

---

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): March 15, 2011 (March 15, 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)**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
- 
-

**Item 7.01. Regulation FD Disclosure**

On March 15, 2011, ACI Worldwide, Inc. posted investor relations materials on its website ([www.aciworldwide.com](http://www.aciworldwide.com)) to be used in connection with investor meetings that management expects to have from time to time. A copy of the presentation materials is attached hereto as Exhibit 99.1 and is incorporated by reference into this Item 7.01.

The foregoing information (including the exhibits hereto) is being furnished under "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 Item 7.01 do not mean that such information is material or that disclosure of such information is required.

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

99.1 Investor Presentation Materials dated March 15, 2011

**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/ Scott W. Behrens

Scott W. Behrens, Senior Vice President, Chief Financial  
Officer and Chief Accounting Officer

Date: March 15, 2011

**EXHIBIT INDEX**

<u>Exhibit No.</u>	<u>Description</u>
99.1	Investor Presentation Materials dated March 15, 2011

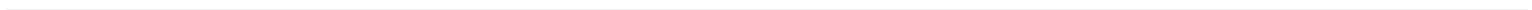
---





ACI Investor Day

**New York City**  
March 15, 2011



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

---



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



<b>Opening Remarks</b>	Phil Heasley
<b>Financial Metrics</b>	Scott Behrens
<b>Markets and Sales</b>	Ralph Dangelmaier
<b>Applications</b>	Louis Blatt
<b>Maintenance</b>	Carolyn Homberger
<b>AOD</b>	Carolyn Homberger
<b>Services</b>	Ralph Dangelmaier
<b>Customer Discussion</b>	





Welcome

**Phil Heasley**  
Chief Executive Officer

A dark teal banner with a diagonal gradient and a small multi-colored icon on the left.

 **Financial Review**

**Scott Behrens**  
Chief Financial Officer

### Revenue of \$418 million

- Strong growth of \$40 million in recurring revenue
- Recurring revenue comprised 68% of total revenue in 2010 compared to 60% of revenue in 2009

### Sales of \$525 million

- Sales rise of \$100 million led by major account signings during 2010
- First Data Corporation global deal as well as several significant UK renewals & capacity events and a significant Japanese deal closure

### Very strong Operating Free Cash Flow of \$62.8 million

- Up \$32.5 million over prior year
- Led by higher operating income as well as by continued strong cash receipts from accounts receivable collections

**60-Month Backlog growth of \$54 million  
to \$1.6 billion over prior year**

**Strong Growth in Operating Income**

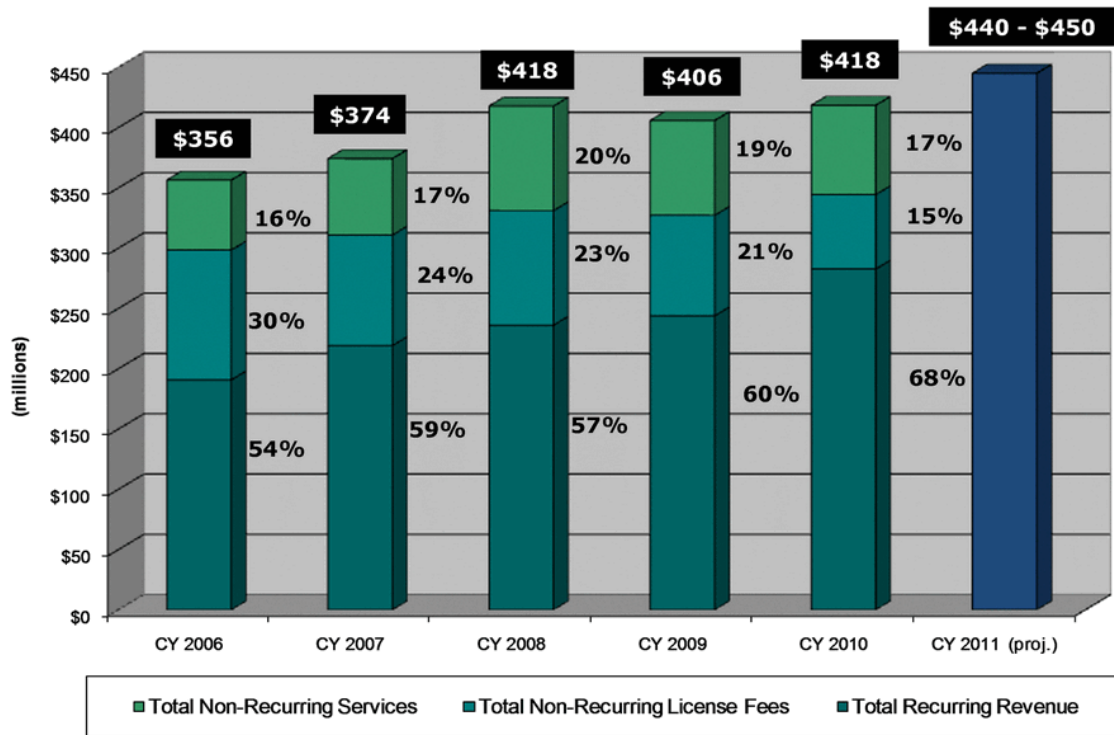
- Up \$12.0 million, or 29%, over prior-year

**Strong Growth in Operating EBITDA**

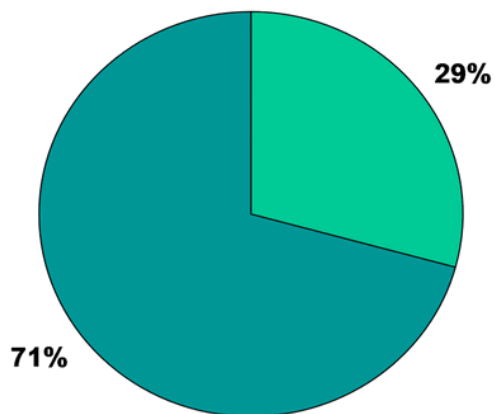
- Up \$14.9 million, or 20%, over prior-year



# Calendar Year Revenue Mix



# CY 2010 Revenue Concentration



■ = Revenue from Top 20 Customers  
■ = Revenue from All Other Customers  
 Represents Top 20 out of 709 Customers

- Not reliant on an individual customer relationship
- Top 20 individual customers change from year to year due to significant project completion & renewals
- Top 20% (approximately 140 customers) represent approximately 75% of our total revenues

Top 1	4%
Top 5	13%
Top 10	20%
Top 20	29%

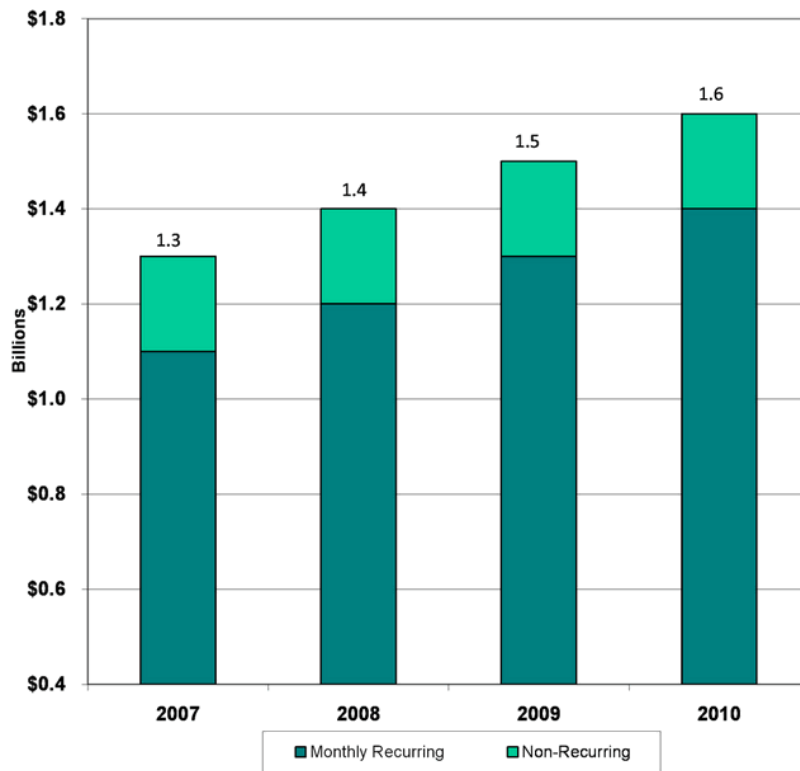
2010 Rank	2009 Rank	Channel
#1	#2	Americas
#2	#18	EMEA
#3	#16	Americas
#4	#7	Americas
#5	#58	EMEA
#6	#1	Americas
#7	#3	Global
#8	#5	EMEA
#9	#27	Americas
#10	#32	Americas
#11	#508	EMEA
#12	#78	Global
#13	#4	Americas
#14	#15	Asia-Pacific
#15	#13	Americas
#16	#12	Americas
#17	#52	EMEA
#18	#65	EMEA
#19	#10	Americas
#20	#118	EMEA

## Revenue by Industry

Industry Type	PY 2009 Revenue	%	Industry Type	PY 2010 Revenue	%
Finance	283,699	68%	Finance	296,988	71%
Processor	72,660	17%	Processor	75,162	18%
Retail	32,900	10%	Retail	31,782	8%
Other	16,495	5%	Other	14,492	3%
<b>Grand Total</b>	<b>405,755</b>	<b>100%</b>	<b>Grand Total</b>	<b>418,424</b>	<b>100%</b>

- **Increase of \$13 million** or 5% in the amount of revenue generated by banking sector as sales rebounded from aftermath of financial crisis
- **Processor sales increased** on the mid-year renewal of the FDC contract
- Retail stores segment stayed fairly constant and we continue to see good opportunities in this area with our Retail Commerce Server product family

## 60-Month Backlog in Constant Currency



- Consistent Backlog Growth Year-over-Year
- Monthly Recurring portion growing at a higher rate
- Monthly Recurring includes higher margin MLF, Maintenance, and Processing Services
- Stable Non-Recurring Backlog reflects ability to move projects in to GAAP revenue at the same rate that sales are adding new projects

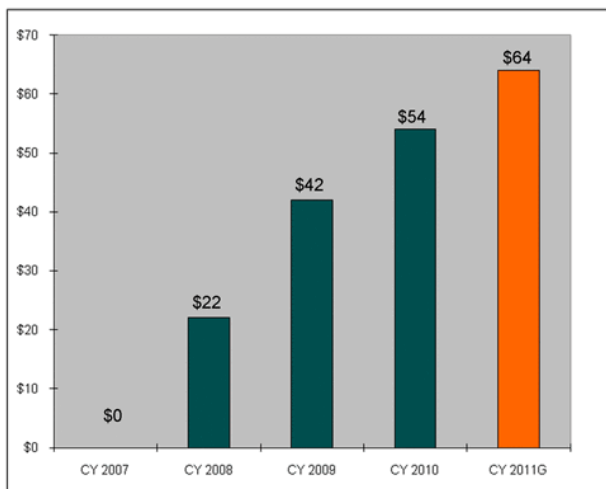
## Backlog as a Contributor of Annual Revenue



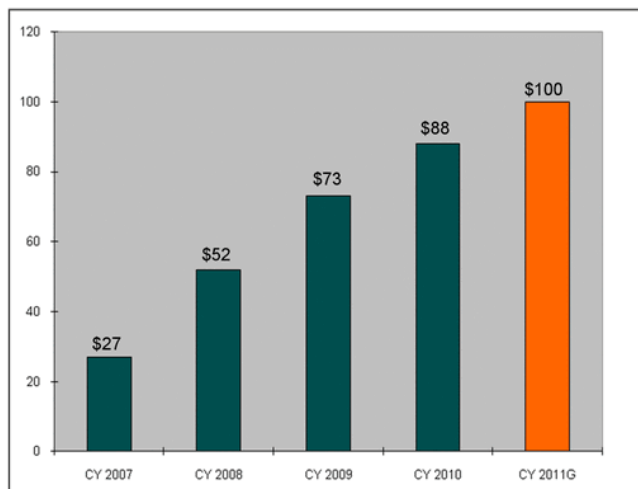
Revenue			
Revenue (\$M)	FY 2009	FY 2010	FY 2011G
Revenue from Backlog	325	355	381
Revenue from Sales	81	63	64
<b>Total Revenue</b>	<b>406</b>	<b>418</b>	<b>445</b>
Revenue from Backlog	80.0%	84.9%	85.6%
Revenue from Sales	20.0%	15.1%	14.4%

- Backlog from monthly recurring revenues and project go-lives continues to drive quarterly GAAP revenue, leading to predictable quarterly performance
- We expect backlog to contribute a similar percentage of 2011 revenue led by recurring revenue and project go-live events

## Operating Income



## Operating EBITDA



**CY11 depicted at the midpoint of the guidance range**

Key Metrics	2010 Actuals	2011 Growth Range	2011 Low	2011 High
Revenue	\$418.4	5-8%	\$440	\$450
Operating Income	\$53.6	15-20%	\$62	\$65
Operating EBITDA	\$87.8	12-15%	\$98	\$101

### Revenue

- Revenue growth range higher than last year
- Revenue and margin phasing consistent with prior-year

### Operating Income

- Operating income improves from on-going growth in recurring revenue and continued expense management
- 15%-20% growth range

### Operating EBITDA

- Depreciation and amortization flat over prior year
- Non-cash compensation expense of approximately \$9 million
- Operating EBITDA = operating income + Depreciation and Amortization + non-cash compensation expense

A dark teal graphic with a diagonal gradient and a small multi-colored bar on the left side.

 Market Overview

**Ralph Dangelmaier**  
President, ACI Global Markets & Services







**Key Points**

**Major Trends by Region**

**Current Market Penetration**

**Sales Update**

**Closing**

**Continue to see good market opportunity in all geographies**

**Grew sales last year by 24% percent**

- Strengthening the organization
- Implementing Best Practices for Sales and Services, particularly in EMEA and Asia Pacific
- Significant contribution by global accounts team

***Market opportunity & best practices will drive sales***



## Major Trends By Region



## *A focus on strategic markets*



- **Growth in electronic payment transaction volumes**
- **Consolidation creating large scale needs & inefficient platform redundancies**
- **Continued desire for cost reduction and increased productivity**
- **Need to expand fraud detection to unprotected channels**
- **Search for new revenue sources**
- **Globalization**

***Overall market drivers remain positive for ACI***

### United States

- ACI's largest market
- Electronic payment volumes still growing
- Consolidation created redundant platforms
- Customers migrating from older ACI versions
- Cross-sell fraud, back-office, tools

### Brazil

- ACI has a strong position in AML & becoming leading Switch with recent wins
- Very sophisticated payments market – structural advances are driving change
- Old platform technology in need of change
- Cross-sell fraud, back office, tools, wholesale

### Canada

- ACI has a strong position in retail payments & retail fraud
- Old platform technology in need of change
- Customers migrating from older ACI versions
- Desire to expand fraud detection capabilities
- Cross-sell fraud, back-office, tools, wholesale

### Mexico

- ACI has a strong position in retail payments, and strong in-country Services
- Consolidation created redundant platforms
- Old platform technology in need of change, particularly in wholesale & back office
- Cross-sell fraud, back-office, tools, wholesale

***Significant cross-sell opportunities***

### United Kingdom

- ACI has a strong position in retail payments, fraud & wholesale
- Regulatory drivers persist (Wholesale, Faster Payments, EMV)
- Some old platform technology in need of change
- Cross-sell fraud, back office, tools, wholesale

### France

- ACI has significant position with major retail payment clients & good progress w/ fraud
- Consolidation of processors creating redundant payment platforms
- Banks looking to acquire outside France, creating expansion opportunities for ACI
- Old platform technology in need of change

### Germany

- ACI has good Retail base
- Opportunities with major banks using in-house software, & legacy ACI migrations
- Need for updated wholesale payment systems
- Old platform technology in need of change

### Italy

- ACI has significant recent wins
- Large number of banks, rapidly consolidating & creating redundant platforms
- Need for updated wholesale payment systems
- Old platform technology in need of change

***Regulatory change, consolidation & aging platforms creating opportunities***

### Middle East

- ACI has a strong position in retail payments & significant share of retail fraud
- Old platform technologies in need of change
- Customers migrating from older ACI versions
- Cross-sell fraud, back office, wholesale, tools

### Netherlands

- ACI serves significant retail processing banks, & some wholesale penetration
- Wholesale driving market but not as hard as national cooperative initiatives, e.g. Sixpack
- Infrastructure mostly modernized
- Cross-sell fraud, back office, wholesale, tools

### Spain

- ACI is making good progress with major Spanish retail banking community
- Consolidation of processors & savings banks creating mega-FIs needing re-engineering
- Banks looking to acquire outside Spain, creating expansion opportunities for ACI
- Old platform technologies in need of change

### South Africa

- 3 of 4 top FIs committed to BASE24-eps®
- ACI has significant share of the retail processing customers
- FIs looking to expand outside S.A., creating expansion opportunities for ACI
- Entry opportunity for new technologies (Pre-paid)

***Regulatory change, consolidation & aging platforms creating opportunities***



### ASEAN

(Indonesia, Malaysia, Philippines, Singapore, Thailand, Vietnam)

- ACI has strong retail payments client base and significant market share in wholesale payments & online banking
- Electronic/on-line payments are growing due to increasing corporate e-commerce
- Cross border payment initiatives will increase driving regional opportunity
- Cross-sell opportunities for ACI across full range of software assets

### China

- ACI has a strong initial position in credit card management & fraud
- Alliances will be key to ACI success
- ACI needs effective partnerships to penetrate
- Fragmented, un-connected payments infrastructure requires consolidation
- Very large scale volumes

### India

- ACI has strong retail payments client base & new, direct sales approach
- Many new entrants to the payments market, many from US
- Financial inclusion driving high card payment growth
- National Payment infrastructure being upgraded

***ACI has significant opportunities across Asia Pacific***

### Japan & Korea

- ACI recent large win in Japan
- Alliances will be key to ACI success
- Japan is sophisticated & proprietary payments market based on old technology
- Japanese banks' international aspirations will lead them to new solutions
- Korea highly innovative in payments

### Australia/NZ

- ACI has a strong position in retail payments and fraud with significant share of wholesale payments market
- Commonwealth banking structure results in 4 dominant market players
- Sophisticated payments market, but old underlying technology, particularly in wholesale payments and back office
- Banks have very strong balance sheets to fund investment and expansion in Asia

***ACI has significant opportunities across Asia Pacific***

- **Cross-selling ACI products**
- **Migrations to new solutions**
  - BASE24-eps® phased migration approaches gaining more traction
  - Extended support models designed to support customers on older products
- **Stronger services model**
  - Project scoping, rates, processes
- **Alliances**
  - Over 70% of new sales are on IBM
  - Continue to expand formal Alliance base to provide better total solutions for ACI customers
- **Increased client focus, especially with senior levels**
  - Key driver for customer loyalty

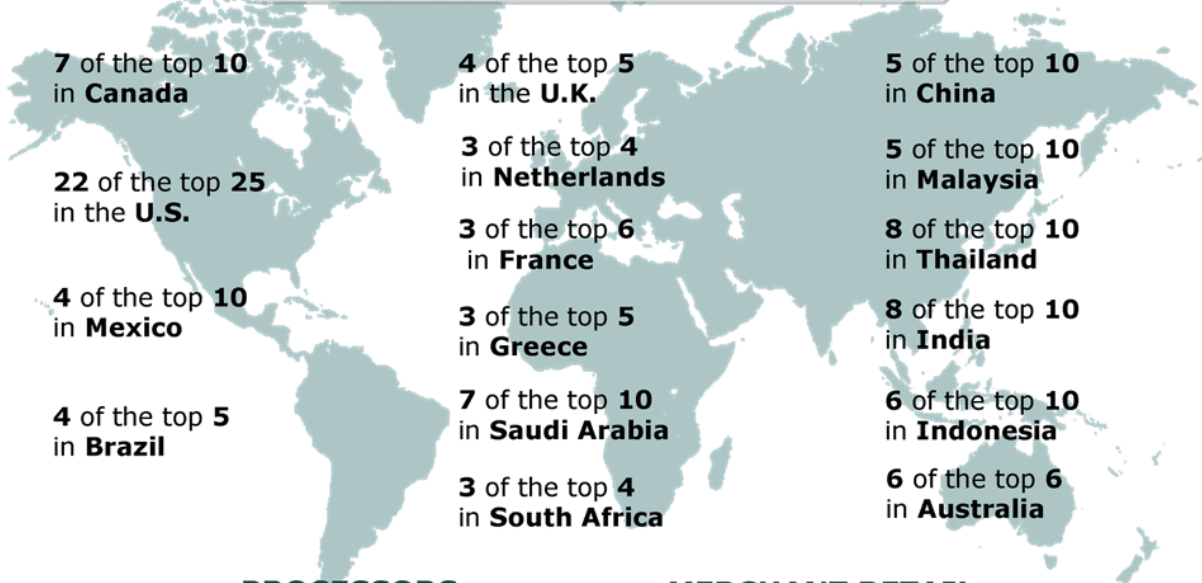


## Current Market Penetration



**BANKING**

19 customers in the top 20 world banks  
53 customers in the top 100 world banks



**PROCESSORS**

Over 140 processors globally

**MERCHANT RETAIL**

Over 80 retailers globally

# Sample Customers – Retail Payments



# Sample Customers – Wholesale Payments



# Sample Customers – Fraud

JPMORGAN CHASE & CO.

ING DIRECT  
Save Your Money®

Itaú

中國銀行  
BANK OF CHINA

BNP PARIBAS

PNCBANK

nab

BBVA Compass

Nationwide

中國信託  
Chinatrust

Scotiabank

HSBC

First Data™

Al Rajhi Bank  
مصرف الراجحي



# Sample Customers - Retailers



A dark teal, trapezoidal graphic with a diagonal gradient and a small multi-colored icon (yellow, red, blue) to the left of the text.

Sales Update



**Consistent forecasting**

**Fair & Equitable Deal Construction**

**Consistent Sales Process**

***Driving global consistency  
to facilitate local autonomy***

**1. Discovery**


**2. Account Profile**

**3. Strawman/Strategy**

**4. ROI Analysis**

**5. Close**

***A structured, proven approach***

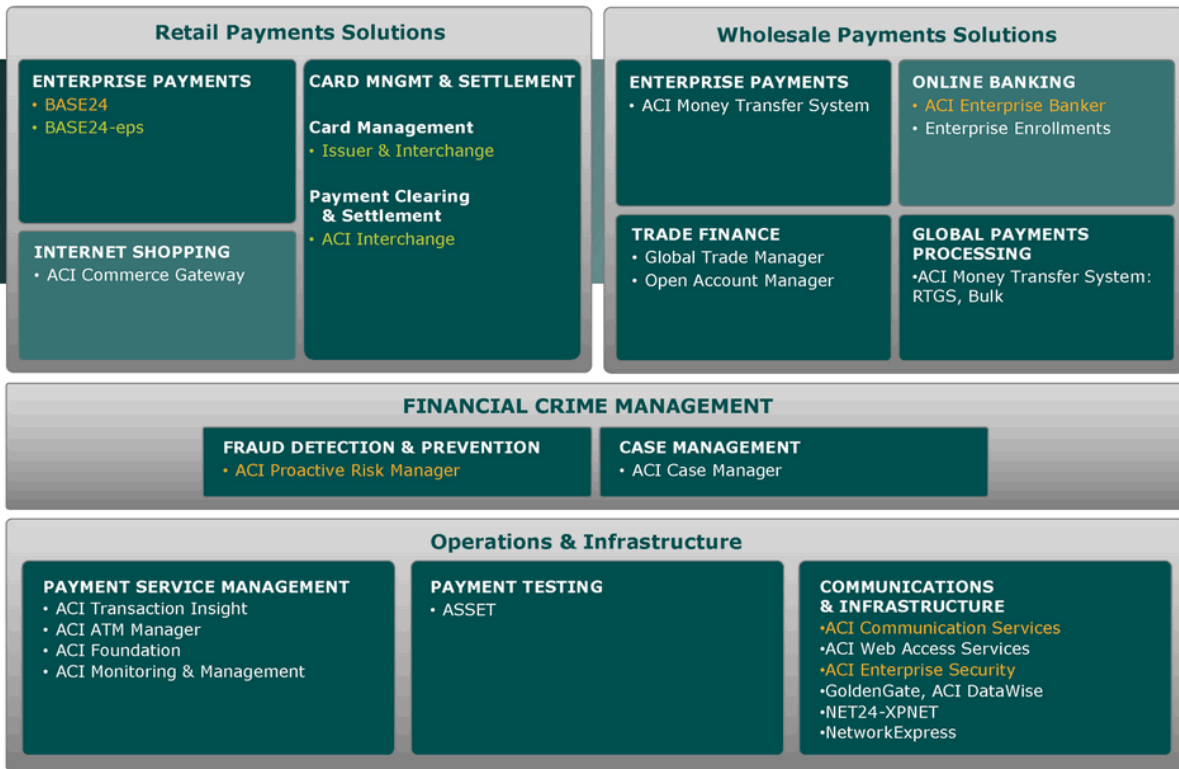


Example 1 - Leading U.S. FI



# Discovery & Account Profile

ACI Product Assets - highlighting what customer has licensed from ACI and what is of interest



■ Licensed  
■ Of Interest

# Discovery & Account Profile

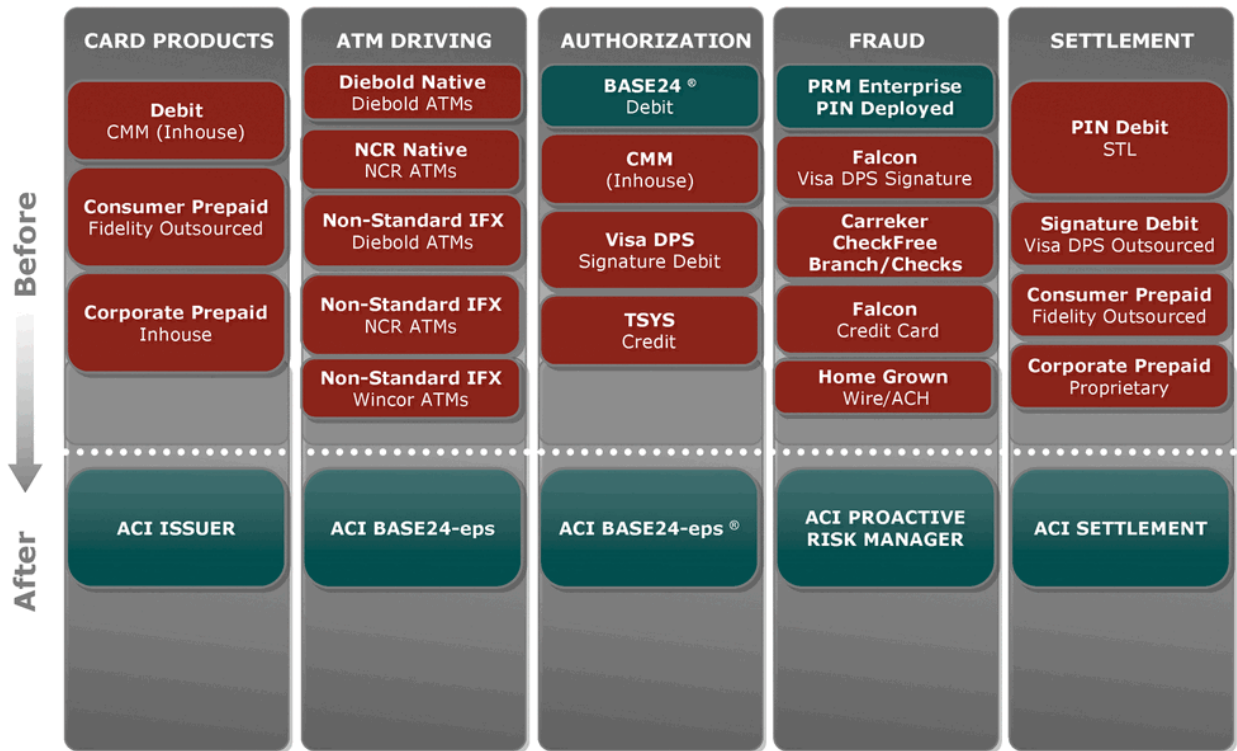
Customer Assets - ACI and non-ACI solutions in use



	CARD PRODUCTS	ATM DRIVING	AUTHORIZATION	FRAUD	SETTLEMENT
<b>Before</b>	<b>Debit</b> CMM (Inhouse)	<b>Diebold Native</b> Diebold ATMs	<b>BASE24</b> Debit	<b>PRM Enterprise</b> <b>PIN Deployed</b>	<b>PIN Debit</b> STL
	<b>Consumer Prepaid</b> Fidelity Outsourced	<b>NCR Native</b> NCR ATMs	<b>CMM</b> (Inhouse)	<b>Falcon</b> Visa DPS Signature	<b>Signature Debit</b> Visa DPS Outsourced
	<b>Corporate Prepaid</b> Inhouse	<b>Non-Standard IFX</b> Diebold ATMs	<b>Visa DPS</b> Signature Debit	<b>Carreker</b> <b>CheckFree</b> <b>Branch/Checks</b>	<b>Consumer Prepaid</b> Fidelity Outsourced
		<b>Non-Standard IFX</b> NCR ATMs	<b>TSYS</b> Credit	<b>Falcon</b> Credit Card	<b>Corporate Prepaid</b> Proprietary
		<b>Non-Standard IFX</b> Wincor ATMs		<b>Home Grown</b> Wire/ACH	







<b>Cost Avoidance – In-sourcing</b>	<b>\$105M</b>
<ul style="list-style-type: none"><li>• Connect directly to Visa and perform signature debit settlement in-house</li><li>• In-source signature debit fraud on to existing PRM solution</li><li>• Combine signature and PIN at card level to improve detection for both channels</li></ul>	
<b>Improved Enterprise-Level Fraud Detection / Prevention</b>	<b>\$45M</b>
<ul style="list-style-type: none"><li>• Consolidate fraud detection from 3 sources on to PRM</li><li>• Add credit card – improve detection for all cards using Enterprise wide customer view</li><li>• Add detection for Retail Banking customers using Opera analytics</li></ul>	
<b>Cost savings - Consolidate other card &amp; authorization systems</b>	<b>\$125M</b>
<ul style="list-style-type: none"><li>• Consolidate issuing from 3 sources on to ACI issuer for all debit and prepaid</li><li>• Consolidate remaining 2 authorization systems</li><li>• Use BASE24 existing scale to expand to pre-paid cards, with scripted authorization</li></ul>	

**TOTAL ROI: \$275M**

- **Reduce overall costs due to the elimination of redundant silos for payments and fraud**
- **Improve time to market for new products and services leveraging next-generation payment technologies**
- **Improve revenue opportunities through the provision of fee-based services on a single platform**
- **Improve service availability based on ACI's proven capabilities in large-scale, complex environments**
- **Increase efficiency through an integrated end-to-end solution**

***A highly differentiated value proposition***



## Example 2 - Global Card Issuer



# Discovery & Account Profile

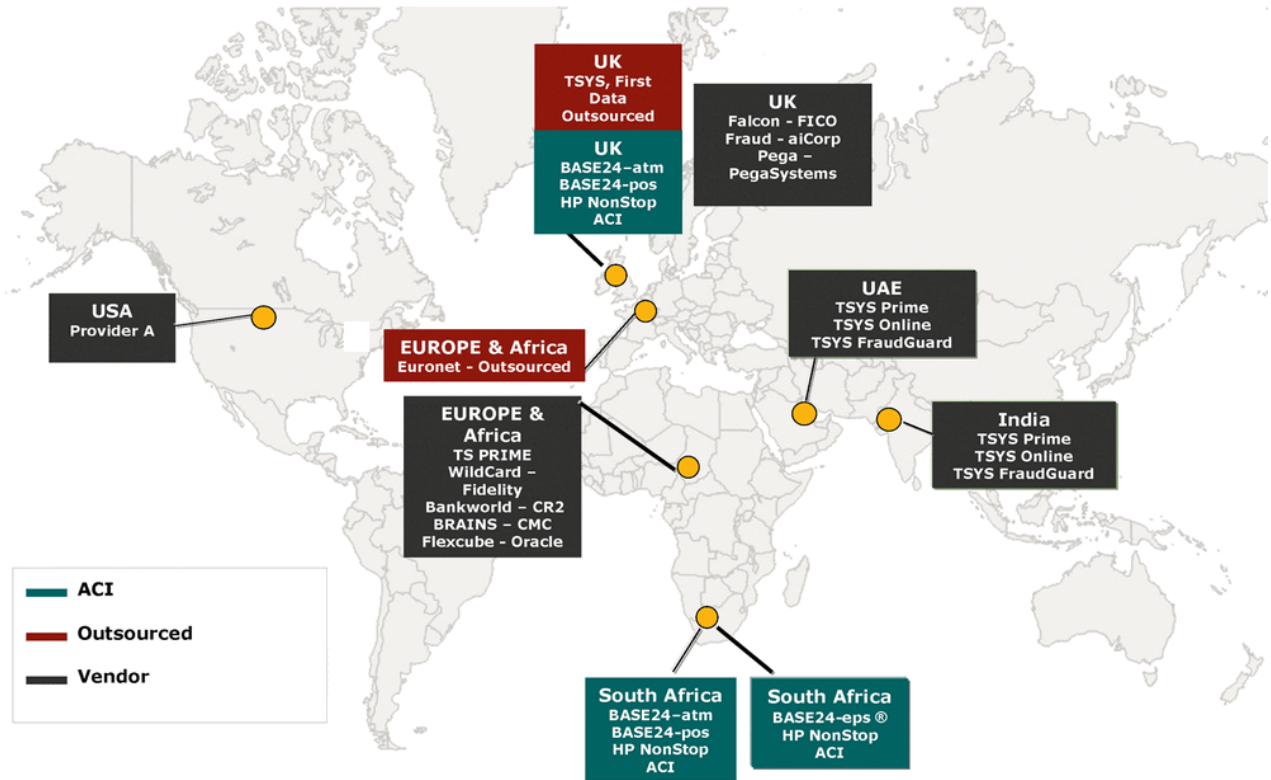
ACI Product Assets - highlighting what customer has licensed from ACI and what is of interest



■ Licensed  
■ Of Interest

# Discovery & Account Profile

Customer Assets - ACI and non-ACI solutions in use









<b>Eliminate cost of redundant card issuing &amp; authorization systems</b>	<b>\$380M</b>
<ul style="list-style-type: none"><li>• Consolidate 15 systems including in-house card issuing &amp; management systems and authorization systems</li><li>• Eliminate outsourcing costs from 2 platforms</li></ul>	
<b>Implement Enterprise-Level Fraud Detection / Prevention</b>	<b>\$65M</b>
<ul style="list-style-type: none"><li>• Consolidate to one global fraud solution</li><li>• Improve existing card fraud detection – add real-time at POS &amp; ATM</li><li>• Add Non-Card fraud detection, including Internet banking</li></ul>	
<b>Expand Service Offerings</b>	<b>\$25M</b>
<ul style="list-style-type: none"><li>• Reduce time to market of new products and expand new products in all geographic markets</li><li>• Use of single platform and single customer view to increase cross-sell</li><li>• Expand flexibility and use of multi-application CHIP-based programs (e.g. mobile payments)</li></ul>	

**TOTAL ROI: \$470M**

- **Reduce overall costs due to the elimination of redundant silos for card issuing & management**
- **Increase fraud detection rates by adding real time & protecting currently unprotected channels**
- **Use single customer view to identify more cross-sell opportunities for debit, credit, commercial & pre-paid cards**
- **Reduce time to market introducing new products & services**
- **Increase efficiency through an integrated end-to-end solution**

***A highly differentiated value proposition***

### Large Global Processor

- Global Enterprise License
- BASE24-eps®, BASE24®, PRM & Tools
- Consolidates many one-off legacy agreements into one
- Creates incentive to leverage ACI for more consolidation & new market entry

### Top Global FI

- Continued investment in MTS as Euro clearing hub for high & low value payments, including SEPA
- Positions MTS to become bank's global payments processing platform

### Leading EMEA FI

- Recommitment to BASE24® following major bank merger
- 5 fold increase in transaction volume

### Leading Asia-Pacific FI

- Largest Asia Pacific deal for ACI
- BASE24-eps®, SDK, Asset & Golden Gate
- Consolidates global authorization systems
- IBM as systems integrator

### Leading Northern American FI

- PRM expansion to real time
- Reduced fraud by 50%
- ACI On-Demand

### Leading North American F.I.

- Combined BASE24eps® & MTS renewals with new applications
- Included packaged services contract

### U.S. Regional FI

- Consolidates online banking systems
- Positions bank to support large scale growth plans for small businesses & commercial customers

**Diverse customers and solutions**

A dark teal trapezoidal graphic with diagonal lines, containing a small multi-colored icon and the word "Closing".

 Closing



- **Continue to see good market opportunity in all geographies**
- **Increase focus on cross-sell and senior-level contacts**
- **Continue to strengthen the organization & drive best practices**

A dark teal graphic with a diagonal gradient and a small multi-colored bar on the left side.

 Application P&L

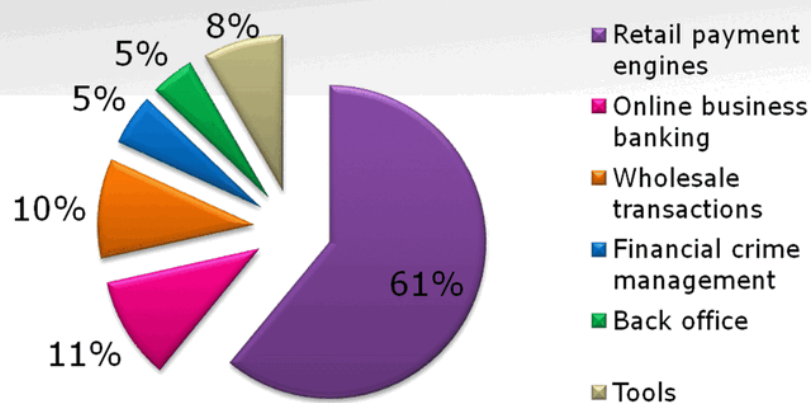
**Louis Blatt, Ph.D.**  
Chief Product Officer



## What does Application include?

- Revenue recognized from License and Capacity Fees
- Expenses related to defining, developing, launching and selling products and solutions

### Revenue



# agile payments strategy

The leading provider of a unified solution that **initiates**, **manages**, **secures** and **operates** payments to maximize the total economic impact for our customers.

### Evolution to remove redundancies of processes and applications...

- **Phase 1:** Offer the industry's leading **breadth of products** on a unified hardware platform to decrease hardware and maintenance operating costs.
- **Phase 2:** Integrate products to drive **consolidation, efficiencies** and **decreased fraud**.
- **Phase 3:** Deliver a unified service-oriented architecture that provides a **faster time to market** for ACI and ACI's customers.



# Online Business Banking

Web, mobile channel to bank business customers for payments, reporting, cash management



**Offerings:** Enterprise Banker, Global Banker

**Market Size:** \$407M

## Market Drivers

- Reliance on online channels for daily interaction between bank and businesses
- Enablement through technology advancements (Internet, bandwidth, Web 2.0)
- Mature market movement towards 2<sup>nd</sup> and 3<sup>rd</sup> generation solutions
- Expansion of trade and mobile

## ACI Value Proposition and Differentiators

- Ability to service large, small commercial banking customers on a single platform
- Ability to serve compliance and competitive needs more economically
- Ability to differentiate offerings for spectrum of customers (small to large financial institution)
- Speed to market via Saas offering

## Key Opportunities

- Global expansion
- Shortened implementation cycles
- Interoperability with Fraud Management and Wholesale Banking solutions

# Retail Payment Engines

Mission critical transaction processing for issuing, acquiring and switching needs



**Offerings:** BASE24-eps®, BASE24®

**Market Size:** \$2.5B

## Market Drivers

- Movement from cash to electronic payment
- Regional economic and population growth
- Government regulation
- Consolidation and globalization pressures

## ACI Value Proposition and Differentiators

- Most functionality with proven technology, proven reliability and scalability
- Broad set of interoperable products spanning the retail payment value chain
- Most regional specific functionality from doing business in over 80 countries
- Unmatched investment in product expansion

## Key Opportunities

- Product migration
- Emerging market opportunities
- Shortened implementation cycles
- End-to-end replacement of disparate systems

## Back Office

Card issuer, merchant acquirer end-to-end solutions, including settlement and reconciliation



**Offerings:** ACI Issuer, ACI Acquirer, ACI Interchange, ACI Token Management

**Market Size:** \$3.3B

### Market Drivers

- Movement from cash to electronic payment
- Regional economic and population growth
- Compliance and regulation pressures
- Cost reduction forces in banking industry

### ACI Value Proposition and Differentiators

- Scalable solutions with flexibility for customer specific needs
- Customer-centric solutions (vs. "card" or "contract")
- Broad functionality gives customers the ability to consolidate platforms

### Key Opportunities

- Global expansion
- Capability solutions for competitive business offerings
- Continued optimization of settlement and reconciliation services
- Solution for customers looking to move off processor systems

## Moneris Solutions saved over \$10M per year



# Wholesale Transaction Banking

High-volume, mission-critical payments handling and message switching



**Offerings:** Money Transfer System

**Market Size:** \$459M

## Market Drivers

- SEPA
- ACH and bulk payment
- ISO 20022 adoption
- Regulation

## ACI Value Proposition and Differentiators

- Robust redundant architecture is scalable and reliable solution
- Improved straight through processing, reducing operating costs
- Single platform, removing reliance on fragmented systems

## Key Opportunities

- Replacement of fragmented solutions in the market
- SEPA compliance
- Interoperability with Online Business Banking and Fraud Management solutions

**Offerings:** Proactive Risk Manager, ACI Case Manager

**Market Size:** \$347M

## Market Drivers

- Frequency and sophistication of financial crime
- Pressure on financial institutions to reduce losses from fraud
- Enterprise wide fraud solution

## ACI Value Proposition and Differentiators

- One of the industry's best real-time solutions
- Enterprise solution for multiple channels and payment types
- Rules engine and flexible scoring models
- Easiest solution to implement, deploy and configure

## Key Opportunities

- Capability solutions for specific threats
- Enrichment of enterprise offering
- Leverage of payments knowledge in fraud offerings

## Counterfeit fraud drops 62% for BNZ



## Operate

*Solutions for testing and monitoring payment applications, and delivering data between systems*



**Offerings:** ACI Communication Services, ASSET, Payment Service Management

**Market Size:** **\$193M**

### Market Drivers

- Migration to open standards
- Demand for integrated payment platforms and simplified infrastructure
- Payment specific solution needs for testing and monitoring

### ACI Value Proposition and Differentiators

- Multi-platform support
- Solutions designed for payment processing vs. generic platform tools
- Solutions that can be leveraged across multiple payment applications

### Key Opportunities

- Attachment of tools in payment application deals
- Packaging and pricing options
- Product interoperability



# Application P&L – Profitability Drivers

## Innovation

### **Usability**

User research to improve interfaces, documentation, training

### **Architecture**

Continuous improvements

### **Mobile**

**Market Problem Identification**

## Cross-sell

### **Integration**

Interoperability of payment solutions

### **Time-to-value**

ROI Messaging

## Quality & Productivity

### **Requirements**

Lockdown earlier in project lifecycle  
Reduction of rework

### **Development Methodology**

Predictable releases  
Reduced variation in scope

### **Quality Assurance**

Requirements validation plans  
Early defect detection

## Pricing

### **Loyalty Pricing**

Reward for multiple product licensing

### **Packaging**

Capability solutions

### **Pricing Controls**

Best practices

A dark teal graphic with a diagonal gradient and a small multi-colored bar on the left side.

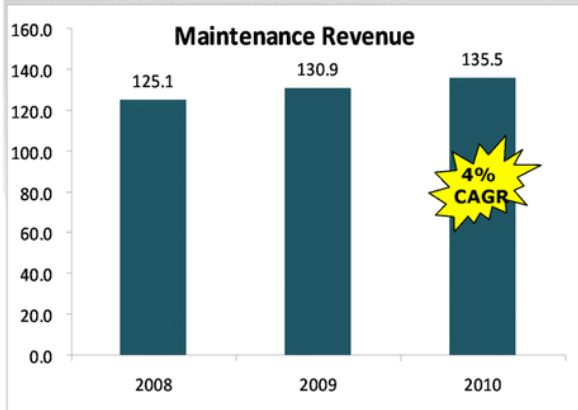
 Maintenance P&L

**Carolyn Homberger**  
Vice President, Programs & Initiatives



## What is the Maintenance P&L?

- Revenue recognized from Product Support Fees
- Cost of Product Defects found in Generally Available Software (i.e. Production Cases)
- Cost of Updates to ACI Software as mandated by Card Associations, Regulatory Agencies, etc.



*In \$ Millions*

### Comments:

- **95%+ From Backlog, < 5% New Sales**
- **Product Overview:**
  - Standard Maintenance Support for Strategic Products
  - Uplifted Maintenance for Extended Support Products

**Pricing**

**Cust. Retention**

**Improve Quality**

**Drive Productivity**

**Sunset Mgmt.**

BASE24® Sunset  
Version Sunset Mgmt.

**Pricing Consistency**

Mtc. Pricing Philosophy  
& Approach  
Standard Contract  
Terms

**Pricing Controls**

Pricing Key Metrics  
Managing & Reporting  
Exceptions

**Attrition Mgmt.**

Customer Loyalty Prgms  
Customer Sat. Metrics  
Backlog Mgmt.

**60 Mo. BL Attrition**

2008 = 3.2%  
2009 = 2.8%  
2010 = 5.0%

**Test Automation**

Unit & Integration Testing  
Automation  
System Test Automation

**Test Driven Dvlpmt**

Test Spec. @  
Requirements  
Code & Design Reviews  
Quality in Life Cycle vs.  
End of Project

**Operational Metrics**

Case Backlog  
Case Backlog Aging  
Case SLA's P1 – 3  
# of Cases Opened / Month  
Mtc. Hours by SW Version  
Mtc. Hours by Customer

**Cost Mgmt.**

Level 1 & 2 Support (20%)  
Level 3 Support (45%)  
Mandates (10%)  
Customer Mgmt. (10%)  
Other (15%)

	2012 Estimate
<b>Incremental Maintenance Revenue</b>	<b>\$8M</b>

### Key Assumptions:

- **Account Level Migration Analysis**
- **BASE24-eps<sup>®</sup> Product Functionality Availability**
- **Contractual Terms**
  - Sunset Uplift as permitted by Customer Contracts
  - Commitment to BASE24-eps<sup>®</sup> Migration (i.e. Networks First)
- **Uplift % as defined by Mandate or No Mandate Support**

### **Objectives of Customer Retention:**

- *To drive an increase in Customer Loyalty*
- *To drive an increase in the cross-sell, renewal, and recommendation of ACI's products*

### **Customer Loyalty Drivers:**

- Cares About Customers
- Effective at Meeting Customer Needs
- Willingness To Collaborate
- Software Solutions Functionality
- Ease of Doing Business
- Innovation
- Awareness of Agile Payment Systems

### **How do we Measure Customer Loyalty:**

- Annual Customer Loyalty & Relationship Study – Evaluates overall loyalty
- Annual Product Study – Evaluates ACI product experiences
- Ongoing Event Based Surveys:
  - Global HELP24 Support Case Surveys
  - Implementation Event Surveys (*New in Q3'10*)



Pricing

**ACI has a Maintenance Pricing Philosophy & we maintain our discipline through:**

- Metrics
- Exception management



Sunset Mgmt.

**ACI has put the foundation in place to better capitalize on Sunset Programs for:**

- Products (i.e. BASE24®)
- Versions



Productivity

**ACI is constantly reviewing & monitoring our operations to drive:**

- Product / Process Improvements (2011 / 2012 payback)
- Quality Improvements (2012+ payback)

A dark teal banner with a diagonal gradient and a small multi-colored icon on the left.

 ACI On Demand (AOD) P&L

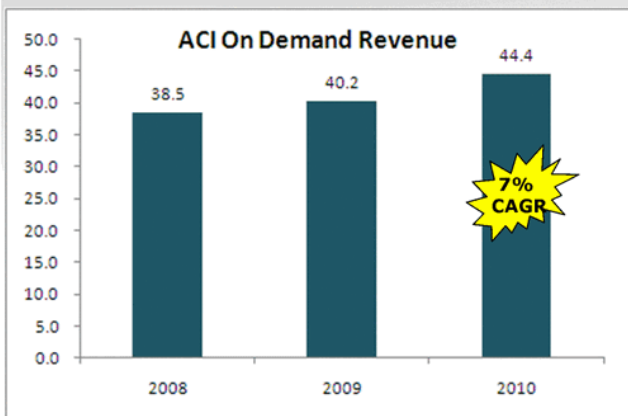
**Carolyn Homberger**  
Vice President, Programs & Initiatives





## What is ACI On Demand?

- ACI products run in a shared or managed services hosted environment
- Revenue driven from usage fees
- Broadens addressable market ; takes advantage of market movement toward outsourcing
- Provides rapid time to market for customers



In \$ Millions

## Comments:

- **Revenue recognized from License Fees, Maintenance & Hosting Fees**  
– Recurring revenue

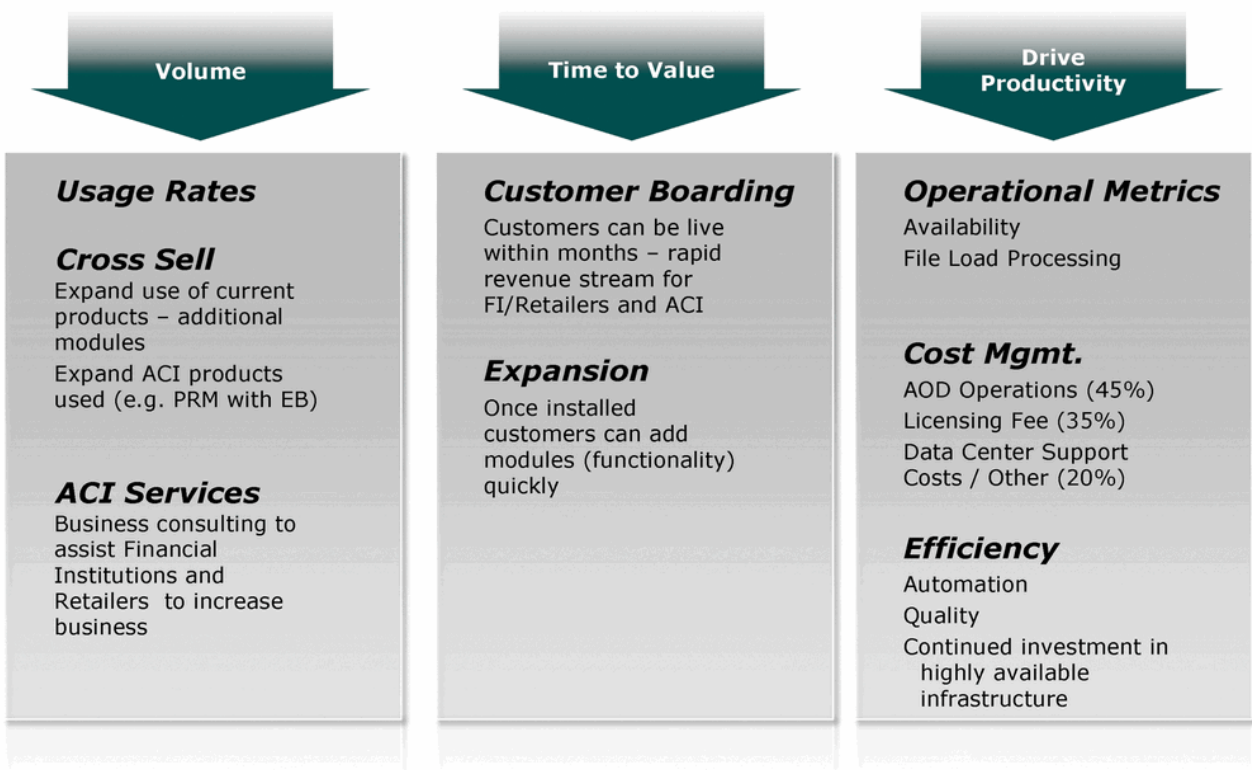
**All ACI Products available On Demand based on Mkt. Demand ...**



- **ACI On Demand (AOD) business growing rapidly**
- **Enterprise Banker AOD customers on platform grew 51% in 2010**
  - 210,000+ customers and 320,000+ users
- **Retail Commerce Server AOD revenue and transactions processed both up more than 50% in 2010**
- **Proactive Risk Manager AOD: 2.1+ billion transactions processed in 2010 with both real time and near real time processing deployed**
- **BASE24 AOD: 138+ million transactions processed in 2010 with both ATM and POS processing deployed**
- **Germany AOD: 55+ million transactions processed in 2010**

Sample Customers





### Customer Business Drivers

IT Costs

New Revenue  
Opportunities

Compliance

#### ACI Value Proposition

- Expertise – Product & Operations
- Rapid time to market
- ACI Manages the system - > 120 resources globally
- System availability and application performance assured via SLAs
- Customer can focus on business growth – not IT and operations
- Customer is not 'one of many' on a system
- Customer retains control over the system
- Minimal cost of entry for new initiatives

**Global Leader in payments software**

**ACI’s Market reputation for delivering proven solutions**

**On Demand is one of several deployment options**

**Successful On Demand track record- over 10 years**

**Ease of entry – ‘pay as you go’ pricing**

Proven  
Business  
Model

**ACI has successfully run an On Demand business for > 10 years**

- Continued growth
- Strong Customer Loyalty

Market Oppty  
is Strong

**Market interest in On Demand continues to grow**

- ACI well positioned
- Excellent product breadth offered On Demand at ACI

Increases  
ACI Profitability

**On Demand Business model drives profitable growth**

- Build Recurring Revenue
- Volume increases capitalize on fixed costs

A dark teal graphic with a diagonal gradient and a small multi-colored bar (yellow, orange, blue, green) to the left of the text.

Services P&L

**Ralph Dangelmaier**  
President, Global Markets & Services

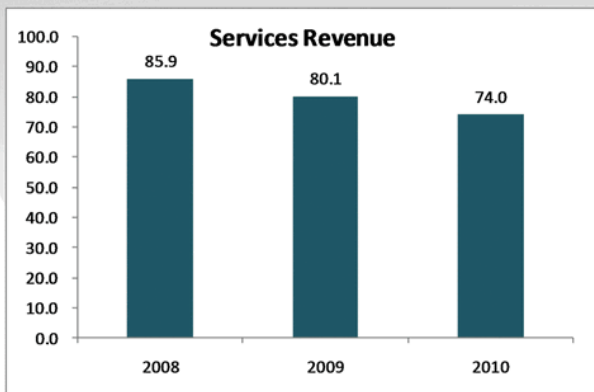




## What are the ACI Services offered?

- Business & Operations Consulting
- Implementation Services
- Technical Consulting (ESP)

**Services Mission: To profitably implement ACI solutions and provide on-going Payments consulting services satisfying clients business needs.**



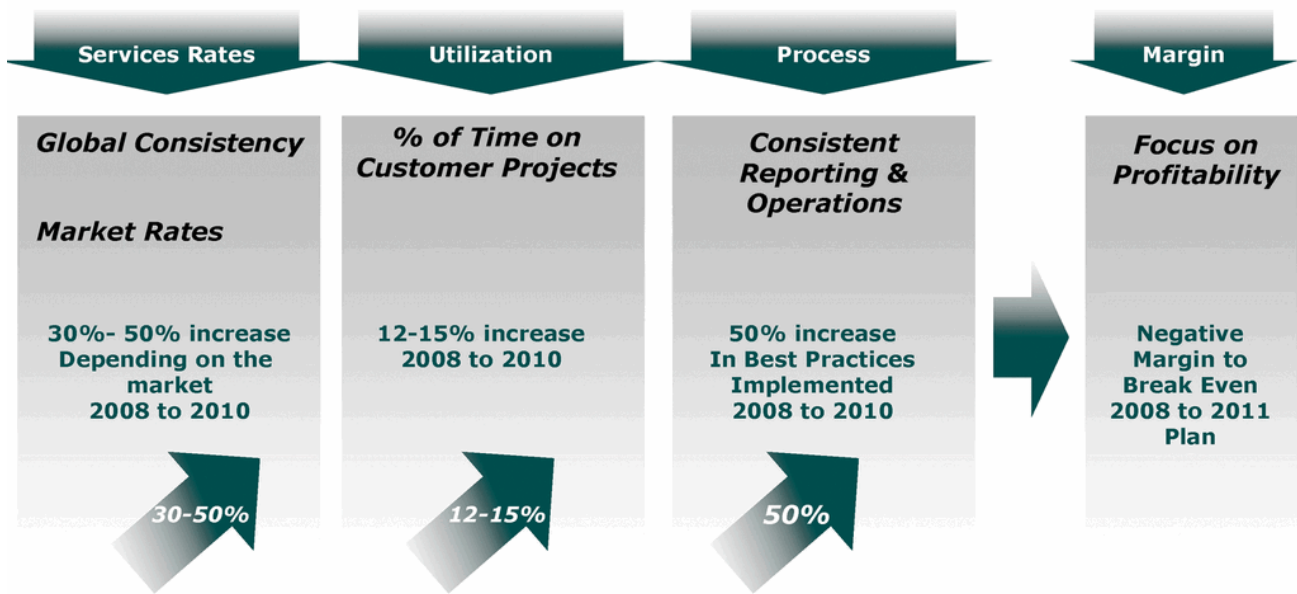
In \$ Millions

\* CY2008 included approximately \$12 million of services revenue related to the Faster Payments mandate implementation in the UK

## Comments:

- Improvements started in Americas channel in 2008. EMEA and APAC improvements started in 2010
- Services supports our core product/solutions business

# Services P&L – Profitability Drivers



## Global Services Best Practices

1

### Consistent Client Experience

Ensure continually improving services experience for ACI customers

#### Contributes to:

- Improved Utilization
- Customer Satisfaction
- Cross Sales
- Improved Margin

2

### Professional Services Discipline

Facilitate continued skill growth of the team to result improved employee effectiveness & satisfaction

#### Contributes to:

- Employee/Knowledge retention
- Improved Utilization
- Improved Margin

3

### Consistent Reporting & Operations

Ensure global consistency in key practices and management reporting to drive improvement to Services P&L

#### Contributes to:

- Increased Services Rates
- Global consistency – Adherence to disciplines
- Improved Margin



Multi Year  
Plan

**ACI has a multi year Services plan to drive:**

- Margin Improvement
- Global Consistency
- Improved customer satisfaction



Competitive  
Advantage

**ACI Services has a competitive advantage in the market:**

- Payments Experience
- Business Consulting helps clients expand usage of ACI product
- Leveraging ACI product interoperability



Profit  
Drivers

**Services Drive additional revenue to ACI through:**

- Cross Sell
- Increased Usage of ACI Products
- Improves customer loyalty to ACI



Customer Discussion



THE BANK OF NEW YORK MELLON  
THE BANK OF NEW YORK MELLON



- 1. Introduction & BNY Mellon overview**
- 2. Objectives**
- 3. BNY Mellon profile and assets**
- 4. BNY Mellon strategy overview**
- 5. Benefits/ROI Summary**

### **Our Company**

- US\$24.4 trillion in assets under custody and administration
- US\$1.14 trillion in assets under management
- Service US\$12 trillion in outstanding debt
- Process an average of US\$1.6 trillion in global payments daily
- Worldwide staff of 47,700
- Locations across 6 continents, in 36 countries

### **Our Clients**

- 88% of the Fortune 5001
- 77% of the Fortune 1,0001
- 75% of the Global 5001

### **Our Financials**

- Strong investment-grade credit ratings 2
- Only U.S. financial firm rated triple-A at the bank level by Moody's2

### **Implement a centralized financial messaging hub consolidating older applications in to a central service**

- Provide industry leading up-time, throughput & resiliency
- Lower per unit messaging cost by 90%+
- Position BNY Mellon to rapidly respond to new market initiatives
- Consolidate existing back-end payment systems on to FNI platform

### **Messaging systems being replaced or consolidated**

- Fed Securities, Fed Funds, CHIPS, International SWIFT, Domestic SWIFT, Telex, Fax
- Connecting to 140 back-end applications
- Supporting over 50 lines of business and 4,500+ users globally



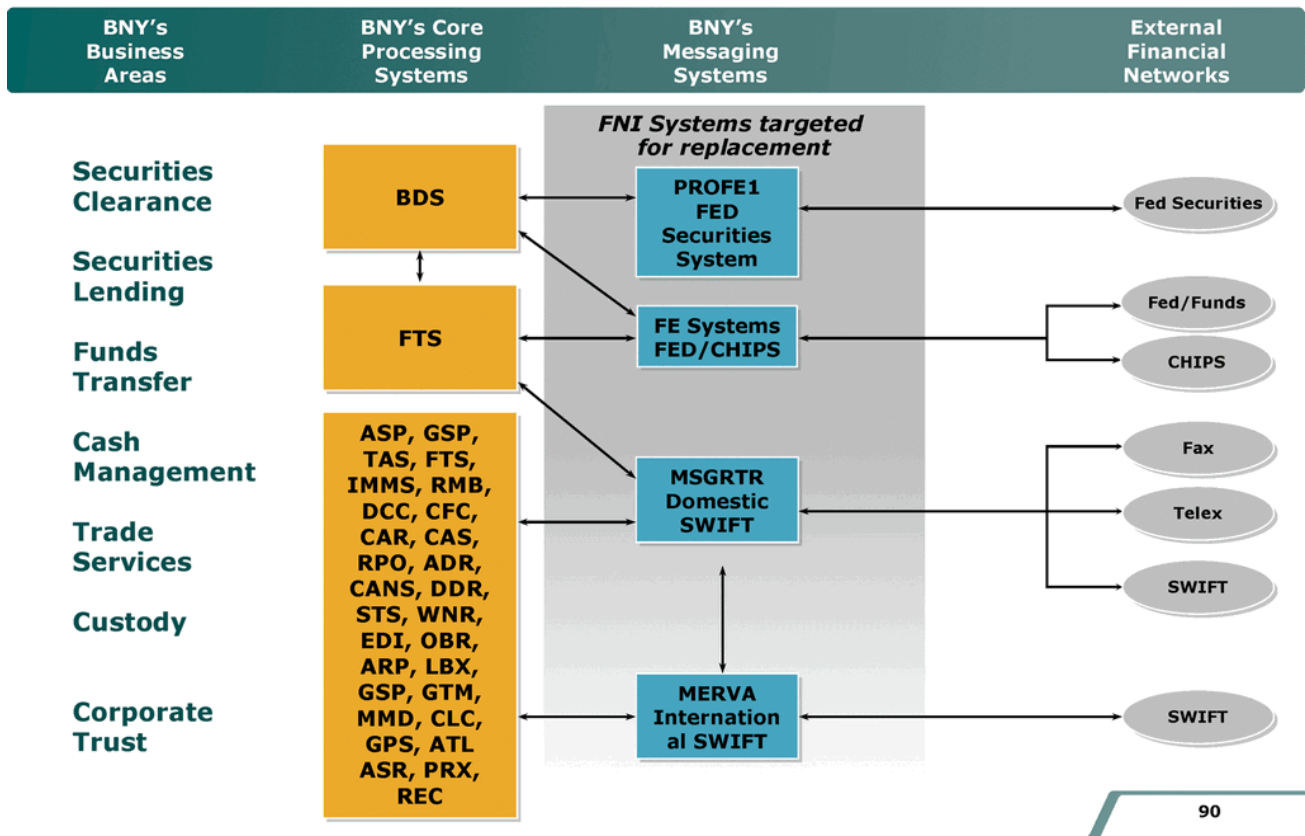
### Wholesale Payments Solutions

<b>ENTERPRISE PAYMENTS</b> <ul style="list-style-type: none"><li>• ACI Money Transfer System</li></ul>	<b>ONLINE BANKING</b> <ul style="list-style-type: none"><li>• ACI Enterprise Banker</li><li>• ACI Enterprise Enrollments</li></ul>
<b>TRADE FINANCE</b> <ul style="list-style-type: none"><li>• ACI Global Trade Manager</li><li>• ACI Open Account Manager</li></ul>	<b>GLOBAL PAYMENTS PROCESSING</b> <ul style="list-style-type: none"><li>• ACI MTS: RTGS Gateway</li><li>• ACI MTS: Bulk Payment</li><li>• ACI Payment File Manager</li></ul>



# BNY Mellon Starting Profile

Legacy Messaging Assets at BNY Mellon

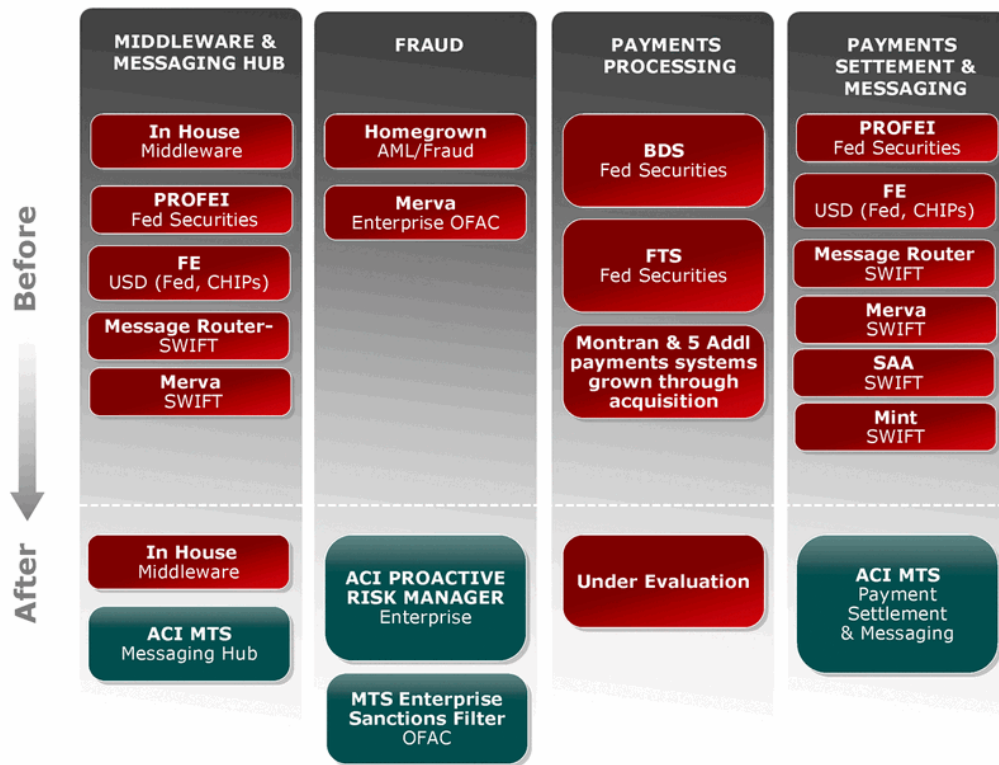




THE BANK OF NEW YORK MELLON  
THE BANK OF NEW YORK MELLON



# BNY Mellon Consolidation Opportunities

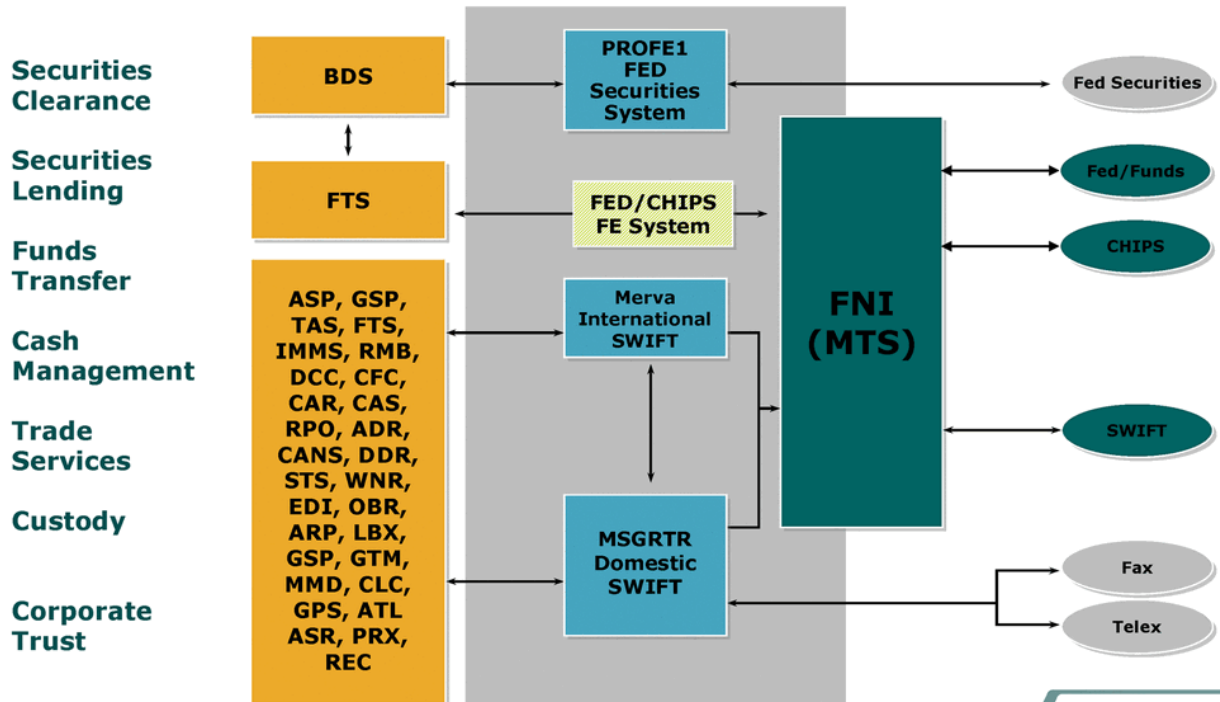


# BNY Mellon Current Profile

Existing State

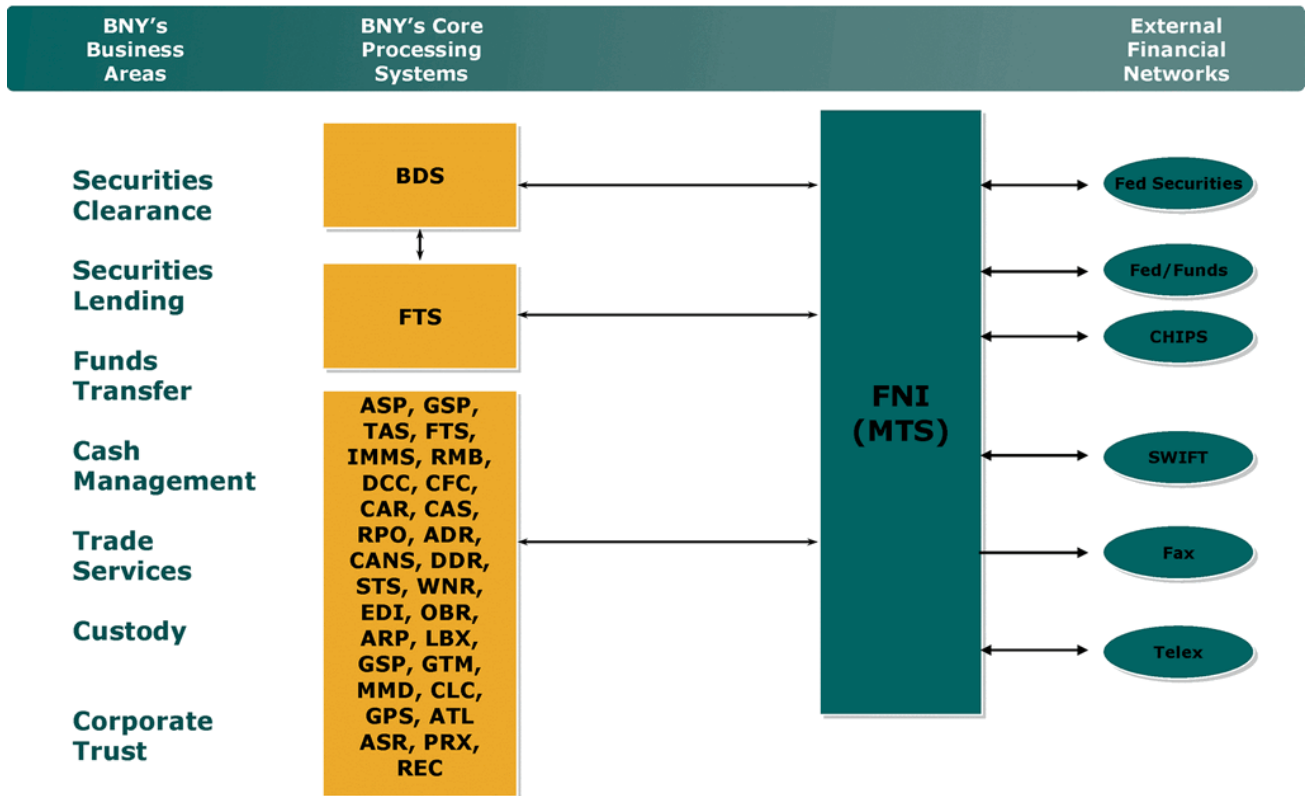


BNY's Business Areas	BNY's Core Processing Systems	BNY's Messaging Systems	External Financial Networks
----------------------	-------------------------------	-------------------------	-----------------------------



# BNY Mellon Ending Profile

Final State



# BNY Mellon Benefits/ROI Summary



Enterprise Messaging Hub	Business Centric Messaging
\$	\$...
Centralized / single vendor & license	Decentralized / multi-vendor & licenses
Leverage homogeneous hardware / software base across business lines	Separate heterogeneous hardware / software per business line
Common expertise across business lines	Different expertise requirements per business line
Standardized training	Training differs per business line
Common look and feel	Look and feel differs by business line
Leverage common pool of resources across business lines	Separate pool of resources needed for each business line
Common monitoring and alerting tools	Disparate monitoring and alerting tools
Common source for updates	Updates required from multiple sources
Simplification reduces risk	Complexity increases risk

## Non-GAAP Financial Measures



ACI is presenting operating free cash flow, which is defined as net cash provided (used) by operating activities, less net after-tax payments associated with employee related activities, net after-tax payments associated with IBM IT outsourcing transition and severance, and capital expenditures and plus or minus net proceeds from IBM. Operating free cash flow is considered a non-GAAP financial measure as defined by SEC Regulation G. 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.

Operating free cash flow should be considered in addition to, rather than as a substitute for, net cash provided (used) by operating 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. We believe that operating free cash flow is useful to investors to provide disclosures of our operating results on the same basis as that used by our management. We also believe that this measure can assist investors in comparing our performance to that of other companies on a consistent basis without regard to certain items, which do not directly affect our ongoing cash flow.

Reconciliation of Operating Free Cash Flow (millions)	Year Ended December 31,		Quarter Ended December 31,	
	2010	2009	2010	2009
Net cash provided by operating activities	\$81.3	\$44.2	\$32.2	\$32.8
Net after-tax payments associated with employee-related actions	-	3.2	-	1.3
Net after-tax payments associated with IBM IT Outsourcing				
Transition and Severance	0.9	0.3	0.2	-
Less capital expenditures	(13.2)	(10.5)	(2.6)	(3.4)
Less alliance technical enablement expenditures	(6.2)	(6.9)	(1.8)	(0.9)
<b>Operating Free Cash Flow</b>	<b>\$62.8</b>	<b>\$30.3</b>	<b>\$28.0</b>	<b>\$29.8</b>



ACI also includes backlog estimates which are all software license fees, maintenance fees and services specified in executed contracts, as well as revenues from assumed contract renewals to the extent that we believe recognition of the related revenue will occur within the corresponding backlog period. We have historically included assumed renewals in backlog estimates based upon automatic renewal provisions in the executed contract and our historic experience with customer renewal rates.

Backlog is considered a non-GAAP financial measure as defined by SEC Regulation G. Our 60-month backlog estimate represents expected revenues from existing customers using the following key assumptions:

- Maintenance fees are assumed to exist for the duration of the license term for those contracts in which the committed maintenance term is less than the committed license term.
- License and facilities management arrangements are assumed to renew at the end of their committed term at a rate consistent with our historical experiences.
- Non-recurring license arrangements are assumed to renew as recurring revenue streams.
- Foreign currency exchange rates are assumed to remain constant over the 60-month backlog period for those contracts stated in currencies other than the U.S. dollar.
- Our pricing policies and practices are assumed to remain constant over the 60-month backlog period.

## Non-GAAP Financial Measures



Estimates of future financial results are inherently unreliable. Our backlog estimates require substantial judgment and are based on a number of assumptions as described above. These assumptions may turn out to be inaccurate or wrong, including for reasons outside of management's control. For example, our 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 we 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 60-month period.

Backlog should be considered in addition to, rather than as a substitute for, reported revenue and deferred revenue.

ACI also includes Operating EBITDA, which is defined as operating income (loss) plus depreciation and amortization and non-cash compensation. Operating EBITDA is considered a non-GAAP financial measure as defined by SEC Regulation G. Operating EBITDA should be considered in addition to, rather than as a substitute for, operating income (loss).

Operating EBITDA (millions)	Year Ended December 31,		Quarter Ended December 31,	
	2010	2009	2010	2009
Operating income	\$53.6	\$41.6	\$42.8	\$35.0
Depreciation expense	6.7	6.3	1.6	1.6
Amortization expense	19.7	17.4	5.0	4.7
Non-cash compensation expense	7.8	7.6	2.3	1.0
<b>Operating EBITDA</b>	<b>\$87.8</b>	<b>\$72.9</b>	<b>\$51.7</b>	<b>\$42.3</b>

# 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 "believes," "will," "expects," "anticipates," "intends," 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

- Our belief that we continue to see good opportunities in the retail stores segment with our Retail Commerce Server product family;
- Our belief that the monthly recurring portion of our 60-month backlog is growing at a higher rate, and that a stable non-recurring backlog reflects an ability to move projects into GAAP revenue at the same rate that sales are adding new projects;
- The company's 12-month and 60-month backlog estimates and assumptions, including (i) our belief that backlog from monthly recurring revenues and project go-lives will continue to grow and drive quarterly GAAP revenue, leading to predictable quarterly performance, and (ii) expectations for backlog to contribute a similar percentage of 2011 revenue led by recurring revenue and project go-live events as it did in 2010;
- Expectations regarding 2011 financial guidance related to revenue, operating income and operating EBITDA and assumptions regarding other factors impacting our 2011 financial guidance, including sales and operating free cash flow.
- Our belief that we continue to see good market opportunity in all geographies and that market opportunity and best practices will drive sales;
- Expectations regarding global market trends and drivers and our ability to leverage such trends and drivers, including (i) growth in electronic payment transaction volumes, (ii) consolidation creating large scale needs and inefficient platform redundancies, (iii) continued desire for cost reduction and increased productivity, (iv) need to expand fraud detection to unprotected channels, (v) search for new revenue sources, and (vi) globalization;
- Expectations regarding the company's key growth markets within the Americas, EMEA and Asia-Pacific and our ability to capitalize on opportunities within these markets including opportunities related to (i) cross-selling, (ii) regulatory change, (iii) consolidation, and (iv) aging platforms;
- Expectations and assumptions relating to ACI's internal drivers, including (i) cross-selling ACI products, (ii) migrations to new solutions, including our belief that our BASE24-eps phased migration approaches are gaining more traction, (iii) stronger services model, (iv) alliances, and (v) increased client focus, especially with senior-levels;
- Expectations regarding the implementation of sales and services best practices, our five step consistent sales process and our belief that driving global consistency will facilitate local autonomy;

# Forward-Looking Statements



- Expectations and assumptions related to any key benefits received by our customers resulting from the implementation of our products, including (i) potential return on investment, (ii) reduction of overall costs due to elimination of redundant silos, (iii) improved time to market for new products and services, (iv) improved revenue opportunities, (v) improved service availability, (vi) increased efficiency, (vii) increased fraud detection rates, and (viii) use of a single customer view to identify more cross-sell opportunities; Expectations and assumptions related to our Agile Payments Solution strategy;

- Our ability to leverage profitability drivers and key opportunities related to our Application P&L, Maintenance P&L, AOD P&L, and Services P&L;

- Expectations and assumptions regarding our Maintenance P&L including, (i) potential incremental maintenance revenue in 2012 resulting from our sunset management strategy, and (ii) positive impact in 2011 and 2012 resulting from product, process and quality improvements;

- Our belief that market interest in our On Demand business continues to grow and that the On Demand business model will drive profitable growth by building recurring revenue and our ability to capitalize fixed costs; and

- Our belief that ACI Services has a competitive advantage in the market and that services will drive additional revenue to ACI.

All of the foregoing forward-looking statements are expressly qualified by the risk factors discussed in our filings with the Securities and Exchange Commission. Such factors include but are not limited to, risks related to the global financial crisis and the continuing decline in the global economy, restrictions and other financial covenants in our credit facility, volatility and disruption of the capital and credit markets and adverse changes in the global economy, the maturation of our current credit facility, the restatement of our financial statements, consolidations and failures in the financial services industry, the accuracy of management's backlog estimates, the cyclical nature of our revenue and earnings and the accuracy of forecasts due to the concentration of revenue generating activity during the final weeks of each quarter, impairment of our goodwill or intangible assets, exposure to unknown tax liabilities, volatility in our stock price, risks from operating internationally, including fluctuations in currency exchange rates, increased competition, our offshore software development activities, customer reluctance to switch to a new vendor, the performance of our strategic product, BASE24-eps, the maturity of certain products, our strategy to migrate customers to our next generation products, ratable or deferred recognition of certain revenue associated with customer migrations and the maturity of certain of our products, demand for our products, failure to obtain renewals of customer contracts or to obtain such renewals on favorable terms, delay or cancellation of customer projects or inaccurate project completion estimates, business interruptions or failure of our information technology and communication systems, our alliance with International Business Machines Corporation ("IBM"), our outsourcing agreement with IBM, the complexity of our products and services and the risk that they may contain hidden defects or be subjected to security breaches or viruses, compliance of our products with applicable legislation, governmental regulations and industry standards, our compliance with privacy regulations, the protection of our intellectual property in intellectual property litigation, future acquisitions, strategic partnerships and investments and litigation. For a detailed discussion of these risk factors, parties that are relying on the forward-looking statements should review our filings with the Securities and Exchange Commission, including our most recently filed Annual Report on Form 10-K and subsequent reports on Forms 10-Q and 8-K

 **trusted globally**

