
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): August 25, 2011

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) N/A

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 (see General Instruction A.2. below):

- 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))
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Item 8.01. Other Events.

On August 25, 2011, ACI Worldwide, Inc. (“ACI”) announced that it has made an enhanced proposal to S1 Corporation (“S1”) to acquire 100% of the outstanding shares of S1 common stock (the “S1 Shares”), with an increase in the cash consideration payable under its July 26, 2011 proposal from \$5.70 to \$6.20 per S1 Share, or an increase of \$0.50 per S1 Share (the “Enhanced ACI Merger Proposal”). Based on the \$29.00 closing trading price per share of ACI common stock (the “ACI Shares”) on August 24, 2011, the last trading day prior to the announcement of the Enhanced ACI Merger Proposal, the relative value of the cash-stock consideration reflected by the Enhanced ACI Merger Proposal consisted of \$6.20 in cash and \$3.09 in ACI Shares per S1 Share as of such date, or an aggregate value of \$9.29 per S1 Share as of such date.

S1 is currently party to an Agreement and Plan of Merger and Reorganization, by and among, S1, Finland Holdings (2011) Ltd., a company organized under the laws of Israel and a wholly-owned direct subsidiary of S1, and Fundtech Ltd., a company organized under the laws of Israel.

The Board of Directors of ACI has unanimously approved the submission of the Enhanced ACI Merger Proposal to S1.

A copy of the press release announcing the delivery of the Enhanced ACI Merger Proposal, which includes the Enhanced ACI Merger Proposal, is attached to this Current Report on Form 8-K as Exhibit 99.1 and is incorporated herein by reference in its entirety. The description contained herein of the Enhanced ACI Merger Proposal and the transactions contemplated thereby is not complete and is qualified in its entirety by reference to the Enhanced ACI Merger Proposal.

Forward-Looking Statements

This communication contains forward-looking statements based on current expectations that involve a number of risks and uncertainties. All opinions, forecasts, projections, future plans or other statements other than statements of historical fact, are forward-looking statements and include words or phrases such as “believes,” “will,” “expects,” “would” 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.

We can give no assurance that such expectations will prove to have been correct. Actual results could differ materially as a result of a variety of risks and uncertainties, many of which are outside of the control of management. These risks and uncertainties include, but are not limited to the following: (1) that a transaction with S1 may not be completed on a timely basis or on favorable terms, (2) negative effects on our business or S1’s business resulting from the pendency of the merger, (3) that we may not achieve the synergies and other expected benefits within the expected time or in the amounts we anticipate, (4) that we may not be able to promptly and effectively integrate the merged businesses after closing and (5) that the committed financing may not be available. Other factors that could materially affect our business and actual results of operations are discussed in our most recent 10-Ks as well as other filings with the SEC available at the Securities and Exchange Commission (“SEC”) website at www.sec.gov. Forward-looking statements speak only as of the date they are made, and we undertake no obligation to publicly update or revise any of them in light of new information, future events or otherwise.

Certain Information Concerning The Participants

ACI and certain of its directors and officers may be deemed to be participants in any solicitation of stockholders in connection with the proposed transaction. Information about the participants in the solicitation, including their interests in the transactions, is available in the proxy statement that ACI has filed with the SEC on August 25, 2011 in connection with the special meeting of S1's stockholders.

Available Information

This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval. INVESTORS AND SECURITY HOLDERS OF S1 AND ACI ARE URGED TO READ ACI'S PROXY STATEMENT AND OTHER DOCUMENTS THAT WILL BE FILED WITH THE SEC CAREFULLY IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION.

Investors and security holders will be able to obtain free copies of the registration statements and prospectuses (when available) and other documents filed with the SEC by ACI through the website maintained by the SEC at <http://www.sec.gov>. Copies of the documents filed with the SEC by ACI will be available free of charge on ACI's internet website at www.aciworldwide.com or by contacting ACI's Investor Relations Department at 646-348-6706.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
99.1	ACI Press Release, dated August 25, 2011.
99.2	Letter to S1 Corporation.

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.

Date: August 25, 2011

ACI WORLDWIDE, INC.

By: /s/ Dennis P. Byrnes
Name: Dennis P. Byrnes
Title: Executive Vice President, General Counsel
and Secretary

EXHIBIT INDEX

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FOR IMMEDIATE RELEASE

ACI WORLDWIDE INCREASES OFFER FOR S1 CORPORATION
Company Filing Definitive Proxy Statement and Mailing Letter to S1 Shareholders
Urges S1 Shareholders to Vote the BLUE Proxy Card

NEW YORK, August 25, 2011 — ACI Worldwide, Inc. (Nasdaq: ACIW), a leading international provider of payment systems, today announced that it has increased its cash and stock proposal to acquire S1 Corporation (Nasdaq: SONE) from \$5.70 per share, plus 0.1064 ACI shares, to \$6.20 per share, plus 0.1064 ACI shares, assuming full proration. Based on ACI's closing stock price on July 25, 2011, the last trading day prior to the public announcement of the ACI proposal, the ACI enhanced proposal has a blended value of \$10.00 per share, and based on the closing price of ACI on August 24, 2011, the ACI enhanced proposal has a blended value of \$9.29 per share.

"ACI is committed to taking the necessary actions to complete our proposed acquisition of S1, and we believe today's action is the next step forward in this process," said Philip G. Heasley, President and Chief Executive Officer of ACI. "Given the uncertain and volatile market conditions, we have enhanced the cash component of our proposal to provide additional certainty and value for S1 shareholders."

ACI's proposal represents a 30% premium to S1's market price on July 25, 2011, the last trading day prior to the public announcement of ACI's proposal, a 29% premium to the volume weighted average price of S1 shares over the previous 90 days prior to the announcement and a 20% premium to the 52-week high of S1 shares, for the 52-week period ending July 25, 2011.

ACI anticipates that the proposed transaction could close as early as the fourth quarter. The Company has secured committed financing from Wells Fargo Bank, N.A. for the cash portion of the transaction and has offered to provide S1 with a copy of a commitment letter upon request. In addition, to resolve any potential barriers to consummating a transaction, ACI has reiterated to S1 that it is willing to provide appropriate assurance of satisfaction of the Hart-Scott-Rodino Act condition, including a divestiture commitment (if required) and substantial break-up compensation.

ACI Filing Definitive Proxy Materials

ACI also announced that, in advance of S1's Special Meeting scheduled for September 22, 2011, it is filing its definitive proxy materials with the Securities and Exchange Commission ("SEC") in connection with the solicitation of votes against proposals related to the proposed merger of S1 and Fundtech Ltd. (Nasdaq: FNDD).

Continued Mr. Heasley, "We look forward to joining with S1's shareholders in sending a message to S1 in support of ACI's superior proposal. To preserve their opportunity to benefit from the increased certainty and the considerable financial and strategic benefits of our proposed transaction with S1, we urge S1 shareholders to vote **AGAINST** the Fundtech transaction."

ACI urges shareholders to vote the **BLUE** proxy card **AGAINST** the Fundtech transaction today. S1 shareholders are encouraged to read the definitive proxy materials in their entirety as they provide, among other things, a detailed discussion of ACI's superior proposal and the reasons behind the ACI recommendation that shareholders vote **AGAINST** the proposed Fundtech transaction.

In connection with the solicitation, ACI is mailing the following letter to S1 shareholders:

***** AN IMPORTANT NOTICE TO ALL S1 SHAREHOLDERS *****

**PROTECT THE VALUE OF YOUR S1 INVESTMENT
VOTE AGAINST THE PROPOSED S1-FUNDTECH MERGER ON
THE ENCLOSED BLUE PROXY CARD TODAY**

August 25, 2011

Dear S1 Shareholder:

As the S1 special meeting approaches, we urge you to carefully consider what is at stake: S1 is asking you to dilute your shares in order to “acquire” Fundtech in a transaction that we believe is inferior to ACI Worldwide’s proposal. At the same time, S1 is denying you the opportunity to realize a premium value for your investment through ACI’s proposal to acquire S1 in exchange for cash and stock, which we believe to be superior to the Fundtech transaction.

The choice is clear—vote your BLUE proxy card AGAINST the proposed S1-Fundtech transaction today.

**THE PROPOSED S1-FUNDTECH TRANSACTION IS
NOT IN THE BEST INTERESTS OF S1 SHAREHOLDERS**

ACI strongly believes that a vote AGAINST the proposed S1-Fundtech combination will:

- **Preserve the opportunity for you to receive the premium price** contemplated by ACI’s cash and stock proposal, which ACI believes would provide S1 shareholders with significantly greater value than the Fundtech transaction.
- **Stop S1 from entering into a transaction that would result in a radical restructuring of S1’s business**, ownership and governance for **no premium or cash** to S1 shareholders.
- **Send a strong message to S1** that you — the true owners of S1 — want S1 to consider other alternatives for the company, including ACI’s premium proposal.

**ACI’S INCREASED PROPOSAL PROVIDES ADDITIONAL CERTAINTY AND DELIVERS
SIGNIFICANTLY GREATER VALUE
TO S1 SHAREHOLDERS**

ACI remains committed to acquiring S1 Corporation and on August 25, 2011, submitted an enhanced proposal that, given recent market volatility, provides S1 shareholders with additional certainty for their investment. ACI has increased the cash component of its proposal. Under the enhanced proposal, S1 shareholders would receive \$6.20 per share in cash and 0.1064 ACI shares for each share of S1 common stock they hold, assuming full proration. Based on ACI’s closing stock price on July 25, 2011, the last trading day prior to the public announcement of the ACI proposal, the ACI enhanced proposal has a blended value of \$10.00 per share, and based on the closing price of ACI on August 24, 2011, the ACI enhanced proposal has a blended value of \$9.29 per share. Given its stock component, the value of the ACI proposal will fluctuate based on the market price of ACI shares.

Metrics	Based on ACI Stock Price as of July 25, 2011	Based on ACI Stock Price as of August 24, 2011
Value of ACI Enhanced Proposal	\$ 10.00	\$ 9.29
<i>Implied Purchase Price Premium: ¹</i>		
1-Day Prior to Announcement \$7.13	40.3%	30.3%
90-Day VWAP \$7.21	38.7%	28.8%
52 Week High \$7.75	29.0%	19.9%

¹ To closing sale price for S1 shares on July 25, 2011

By pursuing the Fundtech transaction, S1 is denying you the ability to benefit from the **substantial premium** and **immediate cash value** inherent in the ACI proposal. Furthermore, a number of Wall Street analysts have commented that they believe that the ACI proposal provides greater value to S1 shareholders than the Fundtech transaction (emphasis added):

*“We suspect SONE’s board will have a hard time **justifying turning down a 33% immediate premium, given that the alternative SONE/Fundtech ‘merger of equals’ may take several years to blossom.**”*

(DA Davidson, July 26, 2011) *

*“In addition, **we are encouraged by [ACI’s] proposed acquisition of S1**, which, before synergies, could provide incremental and accretive cross-sell opportunities in the retail and small financial institution verticals.”*

(Raymond James, July 26, 2011) *

*“**We think the near term and more certain nature of ACIW’s offer is more compelling [than the proposed SONE merger with FNDT]** ... Fifth, we think the cross sales would be compelling, for example we think ACIW’s international customers would be interested in SONE’s highly-regarded international cash management system.”*

(Stephens, July 27, 2011) *

ACI HAS A PROVEN TRACK RECORD OF DELIVERING SIGNIFICANT VALUE TO ITS SHAREHOLDERS

ACI has delivered impressive performance and enhanced returns for its shareholders. Over the past five years, ACI has grown its business through a rigorous framework based on three phases of development: control, profitability and growth. Through the successful execution of its control and profitability phases, ACI has:

- Increased 60-month backlog to \$1.6 billion in 2010, up \$350 million since 2006;
- Driven monthly recurring revenue to 68% in 2010, up nearly 29% since 2007; and
- Increased Adjusted EBITDA margin to 21% in 2010, from 7% in 2007.

ACI is now well into the profitability and growth phases, and has generated shareholder returns greater than S1’s, as well as other industry peers. In fact, **over the three years ended July 25, 2011, the date prior to when ACI announced its proposal to acquire S1, ACI has produced shareholder returns of approximately 90.2%. Over the same time period, S1 produced a NEGATIVE 9.2% return to its shareholders!**

* Permission to use quotations was neither sought nor obtained

<u>Company / Index</u>	<u>3 Year Price Performance¹</u>
ACI Worldwide	90.2%
S1 Corp	(9.2)%
Bank / Pay Technology Peer Index ²	27.1%
NASDAQ	23.0%

¹ Price performance from July 25, 2008 to July 25, 2011

² Includes EPAY, FICO, FIS, FNDDT, GPN, JKHY, LSE:MSY, ORCC, and TSS

Underscoring the strength of its product portfolio, ACI's customer attrition rates for each of the past four years have been in the low single digits as a percent of its 60-month backlog and any attrition has primarily been the result of merger activity among customers rather than competitive losses. Contrary to S1's assertions, we believe that S1 has not achieved its stated revenue gains ACI's expense.

**TOGETHER, ACI-S1 CREATES COST SAVINGS FAR GREATER THAN THOSE
CONTEMPLATED IN THE FUNDTech TRANSACTION**

The combination of ACI and S1 would create significant financial benefits, including considerable cost savings, beyond what either company could achieve on its own. In fact, **ACI expects to achieve more than \$24 million in cost savings, compared to the \$12 million contemplated in the Fundtech transaction.**

ACI expects synergies to be achieved through the combination of corporate and public company functions, reducing SG&A, streamlining product management and consolidating hosting infrastructure and facilities. In addition, the combination of ACI and S1 would benefit from the leveraging of a global cost structure, the reducing of fixed infrastructure and the cross-selling opportunities of complementary product offerings across an expanded customer base.

To date, ACI has provided greater clarity on its projected synergies than S1 has for the Fundtech transaction. Despite having performed "extensive due diligence" prior to announcing their merger, S1 and Fundtech only this week included an additional \$8.0 million in EBITDA, purportedly resulting from revenue synergies, and have not provided any details to support this claimed potential benefit.

ACI expects to realize its savings as early as the first quarter following closing of the transaction — much sooner than what is contemplated under the Fundtech transaction. As an S1 shareholder, you would be able to share in these cost savings and the resulting value creation.

Considering these greater synergies within a shorter timeframe, we strongly believe ACI's proposal is demonstrably superior to the Fundtech transaction.

**BY PURSUING THE FUNDTech TRANSACTION,
S1 IS OBSTRUCTING SHAREHOLDER VALUE**

The proposed Fundtech merger provides no premium and no cash to S1 shareholders. While S1 has characterized the Fundtech transaction both as a “merger of equals” and as an “acquisition” of Fundtech, we believe that both are incorrect. Based upon (1) the expected roles to be played by S1’s and Fundtech’s management following the proposed merger, (2) the substantial ownership of the combined company by Fundtech’s largest stockholder following the merger, and (3) the treatment of the merger as a “change of control” under the compensation arrangement of S1’s management, we believe that the proposed Fundtech merger looks much more like a change of control rather than an “acquisition” of Fundtech or a “merger.”

In the four weeks between the announcement of the Fundtech transaction and ACI’s superior proposal, **S1’s stock price DECLINED by 5.4%, compared to an increase of 7.1% by the NASDAQ Index.** However, following the announcement of the ACI proposal, S1’s stock price experienced its largest single day improvement and an all-time high over the prior three years. Since then, S1’s stock price has been tied to the value of the ACI proposal and has generally avoided the declines experienced in the overall market. **Shareholders should consider — given the 13.2% decline in the NASDAQ index over the same time period — at what price levels S1 would be trading from a \$7.13 close on July 25, 2011, had ACI not made its proposal on July 26, 2011.**



We believe that **S1 overstated the potential value of the combined S1-Fundtech** in its August 22, 2011 letter to shareholders. Do not be misled by S1’s claims. Consider the following:

- The valuation analysis provided by S1 is based on an 11x EBITDA multiple. This is despite the fact that S1’s financial advisor, Raymond James, used a multiple range of 8-10x EBITDA in the fairness opinion included in S1’s proxy statement.
- In its August 22, 2011 letter, S1 failed to account for the 11%-15% discount rate that Raymond James used to determine a present value for the shares in the fairness opinion included in S1’s proxy statement.
- S1’s August 22, 2011, letter also included \$8.0 million of EBITDA from purported revenue synergies for 2012; however, S1 did not include these purported synergies in announcing the Fundtech transaction and has provided no details to support these synergies.

Janney Capital Markets concluded that the analysis in S1’s August 22, 2011, letter was “disingenuous,”* suggesting in an August 23, 2011, report that an 8.0x multiple is more appropriate for S1:

“The assumed 11.0x multiple is high. Fundtech is currently trading at 6.2x next 12 months consensus EBITDA, S1 at 12.1x, and ACI Worldwide at 7.4x. By S1’s own admission, their

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*current stock price is over-valued and ACI and Fundtech is undervalued. We believe an 8.0x multiple is more realistic ... Based on our adjustments, a combined S1/FNDT is worth \$8.50 per share ... **Recommending S1 shareholders apply an 11.0x multiple in valuing the proposed merger with Fundtech while assuming ACIW is worth only 7.4x is disingenuous. If 11.0x is the right multiple, SONE shareholder[s] are better off taking the \$9.50 per share from ACIW.***

(Janney Capital Markets, August 23, 2011)*

We believe that S1 is ignoring the compelling value of ACI's proposal and S1 is obfuscating the facts in rejecting it without even discussing it with us. In short, S1 is denying you the substantial premium and significant upside potential of the ACI proposal.

**ACI REMAINS READY, WILLING & ABLE TO
CLOSE ITS SUPERIOR PROPOSAL**

We would strongly prefer to pursue a negotiated transaction with S1, notwithstanding the S1 Board's August 2, 2011, rejection of our merger proposal. On August 25, 2011, ACI:

- **Increased the cash portion of our proposal from \$5.70 to \$6.20 per share;**
- **Reiterated our willingness to provide appropriate assurance of satisfaction of the Hart-Scott-Rodino (HSR) Act condition, including a divestiture commitment (if required) and substantial break-up compensation;**
- **Reiterated that we have a fully executed commitment letter from Wells Fargo Bank, N.A., sufficient to fund the cash required by our proposal and to finance our ongoing operations and offered to provide a copy of such a commitment letter upon request; and**
- **Requested that the Board reconsider our proposal.**

Unless and until the S1 Board commits to engage in meaningful discussions, however, we are prepared to do what is necessary to make our proposal a reality.

There is a very clear path forward for ACI to act on its proposal and deliver immediate value to S1 shareholders. S1 claims that conducting due diligence remains an impediment; however, the only thing standing in our way is S1's refusal to engage with ACI. As we have made clear to S1, ACI stands ready, willing and able to promptly conduct confirmatory due diligence while also providing S1 representatives with immediate due diligence access.

We have carefully reviewed all applicable regulatory requirements were we to acquire S1. The combined company would continue to face intense competition from third-party software vendors, in house solutions, processors, IT service organizations and credit card associations, including from companies which are substantially larger and have substantially greater market shares than the combined company would have. Moreover, the dynamic worldwide nature of the industry means that competitive alternatives can and do regularly emerge. We believe that the transaction would not enable us to obtain power in, or even a significant share of, any relevant market.

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We believe that it would be in the best interests of S1's shareholders for the S1 Board to authorize its management to meet with us in a timely fashion to discuss our merger proposal. We remain confident that our proposed transaction could close as early as the fourth quarter.

THE FUTURE VALUE OF YOUR INVESTMENT HANGS IN THE BALANCE

DO NOT VOTE S1'S PROXY CARD

VOTE YOUR BLUE CARD AGAINST THE S1-FUNDTECH TRANSACTION NOW

**SEND A MESSAGE TO S1 AND MANAGEMENT
THAT YOU WILL NOT SETTLE FOR INFERIOR VALUE**

ACI is committed to taking the necessary steps to complete its proposed acquisition of S1. One of the first steps to realizing this goal and benefitting from the significant financial and strategic benefits of an ACI-S1 combination is to **prevent the S1-Fundtech transaction from moving forward**. The best way to accomplish this is to vote **AGAINST** the Fundtech transaction on the **BLUE proxy card** at the upcoming Special Meeting.

Your vote is IMPORTANT no matter how many shares you own. Please vote **AGAINST** the proposed Fundtech merger **TODAY** by telephone, Internet or by signing, dating and returning the enclosed **BLUE** proxy card in the postage-paid envelope provided.

If you have any questions concerning the ACI proposal or need additional copies of ACI's materials, please contact Innisfree M&A Incorporated, toll-free at (888) 750-5834.

Sincerely,

/s/

Philip G. Heasley

President and Chief Executive Officer

Your Vote Is Important, No Matter How Many Shares You Own.

If you have questions about how to vote your shares on the **BLUE** proxy card, or need additional assistance, please contact the firm assisting us in the solicitation of proxies:

INNISFREE M&A INCORPORATED
Stockholders Call Toll-Free: (888) 750-5834
Banks and Brokers Call Collect: (212) 750-5833

IMPORTANT

We urge you NOT to sign any White proxy card sent to you by S1.

Wells Fargo Securities is serving as financial advisor to ACI, and Jones Day is serving as its legal advisor.

About ACI Worldwide

ACI Worldwide powers electronic payments for more than 800 financial institutions, retailers and processors around the world, with its broad and integrated suite of electronic payment software. More than 90 billion times each year, ACI's solutions process consumer payments. On an average day, ACI software manages more than US\$12 trillion in wholesale payments. And for more than 160 organizations worldwide, ACI software helps to protect their customers from financial crime. To learn more about ACI and understand why we are trusted globally, please visit www.aciworldwide.com. You can also find us on www.paymentsinsights.com or on Twitter @ACI_Worldwide.

Forward-Looking Statements

This press release contains forward-looking statements based on current expectations that involve a number of risks and uncertainties. All opinions, forecasts, projections, future plans or other statements other than statements of historical fact, are forward-looking statements and include words or phrases such as "believes," "will," "expects," "would" 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.

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August 25, 2011

John W. Spiegel
Chairman of the Board of Directors
S1 Corporation
705 Westech Drive
Norcross, Georgia 30092

Dear John

We remain committed to acquiring S1 Corporation and are pleased to inform you that we have enhanced our proposal in order to provide S1 shareholders with additional value certainty for their investment. Given the recent significant market volatility, ACI Worldwide, Inc. has increased its cash and stock proposal from \$5.70 per share, plus 0.1064 ACI shares, to \$6.20 per share, plus 0.1064 ACI shares, assuming full proration.

We are confident that your shareholders will find our enhanced proposal to be superior to the Fundtech Ltd. transaction, and we stand ready and willing to promptly engage with S1 to consummate a transaction that benefits both companies' shareholders. Based on the closing price of ACI stock on July 25, 2011, the day prior to our initial proposal, our enhanced proposal provides a per share consideration of \$10.00 to each S1 shareholder. Based on the closing price of ACI stock on August 24, 2011, our enhanced proposal provides a per share consideration of \$9.29 to each S1 shareholder. ACI's enhanced proposal also equates to a:

- 30% premium to S1's unaffected closing market price on July 25, 2011;
- 29% premium to the volume weighted average price of S1 shares over the previous 90 days prior to July 25, 2011; and
- 20% premium to the 52-week high of S1 shares, for the 52-week period ending July 25, 2011.

When evaluating our enhanced proposal, we strongly encourage you to consider at what price levels S1 would be trading absent the ACI proposal. Since we made our proposal on July 26, 2011, the NASDAQ Index has declined by 13% while S1's stock price, affected by the value of the ACI proposal, has generally avoided the declines experienced in the overall market. Furthermore, we believe that your shareholders know that, had ACI not made its proposal, S1's share price would have been affected by the overall decline in stock market valuations. We also believe that the S1 shareholder reaction to our proposal, despite the significant ensuing market volatility, underscores its strength.

Your August 22, 2011, shareholder letter questioned whether we had the financing for the cash portion of our merger proposal as well as our commitment to obtain clearance under the Hart-Scott-Rodino (HSR) Act. To resolve these issues, we have a fully executed commitment letter from Wells Fargo Bank, N.A. sufficient to fund the cash required by our proposal and to finance our ongoing operations, and we would be pleased to provide a copy of such a commitment letter upon request. In addition, we reiterate that we are willing to provide appropriate assurance of satisfaction of the HSR Act condition, including a divestiture commitment (if required) and substantial break-up compensation. However, it does not withstand scrutiny for S1 to, on the one hand, refuse to engage with us on these issues and, on the other hand, point to these issues as a reason for not engaging in the first place.

As S1 has been unwilling to engage, we are taking the actions we believe necessary to consummate our proposed transaction. We are filing our definitive proxy statement to begin solicitation of votes against the proposed Fundtech transaction and, rest assured, we will take all actions necessary to advance our proposal. We would, however, strongly prefer to begin a direct dialogue with S1's management and advisors.

We believe that our proposal represents a Parent Superior Offer that clearly meets the standards set forth in Section 6.7(a) of the Fundtech merger agreement as it is more favorable to S1 shareholders from a financial point of view than the Fundtech transaction and it is likely to be completed, taking into account all financial, regulatory, legal and other aspects of our proposal.

We remain convinced of the strategic benefits of this transaction and strongly believe that it is in the best interests of both ACI's and S1's shareholders. We look forward to your prompt reply.

Sincerely,

/s/

Philip G. Heasley
President and CEO

cc: Johann Dreyer, Chief Executive Officer, S1 Corporation