

**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): **September 20, 2007 (September 19, 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 2.02. Results of Operations and Financial Condition.

On September 19, 2007, ACI Worldwide, Inc. (the "Company") issued a press release announcing its preliminary financial results for the quarterly period ending June 30, 2007. A copy of this press release is attached hereto as Exhibit 99.1. The Company will host an earnings call on September 20, 2007 in which its financial results for the quarter ended June 30, 2007 will be discussed. The investor presentation materials used for the call are attached as Exhibit 99.2 hereto.

The foregoing information (including the exhibits hereto) is being furnished under "Item 2.02 — Results of Operations and Financial Condition" and "Item 7.01 — Regulation FD Disclosure." Such information (including the exhibits 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 Items 2.02 and 7.01 do not mean that such information is material or that disclosure of such information is required.

Item 7.01. Regulation FD Disclosure.

Also see "Item 2.02 — Results of Operations and Financial Condition" above.

Item 9.01. Financial Statements and Exhibits.

- 99.1 Press Release dated September 19, 2007.
- 99.2 Investor presentation materials dated September 20, 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

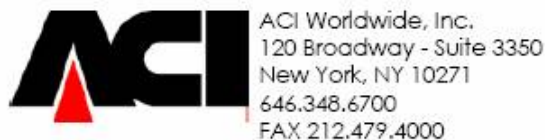
Date: September 19, 2007

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EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Exhibit Description</u>
99.1	Press Release dated September 19, 2007.
99.2	Investor presentation materials dated September 20, 2007.

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News Release

Investors contact:

Tamar Gerber
Vice President, Investor Relations
646.348.6706

Media contact:

Jim Maxwell
Manager, Public Relations
402.390.8906

FOR IMMEDIATE RELEASE

**ACI Worldwide, Inc. Reports Financial
Results for Quarter Ended June 30, 2007 and Updates Guidance**

KEY QUARTERLY HIGHLIGHTS

- Generated strong operating free cash flow of \$11.7 million versus \$2.2 million in June 2006 quarter.
- Continued sequential growth of \$26 million in 60-month backlog to \$1.270 billion versus \$1.244 billion in the March quarter of 2007.
- Signed a multi product contract with a large European bank to install BASE24-eps™, ACI Proactive Risk Manager debit and credit on the IBM Z-Series platform and also expanded our direct distribution network in Asia with the acquisition of Stratasoft Sdn Bhd.

	June 30, 2007	Quarter Ended Better / (Worse) June 30, 2006	Better / (Worse) June 30, 2006	Current Guidance Calendar Year 2007
Operating Free Cash Flow (\$ Mil)	\$ 11.7	\$ 9.4	410%	\$ 50 to \$55
60 month Backlog (\$Bil)	\$ 1.270	\$ 0.192	18%	\$ 1.290 to \$1.310
Revenues (\$ Mil)	\$ 98.1	\$ 13.3	16%	\$ 390 to \$400
GAAP EPS (diluted)	\$ (0.07)	(\$0.66)	(110%)	\$ 0.20 to \$0.40
Adj. Non-GAAP EPS (diluted)	\$ 0.10	(\$0.21)	(69%)	\$ 0.82 to \$1.02

(NEW YORK — September 19, 2007) — ACI Worldwide, Inc. (NASDAQ:ACIW), a leading international provider of software for electronic payment systems, today announced financial results for the period ending June 30, 2007. We will hold a conference call on September 20, 2007 at 8:30 am EDT to discuss this information. Interested persons may also access a real-time audio broadcast of the teleconference at www.aciworldwide.com/investors.

“We believe that the continued growth in operating free cash flow underscores our effort to build and deliver long-term economic value in our business,” stated Chief Executive Officer Philip G. Heasley. “Our results in the June quarter demonstrated the progress of our strategic emphasis upon cross-selling products to our existing accounts and we were encouraged by the growth of multi-product users within the quarter. In the March and June quarterly results, we demonstrated growth in both our backlog and in our deferred revenue compared to last year. In pursuit of the growth and expansion of our Asian direct distribution network we purchased Stratasoft in Malaysia, a long time ACI partner.”

Notable new business during the quarter included:

- A multi-product contract signed with a bank in Brazil for ACI Proactive Risk Manager, and ACI Automated Case Management systems.
- A BASE24-eps™ capacity contract signed with a top 40 global bank.
- Seven new customers signed; including new users of ACI Enterprise Banker On Demand and of Proactive Risk Manager.
- Thirty one new applications added to existing customer relationships ranging from ACI Retail Commerce Server to PRM Enterprise Risk and Simulation Services for Enterprise Testing.

FINANCIAL SUMMARY

Operating Free Cash Flow

Operating free cash flow was \$11.7 million compared to \$2.3 million for the June 2006 quarter. The drivers of our operating free cash flow were solid contracting, billings and collections.

Backlog

As of June 30, 2007, our estimated 60-month backlog was \$1.270 billion, compared to \$1.244 billion as of March 31, 2007 and compared to \$1.078 billion as of June 30, 2006. As of June 30, 2007, our 12-month backlog was \$317 million, as compared to \$307 million for the quarter ended March 31, 2007 and \$257 million for the quarter ended June 30, 2006. The sequential growth of \$26 million in our 60-month backlog was comprised of ACI organic growth of \$23 million and \$3 million from our acquired companies.

Revenues

Revenue was \$98.1 million in the quarter ended June 2007, an increase of \$13.3 million or 16 percent over the prior year period revenue of \$84.8 million. \$13.0 million of the increase was due to acquired companies' revenue while \$0.3 million was attributable to ACI's organic business. Sequentially, our deferred revenue increased slightly at \$1.1 million compared to a sequential decrease of \$5.2 million in the June 2006 quarter, reflecting the business' emphasis on selling longer term products and services to both new and existing customers, thus resulting in lengthier revenue recognition cycles.

Operating Expenses

Excluding expenses of \$15.5 million related to acquisitions, \$4.7 million related to the review of historical stock option practices and vested share option settlement, and \$1.3 million related to non-recurring employee costs, organic operating expenses for the quarter rose \$2.5 million on a year over year basis. The rise in operating expense was primarily driven by a \$1.4 million swing in deferred expenses and \$0.7 million related to investments in Ireland and in Romania. Including the impact of these items, operating expenses were \$93.2 million in the June 2007 quarter compared to \$69.2 million in the June 2006 quarter.

Other Income and Expense

Other expense for the quarter was \$2.0 million, compared to other income of \$1.4 million in the June 2006 quarter. The decrease in other income resulted from the following factors: a loss on foreign exchange, a reduction of cash and cash equivalents due to the funding of the share repurchase program which also impacted interest income received, and interest expense paid on the outstanding credit facility.

Taxes

The elongation of our revenue recognition cycle, combined with several non-recurring charges, has resulted in lower pre-tax earnings. Consequently, the impact of the \$0.5 million fixed charge related to the transfer of intellectual property rights to Ireland combined with geographic profit mix led to an effective tax rate of 195 percent for the period ending June 30, 2007. The equivalent period ending June 30, 2006 had a one-time rate of (33.1) percent due to a \$12.6 million tax benefit during the period.

Net Income (Loss) and Diluted Earnings Per Share

Net loss for the quarter was \$2.7 million, compared to net income of \$22.5 million during the same period last year.

Earnings per share for the quarter ended June 2007 was \$(0.07) per diluted share compared to \$0.59 per diluted share during the same period last year. The year-over-year quarterly variance is primarily due to the following factors: change in tax rate \$(0.48), dilutive impact of acquisitions \$(0.04), expense related to the review of historical stock options and expense related to the settlement of vested options \$(0.08), employee related costs \$(0.02), investment in global offices and change in deferred costs \$(0.03).

Shares Outstanding

Total weighted average diluted shares outstanding were 37.1 million as of June 30, 2007 as compared to 38.5 million shares outstanding as of June 30, 2006. Shares repurchased in the quarter totaled 463,100

shares at an average price of \$33.90 or \$15.7 million. Year to date we have repurchased 1,373,720 shares at an average price of \$30.41.

Adjusted Non-GAAP Earnings Per Share

Adjusted Non-GAAP earnings for the quarter were \$0.10 per diluted share, compared to \$0.31 per diluted share during the same period last year. The variance is due primarily to the following factors: variance in taxes paid \$(0.16), investment in Ireland and in Romania and change in deferred costs \$(0.03).

Calendar Year Guidance Update

We have modified our assumptions on calendar year guidance predicated on the performance of the operating business as well as the impact of all expenses related to the options review charge of \$4.7 million and non-recurring employee exit costs of approximately \$6.5 to \$7.5 million. Operating free cash flow is expected to be in the range of \$50 million to \$55 million with 60-month backlog of \$1.290 billion to \$1.310 billion. Revenue for calendar year 2007 is expected to be in the range of \$390 million to \$400 million. Currently we anticipate GAAP earnings per share for calendar year 2007 to be \$0.20 to \$0.40 per fully diluted share. Non-GAAP earnings per share, adjusted by adding expenses associated with amortization of intangible assets from acquisitions and non-cash, stock-based compensation (see Adjusted Non-GAAP Financial Measure below), is expected to be \$0.82 to \$1.02. In estimating earnings per share guidance for calendar 2007, we assume an average effective tax rate of 37 percent and 37.4 million shares outstanding.

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 84 countries including many of the world's largest financial institutions, retailers and payment processors. Visit ACI Worldwide at www.aciworldwide.com.

Non GAAP Financial Measures

This press release includes operating free cash flow, and earnings per share on an adjusted, non-GAAP basis. ACI is presenting these non-GAAP guidance measures to provide more transparency to its earnings, focusing on operations before selected non-cash items, operating free cash flow.

We believe that providing earnings per share on an adjusted, non-GAAP basis is useful to our investors as an operating measure because it allows investors to more accurately compare our ongoing performance from period to period. However, earnings per share on an adjusted non-GAAP basis, is limited because it excludes expenses associated with amortization of intangible assets from acquisitions and non-cash stock based compensation. ACI is also presenting operating free cash flow, which is defined by our net cash provided by operating activities, adjusted for one-time items, minus capital expenditures. We utilize this non-GAAP financial measure, and believe it is useful to investors, as an indicator of cash flow available for debt repayment and other investing activities, such as capital investments and acquisitions. We utilize operating free cash flow as a further indicator of operating performance and for planning investing activities. A limitation of operating free cash flow is that it does not represent the total increase or decrease in the cash balance for the period. This measure also does not exclude mandatory debt service obligations and therefore does not represent the residual cash flow available for discretionary expenditures.

Management generally compensates for limitations in the use of non-GAAP financial measures by relying on comparable GAAP financial measures and providing investors with a reconciliation of the non-GAAP financial measures only in addition to and in conjunction with results presented in accordance with GAAP. We believe that these non-GAAP financial measures reflect an additional way of viewing aspects of our operations that, when viewed with our GAAP results, provide a more complete understanding of factors and trends affecting our business. These non-GAAP measures should be considered as a supplement to, and not a substitute for, or superior to, loss from operations and net loss per share calculated in accordance with GAAP. Due to the forward-looking nature of free operating cash flows and earnings per share on an adjusted, non-GAAP basis for future periods, information to reconcile such non-GAAP financial measures to the most directly comparable GAAP financial measure is not available at this time as the Company is unable to forecast any special items for future periods.

Table 1: Reconciliation of Operating Free Cash Flow (millions)

	Quarter Ended June 30,	
	2007	2006
Net cash provided by operating activities	\$ 11.0	\$ 4.5
Non-recurring items:		
Net after-tax cash payments associated with stock option	1.9	—
Less capital expenditures	-1.2	-2.2
Operating Free Cash Flow	\$ 11.7	\$ 2.3

Table 2: Reconciliation of Adjusted Non-GAAP earnings per share (millions)

	Quarter Ended June 30,			
	2007		2006	
GAAP earnings per share	(\$0.07)	(\$2.7)	\$ 0.59	\$ 22.5
Cost of stock options review	0.08	\$ 2.9	—	—
Employee related costs	0.02	\$ 0.8	—	—
Foreign Tax Credits	—	—	(0.32)	(\$12.6)
Adj. earnings per share after selected non-recurring items	\$ 0.03	\$ 1.0	\$ 0.27	\$ 9.9
Amortization of acquisition-related intangibles	0.05	\$ 1.8	0.01	\$ 0.5
Non-cash equity-based compensation	0.02	\$ 0.9	0.03	\$ 1.0
Adjusted Non-GAAP earnings per share	\$ 0.10	\$ 3.7	\$ 0.31	\$ 11.4

Table 3: Backlog 60-Month (millions)

	Quarter Ended			
	June 30, 2007	March 31, 2007	June 30, 2006	March 31, 2006
Americas	\$ 653	\$ 643	\$ 529	\$ 521
EMEA	485	474	424	393
Asia/Pacific	133	127	125	126
Backlog 60-Month	\$ 1,270	\$ 1,244	\$ 1,078	\$ 1,040
Backlog breakout				
ACI Organic	\$ 1,095	\$ 1,072	\$ 1,050	\$ 1,031
Acquisitions	175	172	20	0
Divestitures	0	0	8	9
Backlog 60-Month	\$ 1,270	\$ 1,244	\$ 1,078	\$ 1,040

Table 4: Revenues by Channel

	Quarter Ended June 30,	
	2007	2006
Revenues:		
United States	\$ 33.0	\$ 29.3
Americas International	19.6	17.7
Americas	\$ 52.6	\$ 47.0
EMEA	36.5	29.7
Asia/Pacific	9.0	8.0
Revenues	\$ 98.1	\$ 84.8

Table 5: Monthly Recurring Revenue (mils)

	Quarter Ended June 30,	
	2007	2006
Monthly license fees	\$ 15.5	\$ 17.7
Maintenance fees	31.3	26.0
Processing Services	7.8	3.4
Monthly Recurring Revenue	\$ 54.6	\$ 47.1

Table 6: Deferred Revenue (mils)

	Quarter Ended			
	June 30, 2007	March 31, 2007	June 30, 2006	March 31, 2006
Acquisitions	\$ 9.8	\$ 6.0	\$ 0.5	\$ 0.0
ACI Organic	87.3	90.4	78.3	80.1
Short Term Deferred Revenue	\$ 97.1	\$ 96.4	\$ 78.8	\$ 80.1
Acquisitions	\$ 3.0	\$ 5.5	\$ 0.0	\$ 0.0
ACI Organic	22.7	19.8	16.6	20.4
Long Term Deferred Revenue	\$ 25.7	\$ 25.3	\$ 16.6	\$ 20.4
Total Deferred Revenue	\$ 122.8	\$ 121.7	\$ 95.4	\$ 100.6

Table 7: Deferred Expenses (mils)

	Quarter Ended			
	June 30, 2007	March 31, 2007	June 30, 2006	March 31, 2006
Acquisitions	\$ 0.1	\$ 0.2	\$ 0.0	\$ 0.0
ACI Organic	13.8	14.4	5.9	5.2
Total Deferred Expenses	\$ 13.9	\$ 14.6	\$ 5.9	\$ 5.2

Table 8: Organic versus Acquisition Comparisons (mils)

	Year over Year Increase/ Decrease in Revenue	Year over Year Increase/ Decrease in Op. Expenses	Mar-Jun y-o-y Quarterly Movement in Deferred Revenue	Mar-Jun y-o-y Quarterly Movement in Deferred Expense
2006 Quarter	\$ 84.8	\$ 69.2	(\$5.2)	\$ 0.7
Organic	\$ 0.3	\$ 2.5	\$ 5.6	(\$1.4)
Acquisitions	13.0	12.5	0.7	0.0
Intangible Amortization	—	3.0	—	—
Employee Related Costs	—	1.3	—	—
Stock Options	—	4.7	—	—
Net Change	\$ 13.3	\$ 24.0	\$ 6.3	(\$1.4)
2007 Quarter	\$ 98.1	\$ 93.2	\$ 1.1	(\$0.7)

Table 9: Share Repurchase Program (millions)

	14-Sep-07
Repurchase authorization	\$ 210.00
Shares repurchased since inception	4.2
Authorization remaining as of June 30, 2007	\$ 92.4

Forward-Looking Statements

This press 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 press release include, but are not limited to, statements regarding the:

- Company’s belief that the continued growth in operating free cash flow underscores our effort to build and deliver long-term economic value in our business;
- Company’s pursuit of the growth and expansion of its Asian direct distribution network;
- Company’s assumptions underlying our calendar year guidance;
- Company’s revenues, earnings per share, adjusted earnings per share, operating free cash flow, and 60-month backlog estimates for calendar year 2007;
- Company’s 12-month and 60-month backlog estimates; and
- Company’s calculation of recurring and non-recurring backlog.

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. Consequently, no forward-looking statement can be guaranteed. In addition, the Company disclaims any obligation to update any forward-looking statement 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 May 11, 2007, the Company’s Form 10-Q filed on June 29, 2007 and the Company’s Form 10-Q filed on August 10, 2007 and, specifically, the sections entitled “Factors That May Affect the Company’s Future Results or the Market Price of the Company’s Common Stock.”

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, one result of which is that 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 lenders in the future in order to comply with the financial reporting requirements of the Company’s bank debt, which failure to do so could have a material adverse effect on the Company’s business, liquidity and financial conditions;

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- Risks associated with the Company’s noncompliance with NASDAQ marketplace rules, including the risk of being delisted;
 - 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 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 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 that the Company may be subject to increasing litigation over its intellectual property rights;
- Risks associated with litigation that could materially adversely affect the Company's 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 material weaknesses in the Company's internal controls over financial reporting.

Backlog

Estimates of future financial results are inherently unreliable. The Company's backlog estimates require substantial judgment and are based upon a number of assumptions as described in the Company's Form 10-Q filed on August 10, 2007 in the section entitled "Backlog" under Item 2. — MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS. These assumptions may turn out to be inaccurate or wrong, including for reasons outside of management's control. For example, customers may attempt to renegotiate or terminate their contracts for a number of reasons, including mergers, changes in their financial condition, or general changes in economic conditions in the customer's industry or geographic location, or the Company may experience delays in the development or delivery of products or services specified in customer contracts which may cause the actual renewal rates and amounts to differ from historical experiences. Changes in foreign currency exchange rates may also impact the amount of revenue actually recognized in future periods. Accordingly, there can be no assurance that contracts included in backlog estimates will actually generate the specified revenues or that the actual revenues will be generated within the corresponding 12-month or 60-month period. Additionally, because backlog estimates are operating metrics, the estimates are not subject to the same level of internal review or controls as a GAAP financial measure.

ACI WORLDWIDE, INC. AND SUBSIDIARIES CONSOLIDATED BALANCE SHEETS (in thousands, except share amounts)

	June 30, 2007 (unaudited)	March 31, 2007 (unaudited)	June 30, 2006 (unaudited)	March 31, 2006 (unaudited)
ASSETS				
Current assets				
Cash and cash equivalents	\$ 89,965	\$ 95,963	\$ 108,365	\$ 113,539
Marketable securities	2,500	2,500	67,725	76,182
Billed receivables, net of allowances	73,226	75,068	62,324	59,110
Accrued receivables	13,777	11,332	9,992	8,547
Deferred income taxes, net	5,830	4,575	3,103	4,509
Recoverable income taxes	2,956	5,825	—	—
Other current assets	16,986	15,167	13,740	11,959
Total current assets	205,240	210,430	265,249	273,846
Property, plant and equipment, net	18,926	18,869	9,234	9,642
Software, net	33,118	32,760	11,044	4,275
Goodwill	202,974	201,360	88,411	66,248
Other intangible assets, net	40,846	41,050	17,985	12,481
Deferred income taxes, net	15,935	16,126	29,246	21,886
Other assets	12,543	12,791	6,288	2,737
TOTAL ASSETS	\$ 529,582	\$ 533,386	\$ 427,457	\$ 391,115
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities				
Current portion of debt - financing agreements	\$ —	\$ —	\$ 78	\$ 308
Accounts payable	14,293	10,806	6,960	6,316
Accrued employee compensation	26,823	21,447	15,794	15,967
Deferred revenue	97,105	96,402	78,808	80,134
Income taxes payable	—	—	8,942	8,999
Accrued and other current liabilities	17,832	16,761	19,638	10,666
Total current liabilities	156,053	145,416	130,220	122,390
Deferred revenue	25,742	25,343	16,561	20,429
Note payable under credit facility	75,000	75,000	—	—
Other noncurrent liabilities	17,480	16,721	2,638	1,854
Total liabilities	274,275	262,480	149,419	144,673
Commitments and contingencies				
Stockholders' equity				
Preferred stock	—	—	—	—

Common stock	204	204	204	204
Treasury stock	(113,429)	(97,768)	(79,305)	(82,251)
Additional paid-in capital	309,616	309,445	305,979	300,716
Retained earnings	61,841	64,564	59,697	37,168
Accumulated other comprehensive loss	(2,925)	(5,539)	(8,537)	(9,395)
Total stockholders' equity	<u>255,307</u>	<u>270,906</u>	<u>278,038</u>	<u>246,442</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 529,582</u>	<u>\$ 533,386</u>	<u>\$ 427,457</u>	<u>\$ 391,115</u>

ACI WORLDWIDE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited and in thousands, except per share amounts)

	Three Months Ended June 30,	
	2007	2006 (Restated)
Revenues:		
Software license fees	\$ 40,920	\$ 41,955
Maintenance fees	31,287	25,989
Services	25,902	16,820
Total revenues	<u>98,109</u>	<u>84,764</u>
Expenses:		
Cost of software license fees	9,932	7,895
Cost of maintenance and services	26,789	19,385
Research and development	13,422	10,191
Selling and marketing	16,894	15,896
General and administrative	26,190	15,877
Total expenses	<u>93,227</u>	<u>69,244</u>
Operating income	4,882	15,520
Other income (expense):		
Interest income	940	1,641
Interest expense	(1,431)	(10)
Other, net	(1,533)	(227)
Total other income (expense)	<u>(2,024)</u>	<u>1,404</u>
Income before income taxes	2,858	16,924
Income tax provision	(5,581)	5,605
Net income (loss)	<u>\$ (2,723)</u>	<u>\$ 22,529</u>
Earnings (loss) per share information		
Weighted average shares outstanding		
Basic	37,075	37,529
Diluted	37,075	38,476
Earnings (loss) per share		
Basic	\$ (0.07)	\$ 0.60
Diluted	\$ (0.07)	\$ 0.59

ACI WORLDWIDE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited and in thousands)

	Three Months Ended June 30,	
	2007	2006
Cash flows from operating activities:		
Net income (loss)	\$ (2,723)	\$ 22,529
Adjustments to reconcile net (loss) income to net cash flows from operating activities:		
Depreciation	1,516	993
Amortization	3,757	1,082
Tax expense of intellectual property transfer	478	—
Amortization of debt financing cost	84	—

Loss on disposal of assets	4	—
Deferred income taxes	(1,001)	(9,967)
Share-based compensation expense	1,382	1,528
Tax benefit of stock options exercised	(6)	775
Changes in operating assets and liabilities, net of acquired balances:		
Billed and accrued receivables, net	976	(801)
Other current assets	(1,418)	(1,077)
Other assets	(257)	(3,015)
Accounts payable	2,127	(257)
Accrued employee compensation	3,869	(1,126)
Accrued liabilities	181	943
Current income taxes	3,067	128
Deferred revenue	(1,016)	(7,264)
Other current and noncurrent liabilities	(49)	5
Net cash flows from operating activities	<u>10,971</u>	<u>4,476</u>
Cash flows from investing activities:		
Purchases of property and equipment	(1,043)	(84)
Purchases of software and distribution rights	(139)	(2,146)
Purchases of marketable securities	—	(14,875)
Acquisition of business, net of cash acquired	(2,565)	(13,080)
Sales of marketable securities	—	23,335
Other	6	—
Net cash flows from investing activities	<u>(3,741)</u>	<u>(6,850)</u>
Cash flows from financing activities:		
Proceeds from issuance of common stock	—	320
Proceeds from exercises of stock options	—	4,553
Excess tax benefit of stock options exercised	—	815
Purchases of common stock	(14,865)	(10,710)
Payments on debt and capital leases	(443)	(947)
Other	—	(137)
Net cash flows from financing activities	<u>(15,308)</u>	<u>(6,106)</u>
Effect of exchange rate fluctuations on cash	<u>2,080</u>	<u>3,306</u>
Net decrease in cash and cash equivalents	(5,998)	(5,174)
Cash and cash equivalents, beginning of period	95,963	113,539
Cash and cash equivalents, end of period	<u>\$ 89,965</u>	<u>\$ 108,365</u>
Supplemental cash flow information:		
Income taxes paid	3,311	2,384
Interest paid	1,280	8



June 30, 2007 Quarterly Results and Full Year 2007 Guidance Update

September 20, 2007





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.

Agenda



- **Mark Vipond, Chief Operating Officer**
 - Overview of Operations
 - June 30 Quarterly Results- Operational Detail
 - Full year 2007 Outlook
- **Henry Lyons, Chief Financial Officer**
 - Financial Overview
 - June 30 Results- Financial Detail
 - Full year 2007 Guidance
- **Q&A: Phil Heasley, Henry Lyons and Mark Vipond**



Business Operations Review June 30, 2007 Quarter

Mark Vipond, Chief Operating Officer

Business activity June 30, 2007 Quarter



- **Seven new customers signed**
 - Continued momentum in fraud products with three new accounts for Proactive Risk Manager
 - Two ACI Enterprise Banker On Demand
 - Major win with BASE24-eps on IBM zSeries with significant European bank
- **Thirty one new applications signed with existing customers**
 - Proactive Risk Manager
 - Payments Manager
 - Retail Commerce Server
 - Enterprise Security Services
- **Nine Capacity upgrades over \$100K**

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Business activity - continued June 30, 2007 Quarter



- **Retail Payments Solutions**
 - BASE24
 - BASE24-eps
 - Payments Management
- **Wholesale Payments Solutions**
 - Integration of P&H and Visual Web
 - International Opportunities
- **Risk Management Solutions**
 - Fraud Detection and Prevention
 - Move to Enterprise Risk

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Business activity - continued

June 30, 2007 Quarter



- **Americas**
 - Revenue of \$52.6 million
 - 60-month Backlog of \$653 million
 - Market Overview
- **Europe, Middle East and Africa (EMEA)**
 - Revenue of \$36.5 million
 - 60-month Backlog of \$485 million
 - Market Overview
- **Asia/Pacific**
 - Revenue of \$9.0 million
 - 60-month Backlog of \$133 million
 - Market Overview

Business activity - continued June 30, 2007 Quarter



- **ACI On Demand**
 - Expansion of Enterprise Banker
 - North American focus in 2007
- **Global Technology Centers**
 - Ireland
 - Romania expansion
 - India/Malaysia
 - Latin/South America location analysis
- **Services Growth Opportunity**
- **Strategic Partner Update**
 - IBM
 - Hewlett Packard

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Commercial Performance Calendar Year 2007 Outlook



- **Total sales in line with expectations**
 - United States is down
 - Rest of World is up
- **Mix of sales changed from expectations**
 - Higher Term Extensions
 - Not incremental to backlog but serves to increase “contracted” portion of backlog
 - Lower New Applications, New Accounts and Add On Business
 - Significant growth over prior year but short of expectations
 - This change in sales mix will impact our backlog, GAAP revenues, and OFCF metrics

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Financials Review

June 30, 2007 Quarter

Henry Lyons, Chief Financial Officer

Key Takeaways from Quarter



- OFCF growth of ~5x year over year
- Sequential backlog growth of \$26 million
- Revenue up due to acquisitions
- Total expenses grew due to acquisitions, stock options review, acquisition intangibles, increased deferred expenses, employee-related costs, release of deferred expense and investment in Ireland and Romania
- Other expense grew due to lower interest income received, higher interest paid on credit facility and negative FX impact
- Taxes in both periods were non-representative

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Operating Free Cash Flow (\$ millions)



	Quarter Ended June 30,	
	2007	2006
Net cash provided by operating activities	\$11.0	\$4.5
Selected non-recurring items:		
Net after-tax cash payments associated with stock option	1.9	–
Less capital expenditures	-1.2	-2.2
Operating Free Cash Flow	\$11.7	\$2.3

5.3x growth over prior year quarter

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Adjusted non-GAAP earnings (\$ millions)



	Quarter Ended June 30,			
	2007		2006	
GAAP earnings per share	(\$0.07)	(\$2.7)	\$0.59	\$22.5
Cost of stock options review	0.08	\$2.9	--	--
Employee-related costs	0.02	\$0.8	--	--
Release of Valuation Allowance	--	--	(0.32)	(\$12.6)
Adj. earnings per share after selected non-recurring items	\$0.03	\$1.0	\$0.27	\$9.9
Amortization of acquisition-related intangibles	0.05	\$1.8	0.01	\$0.5
Non-cash equity-based compensation	0.02	\$0.9	0.03	\$1.0
Adjusted Non-GAAP earnings per share	\$0.10	\$3.7	\$0.31	\$11.4

Non-GAAP excludes impact of one-time items, amortization of acquisition intangibles and non-cash equity compensation

60-Month Backlog (\$ millions)



	Quarter Ended			
	June 30,	March 31,	June 30,	March 31,
	2007	2007	2006	2006
Americas	\$653	\$643	\$529	\$521
EMEA	485	474	424	393
Asia/Pacific	133	127	125	126
Backlog 60-Month	\$1,270	\$1,244	\$1,078	\$1,040
	Backlog breakout			
ACI Organic	\$1,095	\$1,072	\$1,050	\$1,031
Acquisitions	175	172	20	0
Divestitures	0	0	8	9
Backlog 60-Month	\$1,270	\$1,244	\$1,078	\$1,040

All regions contributed to sequential backlog growth in quarter

Revenues by Channel (\$ millions)



	Quarter Ended June 30,	
	2007	2006
Revenues:		
United States	\$33.0	\$29.3
Americas International	19.6	17.7
Americas	\$52.6	\$47.0
EMEA	36.5	29.7
Asia/Pacific	9.0	8.0
Revenues	\$98.1	\$84.8

16% growth driven by acquisition revenues of \$13.0 million

Monthly Recurring Revenue (\$ millions)



	Quarter Ended	
	June 30,	
	2007	2006
Monthly license fees	\$15.5	\$17.7
Maintenance fees	31.3	26.0
Processing Services	7.8	3.4
Monthly Recurring Revenue	\$54.6	\$47.1

Monthly license fee declines due to sales mix and weakness in the Americas segment

Maintenance and processing services fees were driven by activity in EMEA and by acquisitions

Deferred Revenue (\$ millions)



	Quarter Ended			
	June 30,	March 31,	June 30,	March 31,
	2007	2007	2006	2006
Acquisitions	\$9.8	\$6.0	\$0.5	\$0.0
ACI Organic	87.3	90.4	78.3	80.1
Short Term Deferred Revenue	\$97.1	\$96.4	\$78.8	\$80.1
Acquisitions	\$3.0	\$5.5	\$0.0	\$0.0
ACI Organic	22.7	19.8	16.6	20.4
Long Term Deferred Revenue	\$25.7	\$25.3	\$16.6	\$20.4
Total Deferred Revenue	\$122.8	\$121.7	\$95.4	\$100.6

Sequentially up \$1.1 million compared to a \$5 million decrease in the June 2006 quarter

Up \$1.1 million after \$20 million sequential increase in March quarter

Deferred Expenses (\$ millions)



	Quarter Ended			
	June 30,	March 31,	June 30,	March 31,
	2007	2007	2006	2006
Acquisitions	\$0.1	\$0.2	\$0.0	\$0.0
ACI Organic	13.8	14.4	5.9	5.2
Total Deferred Expenses	\$13.9	\$14.6	\$5.9	\$5.2

June 2007 quarter expenses impacted by release of \$0.7 million of deferred expenses

June 2006 quarter expenses benefited from increased capitalization of \$0.7 million

Organic vs. Acquired Business Performance (\$ millions)



	Year over Year Increase/ Decrease in Revenue	Year over Year Increase/ Decrease in Op. Expenses	Mar-Jun y-o-y Quarterly Movement in Deferred Revenue	Mar-Jun y-o-y Quarterly Movement in Deferred Expense
2006 Quarter	\$84.8	\$69.2	(\$5.2)	\$0.7
Organic	\$0.3	\$2.5	\$5.6	(\$1.4)
Acquisitions	13.0	12.5	0.7	0.0
Intangible Amortization	--	3.0	--	--
Employee Related Costs	--	1.3	--	--
Stock Options	--	4.7	--	--
Net Change	\$13.3	\$24.0	\$6.3	(\$1.4)
2007 Quarter	\$98.1	\$93.2	\$1.1	(\$0.7)

Revenue growth driven by acquisitions; expenses up due to acquisitions, amortization of intangibles, employee-related costs, and stock options review

Deferred Revenue increased in June 2007 quarter versus a decrease in the June 2006 quarter. Deferred expenses of \$0.7 million released in June 2007 quarter versus capitalization of \$0.7 million in June 2006



- Reduced GAAP revenue expectations combined with several non-recurring charges significantly reduce fiscal year pre-tax income
 - Fixed amortization charge related to IP transfer to Ireland does not change; drives up ETR
 - Establishment of expense structure in Ireland ahead of GAAP revenues in Ireland drives up ETR
- 195% ETR in June Quarter
- Discrete items anticipated to favorably impact ETR in September Quarter
- 37% ETR assumed in calendar year 2007 guidance

Share repurchase program

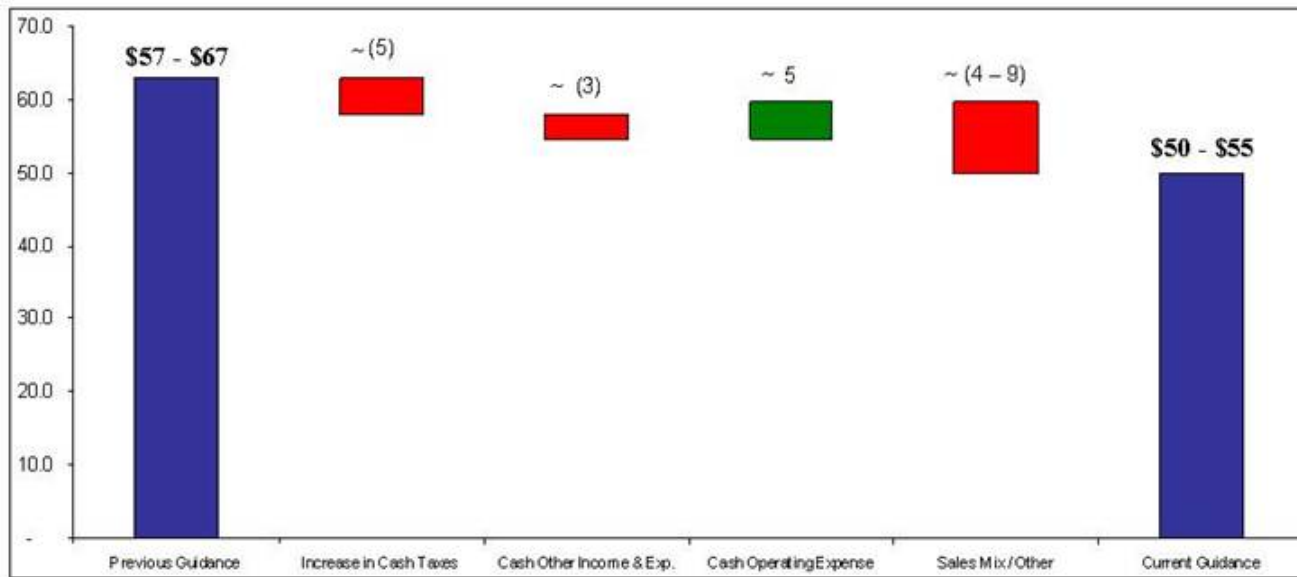


- Total Open Market Shares Repurchased:
 - Calendar Year to Date 2007--1,373,720
 - June 2007 quarter -- 463,100
 - Subsequent to June quarter-- 909,620
 - Total Shares Repurchased in Program since 2005 -- 4,160,363
- CY 2007 Average Price per Share (open market): \$30.41
- Total \$ Available in the Buyback Program--\$92.4 million remaining of \$210 million authorization
- Total Vested Options Settled-- 512,686

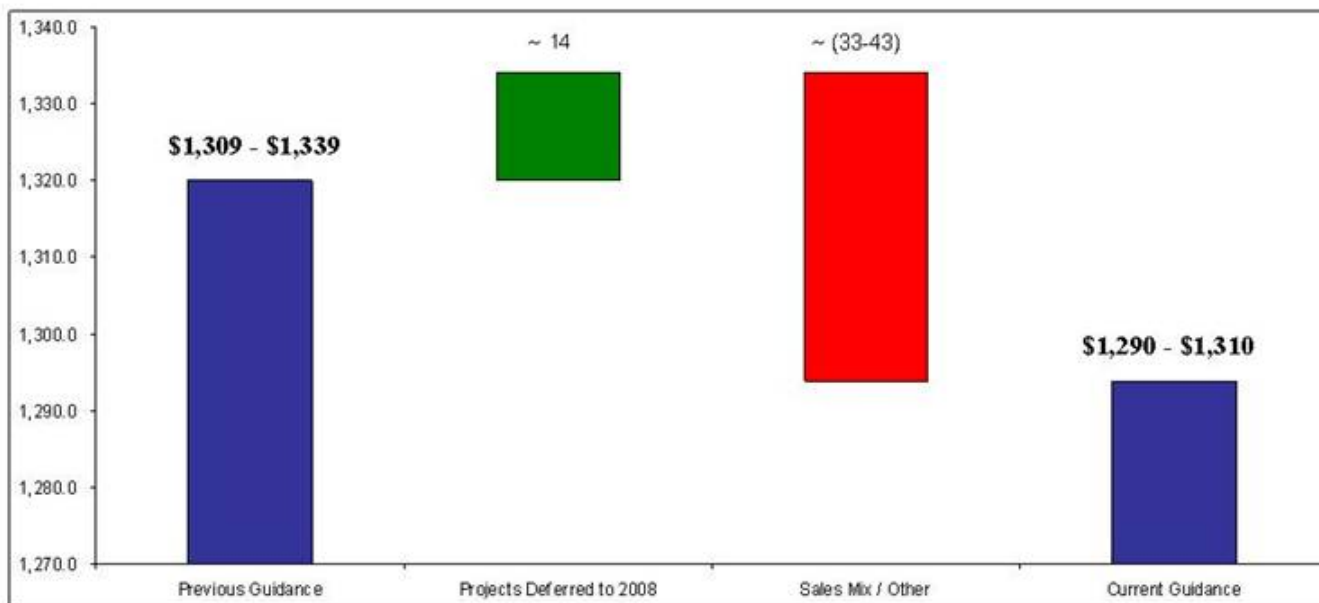


Guidance Tables

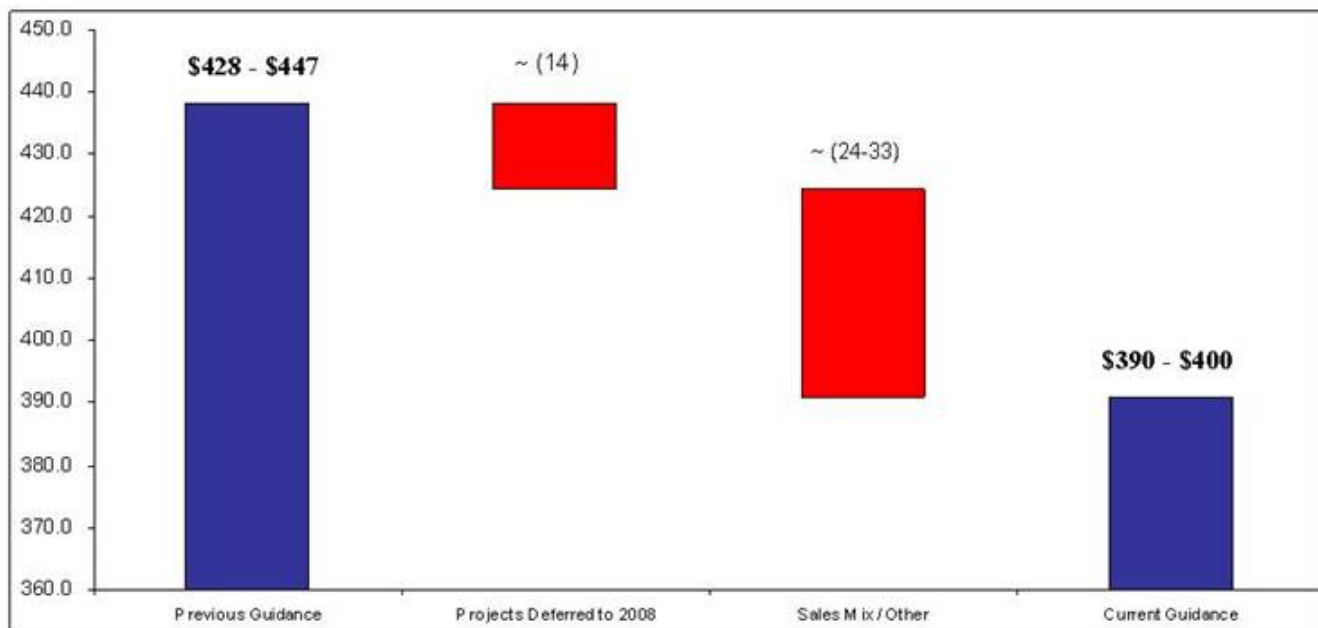
CY 2007 OFCF Forecast Walk (\$ millions)



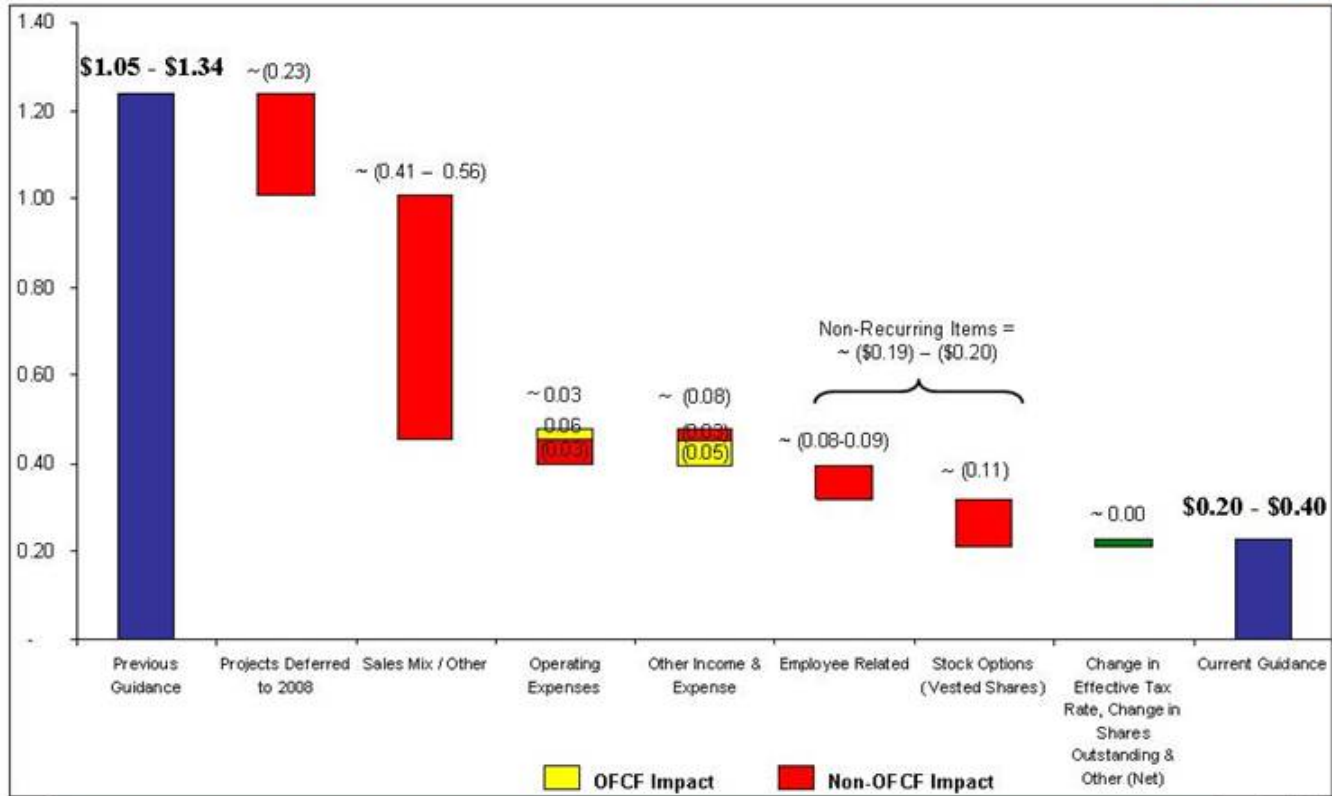
CY 2007 60 Mo. Backlog Forecast Walk (\$ millions)



CY 2007 Revenue Forecast Walk (\$ millions)



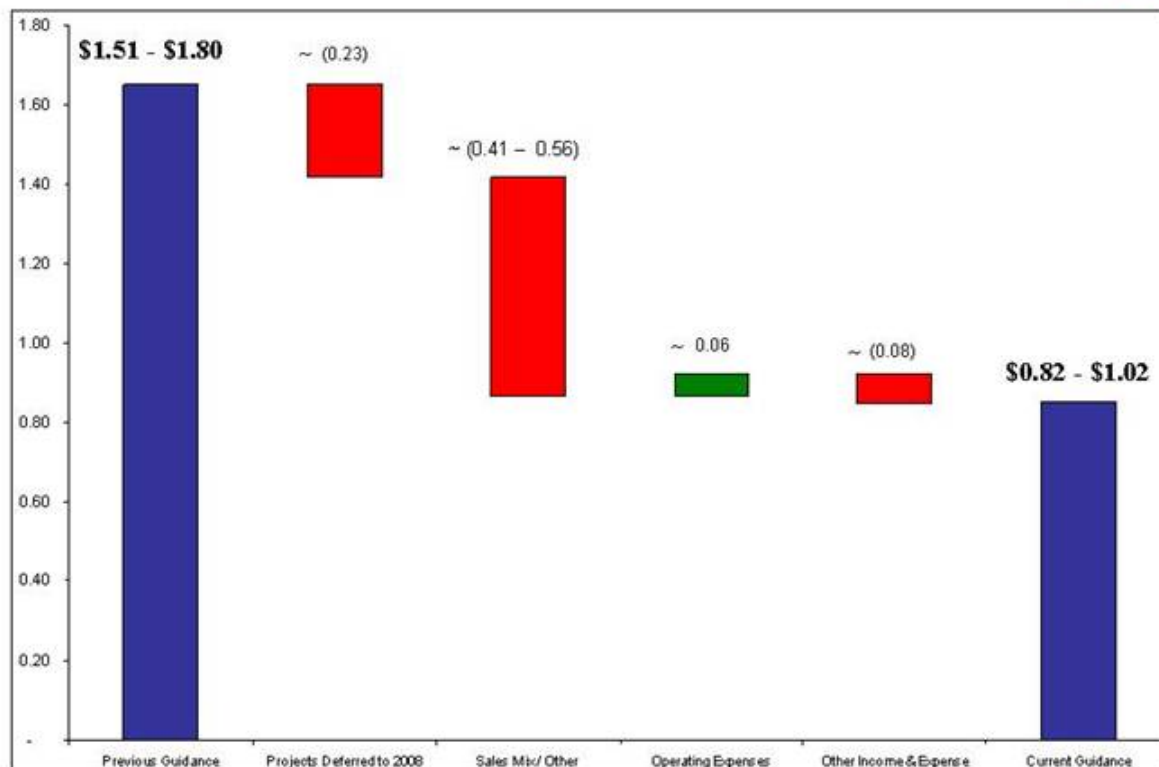
CY 2007 EPS Forecast Walk



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CY 2007 Non-GAAP EPS Forecast Walk



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Non-GAAP Financial Measures



Non-GAAP Financial Measures Reconciliation

This presentation includes non-GAAP information: Operating Free Cash Flow and Adjusted Non-GAAP EPS. ACI is presenting these non-GAAP guidance measures to provide more transparency to its earnings, focusing on operations before selected non-cash items, operating free cash flow.

We believe that providing earnings per share on an adjusted non-GAAP basis is useful to our investors as an operating measure because it allows investors to more accurately compare our ongoing performance from period to period. However, earnings per share on an adjusted non-GAAP basis is limited because it excludes expenses associated with amortization of intangible assets from acquisitions and non-cash stock based compensation. ACI is also presenting operating free cash flow, which is defined by our net cash provided by operating activities, adjusted for one-time items, minus capital expenditures. We utilize this non-GAAP financial measure, and believe it is useful to investors, as an indicator of cash flow available for debt repayment and other investing activities, such as capital investments and acquisitions. We utilize operating free cash flow as a further indicator of operating performance and for planning investing activities. A limitation of operating free cash flow is that it does not represent the total increase or decrease in the cash balance for the period. This measure also does not exclude mandatory debt service obligations and therefore does not represent the residual cash flow available for discretionary expenditures.

Management generally compensates for limitations in the use of non-GAAP financial measures by relying on comparable GAAP financial measures and providing investors with a reconciliation of the non-GAAP Financial measures only in addition to and in conjunction with results presented in accordance with GAAP. We believe that these non-GAAP financial measures reflect an additional way of viewing aspects of our operations that, when viewed with our GAAP results, provide a more complete understanding of factors and trends affecting our business. These non-GAAP measures should be considered as a supplement to, and not a substitute for, or superior to, loss from operations and net loss per share calculated in accordance with GAAP. A reconciliation of GAAP earnings per share to non-GAAP adjusted earnings per share follows.

The presentation of these non-GAAP financial measures should be considered in addition to our GAAP results and is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with GAAP. A reconciliation of net cash provided by operating activities to operating free cash flow, backlog estimates, GAAP earnings per share to non-GAAP adjusted earnings per share follows.

Due to the forward-looking nature of free operating cash flows and earnings per share on adjusted, non-GAAP basis for future periods, information to reconcile such non-GAAP financial measures to the most directly comparable GAAP financial measure is not available at this time as the Company is unable to forecast any special items for future periods.

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.

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 presentation include, but are not limited to, statements regarding the:

- Company’s expectations regarding continued momentum in fraud products;
- Company’s expectations with respect to services growth opportunities;
- Company’s assumptions with respect to calendar year guidance;
- Company’s revenues, earnings per share, adjusted earnings per share, operating free cash flow, and 60-month backlog estimates for calendar year 2007;
- Company’s expectations with respect to total sales, mix of sales and sales mix impact on backlog, GAAP revenues and operating free cash flow metrics; and
- Company’s expectations with respect to its effective tax rate.

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 the Company’s Form 10-K filed on May 11, 2007, the Company’s Form 10-Q filed on June 29, 2007 and the Company’s Form 10-Q filed on August 10, 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.”

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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 one result of which is that 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 lenders in the future in order to comply with the financial reporting requirements of the Company’s bank debt, which failure to do so could have a material adverse effect on the Company’s business, liquidity and financial conditions;
- Risks associated with the Company’s noncompliance with NASDAQ marketplace rules, including risk of being delisted;
- Risks inherent in making an estimate of the Company’s backlogs which many 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 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 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 that the Company may be subject to increasing litigation over its intellectual property rights;
- Risks associated with litigation that could materially adversely affect the Company’s 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 material weaknesses in the Company’s internal controls over financial reporting.

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Forward-Looking Statements (continued)



Backlog

Estimates of future financial results are inherently unreliable. The Company's backlog estimates are based on a number of assumptions as described in the Company's Form 10-Q filed on August 10, 2007 in the section entitled "Backlog" under Item 2. -- MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS. These assumptions may turn out to be inaccurate or wrong, including for reasons outside of management's control. For example, customers may attempt to renegotiate or terminate their contracts for a number of reasons, including mergers, changes in their financial condition, or general changes in economic conditions in the customer's industry or geographic location, or the Company may experience delays in the development or delivery of products or services specified in customer contracts which may cause the actual renewal rates and amounts to differ from historical experiences. Changes in foreign currency exchange rates may also impact the amount of revenue actually recognized in future periods. Accordingly, there can be no assurance that contracts included in backlog estimates will actually generate the specified revenues or that the actual revenues will be generated within the corresponding 12-month or 60-month period. Additionally, because backlog estimates are operating metrics, the estimates are not subject to the same level of internal review or controls as a GAAP measure.