

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): June 29, 2007

**TRANSACTION SYSTEMS ARCHITECTS, 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**  
(Address of principal executive offices)

**10271**  
(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 7.01 Regulation FD Disclosure.**

On June 29, 2007, Transaction Systems Architects, Inc. posted the investor presentation material entitled “Summary of Key Points from Form 10-Q for Period Ending December 31, 2006” on its web site (www.tsainc.com) to be used in connection with meetings with investors that management expects to have from time to time. A copy of the presentation materials is attached hereto as Exhibit 99.1 and is incorporated by reference into this Item 7.01.

The foregoing information (including the exhibit hereto) is being furnished under “Item 7.01—Regulation FD Disclosure.” Such information (including the exhibit hereto) shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing.

The filing of this Report and the furnishing of this information pursuant to Item 7.01 do not mean that such information is material or that disclosure of such information is required.

**Item 9.01. Financial Statements and Exhibits.**

Exhibit 99.1 — Investor Presentation dated June 2007.

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.

TRANSACTION SYSTEMS ARCHITECTS, INC.

/s/ Dennis P. Byrnes

Dennis P. Byrnes

Senior Vice President and General Counsel

Date: June 29, 2007

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**EXHIBIT INDEX**

<u>Exhibit No.</u>	<u>Exhibit Description</u>
Exhibit 99.1	— Investor Presentation dated June 2007.



# Transaction Systems Architects, Inc.

Summary of Key Points from Form 10-Q for Period  
Ending December 31, 2006

June 2007





## **Private Securities Litigation Reform Act of 1995 Safe Harbor For Forward-Looking Statements**

This presentation contains forward-looking statements based on current expectations that involve a number of risks and uncertainties. The forward-looking statements are made pursuant to safe harbor provisions of the Private Securities Litigation Reform Act of 1995. A discussion of these forward-looking statements and risk factors is set forth at the end of this presentation. The Company assumes no obligation to update any forward-looking statement in this presentation.

## General Remarks



- Revenue and earnings per share in line with preliminary results issued March 1, 2007
- Company will move to a calendar year fiscal year beginning in 2008
  - Current guidance is based on calendar year 2007
- Company's share repurchase authorization has been increased to \$210 million
  - Approximately \$133 million available as of December 31, 2006

# Cash Flow



- GAAP cash flow from operations for December quarter was (\$611) thousand – cash flow was adversely affected by the following one-time items:
  - Settlement of class action lawsuit -\$8.5 million
  - P&H-related compensation charges -\$9.4 million
- Capital expenditures were \$5.1 million in the quarter – higher than historical run rate primarily due to the timing of infrastructure investments in Europe and Romania
- Effective with calendar year 2007, we provide guidance and results for Operating Free Cash Flow, defined as net cash from operations adjusted for one-time items, minus capital expenditures



- 60-month backlog was adversely affected by approximately \$20 million due to cancellation of a facilities management contract, effective November 30, 2007
  - 60-month backlog increased \$7 million sequentially before reflecting the impact of cancelled facilities management contract
- 12-month backlog increased \$4 million sequentially

# Revenue and Expense



- Revenue increased \$8.2 million primarily from the eps AG and P&H Solutions acquisitions
  - P&H Solutions - \$7.4 million
  - eps AG - \$2.1 million
- Operating expenses increased \$17.8 million, primarily due to acquisitions and professional fees:
  - Acquisitions - \$15.5 million
  - Professional fees and other costs related to stock options review - \$2.6 million

- Other income/expense
  - Interest income decreased \$2 million due to lower outstanding cash balances
  - Interest expense increased \$1.4 million due to borrowing costs (senior revolving credit facility)
- Effective tax rate for quarter increased to 36%
  - Prior year tax rate of 10.9% was due to release of tax contingency reserves related to tax audit

# Forward-Looking Statements



This presentation 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, and include but are not limited to statements regarding amounts estimated in the 12-month and 60-month backlogs, the Company’s revenue and earnings guidance, and the Company’s long-term revenue and earnings growth objectives. The forward-looking statements are made pursuant to safe harbor provisions of the Private Securities Litigation Reform Act of 1995.

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. Many of these factors will be important in determining the Company’s actual future results. Consequently, no forward-looking statement can be guaranteed. Actual future results may vary materially from those expressed or implied in any forward-looking statements. In addition, the Company disclaims any obligation to update any forward-looking statements after the date of this presentation.

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 our Form 10-K filed on May 11, 2007, and our Form 10-Q filed on June 29, 2007 and specifically the section entitled “Factors That May Affect the Company’s Future Results or the Market Price of the Company’s Common Stock.”

# Forward-Looking Statements (continued)



The risks identified in the Company's filings with the Securities and Exchange Commission include:

- Risks associated with the restatement of the Company's financial statements;
- Risks associated with not having current financial information available and the Company will be limited in its ability to register its securities for offer and sale until the Company is deemed a current filer with the SEC;
- Risks associated with the delays in filing its periodic reports, including the need to obtain additional extensions from the lender in the future in order to comply with the financial reporting requirements of the Company's bank debt, the failure to do so which could have a material adverse effect on the Company's business, liquidity and financial conditions;
- Risks associated with the delay in filing its Quarterly Report on Form 10-Q for the quarter ended March 31, 2007 with the SEC and any failure to satisfy other NASDAQ listing requirements could cause the NASDAQ to commence suspension or delisting procedures with respect to its common stock;
- Risks associated the Company's performance which could be materially adversely affected by a general economic downturn or lessening demand in the software sector;
- Risks associated with the complexity of the Company's software products;
- Risks inherent in making an estimate of the Company's backlogs which may not be accurate and may not generate the predicted revenue;
- Risks associated with tax positions taken by the Company which require substantial judgment and with which taxing authorities may not agree;
- Risks associated with consolidation in the financial services industry which may adversely impact the number of customers and the Company's revenues in the future;
- Risks associated with the Company's stock price which may be volatile;
- Risks associated with conducting international operations;
- Risks regarding the Company's newly introduced BASE24-eps product which may prove to be unsuccessful in the marketplace;
- Risks associated with the Company's future profitability which depends on demand for its products; lower demand in the future could adversely affect the Company's business;
- Risks associated with the Company's software products which may contain undetected errors or other defects, which could damage its reputation with customers, decrease profitability, and expose the Company to liability;
- Risks associated with future acquisitions and investments which could materially adversely affect the Company;
- Risks associated with the Company's ability to protect its intellectual property and technology and may be subject to increasing litigation over its intellectual property rights;
- Risks associated with the Company's restructuring plan which may not achieve expected efficiencies;
- Risks associated with litigation that could materially adversely affect our business financial condition and/or results of operations;
- Risks associated with new accounting standards or revised interpretations or guidance regarding existing standards; and
- Risks associated with the assessment and maintenance of internal controls over the Company's financial reporting.

# Forward-Looking Statements (continued)



## Backlog Estimates

The Company's 12-month and 60-month backlog estimates are based on the Company's judgment about future events which, as described above, involve a number of risks and uncertainties. The Company estimates backlog using the methodology described in our Form 10-K filed on May 11, 2007 and our Form 10-Q filed on June 29, 2007 in the section entitled "Backlog" under Item 2. – MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION – and on the Company's website at [www.tsainc.com](http://www.tsainc.com).

## Non-GAAP Financial Measures

This presentation includes non-GAAP information: Operating Free Cash Flow is defined as net cash flow from operating activities adjusted for selected one-time items minus capital expenditures. The Company utilizes this non-GAAP financial measure, as an indicator of cash flow available for debt repayment and other investing activities, such as acquisitions. The Company utilizes operating free cash flow as a further indicator of operating performance and for planning investing activities.



[www.tsainc.com](http://www.tsainc.com)

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