBM. "Payments systems running on IBM System z and ACI payments software address these issues and provide our joint clients with world-class transaction processing performance and the flexibility of SOA through next generation mainframe technology."

The IBM/ACI alliance is also designed to yield solutions for retailers who require highly available, scalable solutions for payment authentication, switching and loss prevention. El Corte Ingles, the largest retailer in Spain with over 30,000 point of sale terminals serving more than 9 million cards, is implementing ACI's BASE24-eps software on System z to process in-store payments initiated with their private label card as well as all major brands of international bank cards. El Corte Ingles selected ACI's software on System z as a robust, secure, highly scalable and reliable platform necessary for a retailer to provide the best possible service to its growing client base in Spain and Europe. The close cooperation between ACI and IBM has allowed El Corte Ingles an extremely smooth implementation process.

Phase one of the alliance will yield an optimized version of ACI's BASE24-eps software on System z to acquire, route and authorize payments online; a wholesale payments solution to help clients meet the needs of pending Single Euro Payments Area (SEPA) regulations; and a solution for real-time fraud detection across the enterprise. Subsequent phases will see solutions optimized on System z for dispute management, smart card management, online banking and trade finance, and will see the companies offer a broad payment hub solution that exploits the IBM Payments Framework and its SOA foundation for payments processing.

Today's announcement represents a significant commitment to providing clients with open standards-based solutions that will allow them to leverage their existing IT assets, lower costs and increase flexibility. Building on its existing successful relationship, the strategic alliance tightens the integration between IBM and ACI across all areas including software, hardware, services, marketing, and joint product development.

"Our alliance with IBM signals a strategic repositioning of ACI to focus on solutions that offer an end-to-end framework for integrated payments," said Philip Heasley, CEO of ACI. "IBM's capital, both economic and intellectual, will help us accelerate the availability of our integrated payments framework and

make it available on what is already the platform of choice for a majority of the world's banks. Together we will offer a unique payments solution differentiated by its low cost of ownership, improved risk management, and comprehensive architecture for improving payments productivity.”

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. The company serves more than 800 customers in 84 countries including many of the world's largest financial institutions, retailers and payment processors. Visit ACI Worldwide at www.aciworldwide.com.

IBM SOA Foundation

The SOA Foundation is an integrated, open set of software, best practices, and patterns that provide what customers need to get started with SOA. For more information, visit http://www-304.ibm.com/jct09002c/isv/soa/found_intro.html.

For more information on IBM Banking Solutions, visit www.ibm.com/banking, and for IBM PartnerWorld, visit www.ibm.com/partnerworld.

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