

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE TO
(RULE 14d-100)

TENDER OFFER STATEMENT UNDER SECTION 14(d)(1) OR 13(e)(1)
OF THE SECURITIES EXCHANGE ACT OF 1934

TRANSACTION SYSTEMS ARCHITECTS, INC.
(Name of Subject Company (Issuer) and Filing Person (Offeror))

OPTIONS TO PURCHASE CLASS A COMMON STOCK, PAR VALUE \$0.005 PER SHARE,
GRANTED TO ELIGIBLE EMPLOYEES AND ELIGIBLE DIRECTORS UNDER THE
ACI HOLDING, INC. 1994 STOCK OPTION PLAN AND
THE TRANSACTION SYSTEMS ARCHITECTS, INC.
1996 AND 1999 STOCK OPTION PLANS
(Title of Class of Securities)

893416107
(CUSIP Number of Class of Securities)

David P. Stokes
Vice President - Legal and Secretary
Transaction Systems Architects, Inc.
224 South 108th Avenue
Omaha, Nebraska 68154
(402) 334-5101
(Name, Address and Telephone Number of Person Authorized to Receive
Notices and Communications on Behalf of Filing Person)

Copy to:
Albert G. McGrath, Jr.
Baker & McKenzie
2001 Ross Avenue, Suite 2300
Dallas, Texas 75201
(214) 978-3000

CALCULATION OF FILING FEE

TRANSACTION VALUATION*	AMOUNT OF FILING FEE*
NOT APPLICABLE	NOT APPLICABLE

* A filing fee is not required in connection with this filing as it relates solely to preliminary communications made before the commencement of a tender offer.

Check box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

Amount Previously Paid: Not Applicable Filing party: Not Applicable
Form or Registration No.: Not Applicable Date Filed: Not Applicable

Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

Check the appropriate boxes below to designate any transactions to which the statement relates:

- third party tender offer subject to Rule 14d-1.
- issuer tender offer subject to Rule 13e-4.
- going-private transaction subject to Rule 13e-3.

[] amendment to Schedule 13D under Rule 13d-2.

[] Check the following box if the filing is a final amendment reporting the results of the tender offer.

For more information contact:
LeRoy D. Peterson
Director, Investor Relations
402.390.7909

FOR IMMEDIATE RELEASE

TRANSACTION SYSTEMS ARCHITECTS REPORTS FISCAL 2001
THIRD QUARTER FINANCIAL RESULTS

Third Quarter Highlights:

- o Revenues and pro forma diluted EPS for the quarter in line with revised company guidance.
- o Operating cash flow of \$15 million, cash balance increased to \$28 million.
- o Seven new Consumer e-Payment customers added during the quarter.
- o Operational restructuring plan and cost reduction initiatives substantially completed during the quarter.
- o Forecasting \$72 to 75 million in revenue for the fourth quarter fiscal 2001, and pro forma diluted EPS of \$.03 to .08 per share.

(OMAHA, Neb. -- July 31, 2001) Transaction Systems Architects, Inc. (Nasdaq: TSAI), a leading global provider of enterprise e-payments and e-commerce software, announced today that revenue for the third quarter of fiscal 2001 was \$73.7 million, in line with revised company guidance of \$72 to \$74 million. Pro forma earnings per diluted share were \$.04, at the high end of the company's revised earnings guidance range. Operating cash flow was \$15 million, the best cash flow results since the quarter ending September, 1999.

"This was clearly a transition quarter for the company," said Larry Fendley, interim CEO. "We experienced softness around the world for our enterprise-level e-payments software, consistent with the views expressed by others in the technology sector; consequently our revenue was down seven percent over the year-earlier quarter. We made significant changes in senior management, and announced a major corporate restructuring of the company. We remain confident in the company's market leadership position, but felt that these moves were important if we expect to continue to enjoy that position."

"We will have reduced our cost structure significantly by the end of this fiscal year, and protected our strategic R&D initiatives," added Fendley. "With our costs under better control, we believe that we are in a much better position to win market share and grow once the overall technology spending environment improves. Market feedback has been positive for several of our strategic initiatives, including our PRISM fraud and money laundering detection product, our new secure document delivery technology and our advanced e-payment authorization platform. We expect to benefit from those investments in the quarters ahead."

"We generated over \$15 million in operating cash flow, our best cash performance in two fiscal years, and our cash balance is now \$28 million" said Dwight Hanson, CFO. "Current billed receivables are down 19 percent compared to the third quarter of fiscal 2000, and down 20 percent sequentially from the second quarter of fiscal 2001. In addition, we had favorable improvement in our DSO and DBO levels, with our DBO levels at their lowest point in over two years, and well below our goal of 60 days. We began to see some benefit from our restructuring efforts in Q3, with pro-forma expenses down 2 percent year-over-year. This should improve more in Q4 and into next year."

Pro forma results are computed by excluding acquisition-related charges (amortization of goodwill and software) and non-recurring items. The pro forma results of operations are computed using an effective tax rate of 39 percent. Pro forma results for the quarter exclude \$6.7 million of software and goodwill amortization from the acquisitions of SDM International, Inc., Insession Inc., Hospital Health Plan Corporation, WorkPoint Systems, Inc. and MessagingDirect, Ltd., and one-time non-recurring charges of \$22 million for

the previously announced corporate restructuring.

The Company completed the third quarter of fiscal 2001 with \$186 million in backlog, consisting of \$49 million in non-recurring backlog and \$137 million in recurring backlog. This compares to the backlog of \$187 million at the end of the second quarter of fiscal 2001. Non-recurring backlog is composed of fees specified in software and services contracts that the company expects to recognize in the next 12 months. Recurring backlog includes all monthly license fees, maintenance fees and facilities management fees that the company expects to recognize over the next 12 months. "While our backlog was flat, our recurring backlog was up \$3 million sequentially," said Hanson. "This is an indication of our strong customer retention rate."

The Company also announced that it expects to commence an offer to its eligible employees and directors to tender their outstanding options granted under three of the company's stock plans in a voluntary stock option exchange program. "Our employees and directors comprise the most important asset of our company," said Fendley. "They enable us to serve our customers and achieve our long-term goals, which enhances shareholder value. The offer is essential so we may continue to attract, retain and reward our employees and directors." The company expects to commence the offer during the fourth quarter of fiscal 2001.

Following commencement of the offer, the Company will send to eligible employees and directors a copy of the written "Offer to Exchange." They will be urged to read the Offer to Exchange when it becomes available, because it will contain important information. Eligible employees and directors will be able to obtain a free copy of the Schedule Tender Offer ("TO") which, when filed with the SEC, will contain the Offer to Exchange and other important information, as well as other filings containing information about us, at the SEC's Web site (<http://www.sec.gov>). Following commencement of the offer, eligible employees and directors will also be able to obtain, without charge, copies of the Schedule TO and the Company's SEC filings incorporated by reference in the Offer to Exchange directly from the Company.

Looking forward to the next quarter, TSA is expecting \$72 to 75 million in revenue, with pro forma diluted EPS of \$.03 to \$.08. "While we remain confident regarding our leadership position in our core markets, we remain cautious with our near term projections," said Hanson. "We have improved our cash position and reduced our expense rate, which positions us to weather continued softness in the market should that occur."

"We continue to win market share, adding seven new consumer e-payment customers in the quarter," said Fendley. "Included were our first three customers for our new secure document and delivery products, and a new top-100 U.S. retailer. We win the majority of competitive situations in our core markets and continue to see good transaction volume growth in areas like

debit, e-commerce and mobile commerce. We have a solid pipeline of significant e-payment deals building, both in the consumer e-payment and corporate e-payment markets, and we expect to make new product announcements in the coming quarter regarding new initiatives which should help diversify that pipeline in terms of geographic regions, solutions areas and hardware platforms."

About Transaction Systems Architects, Inc.

Transaction Systems Architects' software facilitates electronic payments by providing consumers and companies access to their money. Its products are used to process transactions involving credit cards, debit cards, secure electronic commerce, mobile commerce, smart cards, secure electronic document delivery and payment, checks, high-value money transfers, bulk payment clearing and settlement, and enterprise e-infrastructure. Transaction Systems Architects' solutions are used on more than 3,700 product systems in 79 countries on six continents.

TSA will hold a teleconference at 5:00 p.m. EST, July 31, 2001, to discuss third-quarter financial results. TSA will open the conference call to the general public by broadcasting the call live over the Internet. Interested persons may access a real-time audio broadcast of the teleconference at: www.tsainc.com/ir/ir.asp

To access the web cast, enter the conference name (Transaction Systems Architects, Inc.), viewer pass code (1409654) and the date (07/31/2001) along with your registration information. The web cast will be archived for seven days after the teleconference at the same web address listed above.

The statements in this report regarding projected results are preliminary and "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. In addition, this report contains other

forward-looking statements including statements regarding the Company's or third parties' expectations, predictions, views, opportunities, plans, strategies, beliefs, and statements of similar effect. The forward-looking statements in this report are subject to a variety of risks and uncertainties. Actual results could differ materially. Factors that could cause actual results to differ include but are not limited to the following:

The acquisition of MessagingDirect is subject to numerous risks, including the following: (i) MessagingDirect is in a highly competitive industry, (ii) MessagingDirect does not have a significant market presence, significant revenues, or widespread acceptance or prolonged use of its products, (iii) MessagingDirect has not been profitable, (iv) the electronic statement presentation and electronic bill presentment and payment markets may not achieve the predicted growth rates, (v) MessagingDirect's products, personnel, and operations may be difficult to combine with those of TSA, the products may not be accepted by TSA's customer base, and there will be significant integration costs of combining the businesses and (vi) the acquisition will have a dilutive effect on earnings per share and amortization of intangible assets will have an adverse effect on earnings.

TSA is subject to risks of conducting international operations including: difficulties in staffing and management, reliance on independent distributors, fluctuations in foreign currency exchange rates, compliance with foreign regulatory requirements, variability of foreign economic conditions, and changing restrictions imposed by U.S. export laws.

TSA will continue to derive a substantial majority of its total revenues from licensing its BASE24 family of software products and providing services and maintenance related to those products. Any reduction in demand for, or increase in competition with respect to, BASE24

products would have a material adverse effect on TSA's financial condition and results of operations.

TSA's business is concentrated in the banking industry, making it susceptible to a downturn in that industry.

Fluctuations in quarterly operating results may result in volatility in TSA's stock price. No assurance can be given that operating results will not vary. TSA's stock price may also be volatile, in part due to external factors such as announcements by third parties or competitors, inherent volatility in the high-technology sector and changing market conditions in the industry.

In April 2001 TSA announced the resignation of its chief executive officer and president, the organization of a search committee and the engagement of a professional executive search firm to solicit and assist in the selection of a permanent CEO and president. TSA estimates that the search process will take up to six months to complete. Pending the selection of a permanent CEO, a member of TSA's board of directors has been appointed to serve as interim CEO. There can be no assurance that a suitable CEO candidate will be readily identified, or identified and appointed within the six month period, or, if identified, that a CEO candidate will be willing or able to accept the terms, conditions or other arrangements relating to the CEO position, including relocating, if necessary, to TSA's headquarters in Omaha, Nebraska. Further, there can be no assurance that the transition from former CEO to interim CEO to permanent CEO will be accomplished in a timeframe or in a manner that will not have a material adverse effect on TSA's financial condition and results of operations.

For a detailed discussion of these and other risk factors, interested parties should review the Company's filings with the Securities and Exchange Commission, including Exhibit 99.01 to the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2000.

TRANSACTION SYSTEMS ARCHITECTS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(unaudited and in thousands)

June 30,
September
30, 2001
2000 -----

ASSETS

Current
 assets: Cash
 and cash
 equivalents
 \$ 28,101 \$
 23,400
 Marketable
 securities
 4,114 8,106
 Billed
 receivables,
 net 48,843
 63,556
 Accrued
 receivables
 46,919
 51,659
 Prepaid
 income taxes
 8,079 2,710
 Deferred
 income taxes
 21,344
 11,208 Other
 11,180
 13,134 -----

Total
 current
 assets
 168,580
 173,773

Property and
 equipment,
 net 15,471
 19,614

Software,
 net 31,382
 26,757

Intangible
 assets, net
 86,084

65,254 Long-
 term accrued
 receivables
 29,174
 27,018

Investments
 and notes
 receivable
 1,309 6,146

Deferred
 income taxes
 3,631 2,958
 Other 5,721
 8,632 -----

Total assets
 \$ 341,352 \$
 330,152
 =====
 =====

LIABILITIES
 AND
 STOCKHOLDERS'
 EQUITY

Current
 liabilities:
 Current
 portion of
 long-term
 debt \$
 16,699 \$
 18,396
 Accounts
 payable
 13,045
 16,023
 Accrued

employee
compensation
8,542 7,472
Accrued
liabilities
24,685
20,003
Deferred
revenue
42,747
43,373 -----

Total
current
liabilities
105,718
105,267
Long-term
debt 392 532
Long-term
deferred
revenue
11,394
13,993 Other
1,083 - ----

Total
liabilities
118,587
119,792 ----

Stockholders'
equity:
Class A
Common Stock
183 165
Additional
paid-in
capital
221,989
170,946
Retained
earnings
45,563
85,033
Treasury
stock, at
cost
(35,258)
(35,258)
Accumulated
other
comprehensive
income
(9,712)
(10,526) ---

Total
stockholders'
equity
222,765
210,360 ----

Total
liabilities
and
stockholders'
equity \$
341,352 \$
330,152
=====
=====

TRANSACTION SYSTEMS ARCHITECTS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(unaudited and in thousands, except per share amounts)

Three Months
Ended June
30, Nine
Months Ended
June 30, ----

----- 2001
2000 2001
2000 -----

Revenues:
Software
license fees
\$ 41,716 \$
46,498 \$
129,342 \$
128,259
Maintenance
fees 18,387
17,340 51,772
51,229
Services
13,568 15,064
43,685 41,920

Total
revenues
73,671 78,902
224,799
221,408 ----

Expenses:
Cost of
software
license fees
10,723 11,851
33,547 33,760
Cost of
maintenance
and services
20,311 17,952
57,033 52,008
Research and
development
10,854 10,125
31,645 28,553
Selling and
marketing
20,483 18,837
58,425 54,602
General and
administrative
26,513 16,185
58,690 45,982
Amortization
of goodwill
and purchased
intangibles
4,293 2,035
10,073 5,970

Total
expenses
93,177 76,985
249,413
220,875 -----

Operating
income (loss)
(19,506)
1,917
(24,614) 533

Other income
(expense):
Interest
income 1,725
985 3,265
2,649
Interest
expense (349)
(178) (1,717)
(313) Other
(914) (1,065)
(1,629) (933)
Non-recurring
items (7,406)
- (21,717) -

Total other
income
(expense)
(6,944) (258)
(21,798)
1,403 -----

Income
(loss) before
income taxes
(26,450)
1,659
(46,412)
1,936 Income
tax benefit
(provision)
4,935 (644)
6,941 (753) -

Net income
(loss) \$
(21,515) \$
1,015 \$
(39,471) \$
1,183
=====

=====

Earnings per
share
information:
weighted
average
shares
outstanding:
Basic 35,086
31,621 33,765

31,789
 =====
 =====
 =====
 =====
 Diluted
 35,086 31,875
 33,765 32,201
 =====
 =====
 =====
 Earnings per
 share: Basic
 \$ (0.61) \$
 0.03 \$ (1.17)
 \$ 0.04
 =====
 =====
 =====
 Diluted \$
 (0.61) \$ 0.03
 \$ (1.17) \$
 0.04
 =====
 =====
 =====
 =====

TRANSACTION SYSTEMS ARCHITECTS, INC.
 RECONCILIATION OF ACTUAL RESULTS TO PRO FORMA RESULTS
 FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2001
 (unaudited and in thousands, except per share amounts)

Three Months
 Ended June
 30, -----

 --
 Restructuring
 As and Other
 Reported
 Amortization
 Charges Pro
 Forma -----
 --- -----

 Revenues:
 Software
 license fees
 \$ 41,716 \$ -
 \$ - \$ 41,716
 Maintenance
 fees 18,387 -
 - 18,387
 Services
 13,568 - -
 13,568 -----

 --- Total
 revenues
 73,671 - -
 73,671 -----

 --- Expenses:
 Cost of


```

=====
Income tax
benefit
(provision)
4,935 (823)
(1) -----
-----
- Net income
(loss) $
(21,515) $
1,288
=====
=====
Earnings per
share
information:
Weighted
average
shares
outstanding:
Basic 35,086
35,086
=====
=====
Diluted
35,086 35,086
=====
=====
Earnings per
share: Basic
$ (0.61) $
0.04
=====
=====
Diluted $
(0.61) $ 0.04
=====
=====

```

(1) The above pro forma results of operations were computed using an effective income tax rate of 39 percent.