

*ACI's software underpins electronic payments throughout retail and wholesale banking, and commerce all the time.*

*/ trusted globally*



September 30, 2012 Quarterly Results Presentation  
November 8, 2012

## 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.

The logo consists of a vertical bar divided into four colored segments: yellow at the top, red, cyan, and green at the bottom.

# Quarterly Overview

**Phil Heasley**  
Chief Executive Officer

- **Strong sales quarter across all geographies with \$192 million in Q3 sales bookings**
  - Driven by Sales, net of term extensions, of \$126M, up 69% over prior year and 13% over prior quarter
- **Repurchased approximately 312,000 shares in the open market for approximately \$13.8 million**
  - YTD repurchased 1.4M shares for approximately \$57.8M
- **Resolved potential dilution from IBM warrants through settlement**
  - Repurchased warrants exercisable for 2.5M shares
- **Facilities and data center consolidation and IT in-sourcing integration on plan**
- **Acquired Distra Pty. Ltd**
  - Accelerates Payments Services Hub by 3-5 years
  - Accelerates revenue recognition by improving implementation times
  - Enhances cross-sell opportunity
- **Affirming full year 2012 guidance**
  - High visibility into 4Q revenue and profitability attainment
  - Sales bookings and strong pipeline providing forward momentum into 2013



# Financial Review

**Scott Behrens**  
Chief Financial Officer

# Key Takeaways from the Quarter



## Strong Q3 Sales Bookings

- Strong sales growth, up \$77.2 million or 67% over prior year quarter, up 23% sequentially
- S1 Acquisition contributed approximately \$44.5 million of sales
- Sales, net of term extensions, increased \$51 million or 69% over prior year quarter
- Historical ACI sales and sales, net of term extensions, up 29% and 18%, respectively over prior year quarter

## Strong Backlog Growth led by Strong Sales

- 60-month backlog growth of \$61 million
- 12-month backlog growth of \$14 million

## Solid Revenue Quarter

- S1 contributed \$47.8 million in revenue for the third quarter
- Q3 GAAP revenue impacted by \$4.9 million of deferred revenue haircut
- Monthly recurring revenue comprised 68% of the quarter's revenue
- FX movement reduced revenues by \$2 million compared to prior year quarter

## Operating Expense

- S1 contributed \$44.0 million in expenses for the period
- Historical ACI expenses essentially flat compared to prior year quarter
- \$4.5 million of one-time S1 related integration expenses

## Key Takeaways from the Quarter (cont)



### Non-GAAP Operating Income & Adjusted EBITDA

- Non-GAAP Operating Income of \$17.7 million
- Non-GAAP Adjusted EBITDA of \$33.6 million

### Debt & Liquidity

- Ended Q3 with \$87.7 million in cash
- Repurchased shares and settled outstanding warrants for combined \$43.4 million
  - Remaining repurchase authorization now 1.8 million shares (or \$76 million using September 30, 2012 closing share price)
- Reduced Term Loan debt by approximately \$3.1 million in Q3
- As of September 30, 2012, debt outstanding of \$384.6 million (\$194 million in revolver and \$190.6 million in term loan)
- Acquired Distra Pty Ltd for \$49.8 million

### S1 Integration

- Facilities and Data Center consolidation plans on track

# Reaffirmation of Full Year Guidance



## Reaffirming full year guidance

- Q4 backlog to contribute approximately 90% of expected Q4 revenue
- Q4 sales bookings expected to approximate \$310M
  - Sales, net of term extensions, to approximate \$230M
- Full year sales expected to approximate \$770M
  - Full year sales, net of term extensions, expected to approximate \$540M

	YTD Q3 Non-GAAP Actuals	+	Q4 Non-GAAP Guidance	=	2012 Non-GAAP Guidance
Non-GAAP Revenue*	\$ 461		\$245 - \$255		\$706 - \$716
Non-GAAP Operating Income*	\$ 45		\$77 - \$82		\$122 - \$127
Adjusted EBITDA*	\$ 90		\$98 - \$103		\$188 - \$193

\* Non-GAAP Guidance metrics exclude the impact of \$23M of deferred revenue haircut and \$31M of one-time expenses. The prior guidance issued July 26, 2012 reflected all metrics net of the \$23M deferred revenue haircut as follows: GAAP Revenue of \$683M-\$693M, Adjusted EBITDA of \$165M-\$170M and Non-GAAP Operating Income of \$99M-\$104M



# Preliminary 2013 Outlook



- 2013 models should start with normalized 2012 as the base line (see table below)

	2012 Non-GAAP Guidance	+	Add Back 1.5 months S1 Activity	+	Add Back Incremental Synergies	=	Normalized Full Year 2012
Non-GAAP Revenue*	\$706 - \$716		\$ 27		\$ -		\$733 - \$743
Non-GAAP Operating Income* <i>Margin</i>	\$122 - \$127 17%-18%		\$ -		\$ 8		\$130 - \$135 17%-18%
Adjusted EBITDA* <i>Margin</i>	\$188 - \$193 26%-27%		\$ -		\$ 8		\$196 - \$201 26%-27%

\* Non-GAAP Guidance metrics exclude impact of \$23M of deferred revenue haircut and \$31M of one-time acquisition and integration related expenses. Normalized 2012 assuming a full year of S1 operations and one additional quarter of phase 1 synergies of approximately 8M.

- Growth in sales, net of term extensions, in the high single digits to low double digits
- Revenue growth mid-to-high single digits
- 2013 operating margin approximately 19%-20%
- 2013 adjusted EBITDA margin approximately 28%-29%
- The above margin %'s include the incremental cost savings of \$15M to be realized in 2013 due to Data Center consolidation and rationalization of overlapping facilities
- Fully diluted share count to approximate 40M (excluding future share buy-back activity)



# Appendix

# 2012 Guidance Summary



	2012 GAAP Guidance	+	Add Back One-time Expenses	=	2012 Prior Guidance	+	Add Back Def Rev Haircut	=	2012 Non-GAAP Guidance
Revenue*	\$683 - \$693		\$ -		\$683 - \$693		\$ 23		\$706 - \$716
Operating Income*	\$68 - \$73		\$ 31		\$99 - \$104		\$ 23		\$122 - \$127
Adjusted EBITDA*	\$134 - \$139		\$ 31		\$165 - \$170		\$ 23		\$188 - \$193

\* Non-GAAP Guidance metrics exclude impact of \$23M of deferred revenue haircut and \$31M of one-time acquisition and integration related expenses. The prior guidance issued July 26, 2012 reflected all metrics net of the \$23M deferred revenue haircut as follows: GAAP Revenue of \$683M-\$693M, Adjusted EBITDA of \$165M-\$170M and Non-GAAP Operating Income of \$99M-\$104M

# Historic Sales By Quarter 2010-2012



Quarter-End	Total Economic Value of Sales	Sales Mix by Category		
		New Accounts / New Applications	Add-on Business inc. Capacity Upgrades &	Term Extension
3/31/2010	\$81,142	\$5,758 7%	\$35,066 43%	\$40,318 50%
6/30/2010	\$107,985	\$1,224 1%	\$68,474 63%	\$38,287 35%
9/30/2010	\$161,269	\$11,290 7%	\$89,364 55%	\$60,615 38%
12/31/2010	\$174,827	\$43,988 25%	\$59,622 34%	\$71,217 41%
3/31/2011	\$122,904	\$13,695 11%	\$50,305 41%	\$58,904 48%
6/30/2011	\$146,956	\$19,730 13%	\$54,174 37%	\$73,052 50%
9/30/2011	\$115,089	\$17,356 15%	\$57,611 50%	\$40,123 35%
12/31/2011	\$171,385	\$12,906 8%	\$104,460 61%	\$54,019 32%
3/31/2012	\$108,462	\$5,958 5%	\$58,602 54%	\$43,902 40%
6/30/2012	\$156,188	\$9,855 6%	\$102,417 66%	\$43,916 28%
9/30/2012	\$192,310	\$23,802 12%	\$102,576 53%	\$65,932 34%
	Sales	New Accounts / New Applications	Add-on Business inc. Capacity Upgrades &	Term Extension
SEP YTD 12	\$456,960	\$39,614	\$263,596	\$153,750
SEP YTD 11	\$384,949	\$50,781	\$162,089	\$172,079
Variance	\$72,011	(\$11,167)	\$101,506	(\$18,328)

# Sales By Region by Geography and Type



Total Sales			
Channel	Qtr Ended Sep 12	Qtr Ended Sep 11	% Growth or Decline
Americas	\$91,689	\$67,735	35.4%
EMEA	60,856	40,239	51.2%
Asia-Pacific	39,766	7,115	458.9%
<b>Total Sales</b>	<b>\$192,310</b>	<b>\$115,089</b>	<b>67.1%</b>

Sales Type			
Sales Type	Qtr Ended Sep 12	Qtr Ended Sep 11	% Growth or Decline
New Account / New Application	\$23,802	\$17,356	37.1%
Add-on Business	102,576	57,611	78.1%
Term Extension	65,932	40,123	64.3%
<b>Total Sales</b>	<b>\$192,310</b>	<b>\$115,089</b>	<b>67.1%</b>

# Backlog as a Contributor of Quarterly Revenue



Revenue			
Revenue	Qtr Ended Sep 12	Qtr Ended Sep 11	% Growth or Decline
Revenue from Backlog	\$146,814	\$106,842	37.4%
Revenue from Sales	8,248	5,307	55.4%
<b>Total Revenue</b>	<b>\$155,062</b>	<b>\$112,149</b>	<b>38.3%</b>
Revenue from Backlog	95%	95%	
Revenue from Sales	5%	5%	

- **Backlog from monthly recurring revenues and project go-lives continues to drive current quarter GAAP revenue**
- **Revenue from current quarter sales consistent with prior quarters**

## Operating Free Cash Flow (\$ millions)



	Quarter Ended September 30,	
	2012	2011
<b>Net cash provided by operating activities</b>	<b>\$5.3</b>	<b>\$26.8</b>
<b>Adjustments:</b>		
<b>Net after-tax payments associated with employee-related actions*</b>	<b>1.3</b>	<b>-</b>
<b>Net after-tax payments associated with lease terminations*</b>	<b>0.7</b>	<b>-</b>
<b>Net after-tax payments associated with S1-related transaction costs*</b>	<b>-</b>	<b>0.2</b>
<b>Net after-tax payments associated with IBM IT Outsourcing Transition*</b>	<b>0.2</b>	<b>0.2</b>
<b>Less capital expenditures</b>	<b>(8.0)</b>	<b>(2.7)</b>
Operating Free Cash Flow	<b>\$(0.5)</b>	<b>\$24.5</b>

\* Tax effected at 35%

## Q3 Cash Walk (\$ millions)



<b>Beginning Cash (2Q 2012)</b>		<b>\$149.6</b>
Plus: net cash provided by operating activities*		5.3
<b>Net cash before investing and financing activities</b>		<b>154.9</b>
Cash flow from Investing Activities		
Less: Capital Expenditures	(8.0)	
Less: Acquisition of Distra	(49.8)	
<b>Net cash from investing activities</b>		<b>(57.8)</b>
Cash flow from Financing Activities		
Plus: Proceeds from Stock Options	2.1	
Plus: Net proceeds (repayment) on credit facility	20.9	
Less: Net cash settlement from IBM warrants	(17.7)	
Less: Repurchases of common stock	(13.8)	
Less: Payments on capital leases and other	(2.3)	
Foreign exchange impact on cash	1.5	
<b>Net cash from financing activities and FX</b>		<b>(9.4)</b>
<b>Ending Cash (3Q 2012)</b>		<b>\$87.7</b>

\* Net cash provided by operating activities includes \$2.2 million in one-time after-tax payments related to integration and IT insourcing.



## 60-Month Backlog (\$ millions)



	Quarter Ended		
	September 30, 2012	June 30, 2012	September 30, 2011
<b>Americas</b>	<b>\$1,419</b>	<b>\$1,414</b>	<b>\$ 894</b>
<b>EMEA</b>	<b>686</b>	<b>653</b>	<b>520</b>
<b>Asia/Pacific</b>	<b>262</b>	<b>239</b>	<b>189</b>
Backlog 60-Month	\$ 2,367	\$ 2,306	\$1,603
<b>Deferred Revenue</b>	<b>\$ 213</b>	<b>\$ 204</b>	<b>\$ 156</b>
<b>Other</b>	<b>2,154</b>	<b>2,102</b>	<b>1,447</b>
Backlog 60-Month	\$ 2,367	\$ 2,306	\$1,603

## Revenues by Channel (\$ millions)



	Quarter Ended September 30,	
	2012	2011
<b>Revenues:</b>		
<b>United States</b>	\$69.4	\$ 46.5
<b>Americas International</b>	18.4	13.3
<b>Americas</b>	<b>\$87.8</b>	<b>\$ 59.8</b>
<b>EMEA</b>	<b>42.8</b>	<b>38.6</b>
<b>Asia/Pacific</b>	<b>24.5</b>	<b>13.7</b>
Revenues	\$155.1	\$112.1

## Monthly Recurring Revenue (\$ millions)



	Quarter Ended September 30,	
	2012	2011
Monthly Software License Fees	\$24.7	\$23.5
Maintenance Fees	47.6	36.5
Hosting Services	33.0	12.8
<b>Monthly Recurring Revenue</b>	<b>\$105.3</b>	<b>\$72.8</b>

## Deferred Revenue and Expense (\$ millions)



	Quarter Ended			
	September 30, 2012	June 30, 2012	September 30, 2011	June 30, 2011
<b>Short Term Deferred Revenue</b>	<b>\$169.2</b>	<b>\$165.1</b>	<b>\$123.9</b>	<b>\$131.7</b>
<b>Long Term Deferred Revenue</b>	<b>44.2</b>	<b>38.7</b>	<b>32.5</b>	<b>30.0</b>
Total Deferred Revenue	\$213.4	\$203.8	\$156.4	\$161.7
Total Deferred Expense	\$9.8	\$9.9	\$11.7	\$12.6

# Non-Cash Compensation, Acquisition Intangibles and Software, and Acquisition-Related Expenses



	Quarter ended September 30, 2012		Quarter ended September 30, 2011	
	EPS Impact*	\$ in Millions	EPS Impact*	\$ in Millions
Amortization of acquisition-related intangibles	\$ 0.05	\$ 2.1	\$ 0.03	\$ 1.1
Amortization of acquisition-related software	0.06	2.3	0.02	0.8
Non-cash equity-based compensation	0.04	1.7	0.04	1.4
<b>Total:</b>	<b>\$0.15</b>	<b>\$6.1</b>	<b>\$0.09</b>	<b>\$3.3</b>

\* Tax Effected at 35%

## Other Income / Expense (\$ millions)



	Quarter Ended			
	September 30, 2012	June 30, 2012	September 30, 2011	June 30, 2011
Interest Income	\$0.2	\$0.2	\$0.2	\$0.2
Interest Expense	(\$2.6)	(\$2.9)	(\$0.4)	(\$0.4)
FX Gain / Loss	(\$1.4)	(\$0.3)	(\$0.1)	\$0.3
Other	\$0.0	\$0.0	\$0.0	\$0.0
<b>Total Other Income (Expense)</b>	(\$3.8)	(\$3.0)	(\$0.3)	\$0.1

# Adjusted EBITDA



	Quarter Ended September 30, 2012	Quarter Ended September 30, 2011
Net Income	\$5.7	\$10.5
Income tax expense (benefit)	(1.2)	0.5
Net Interest Expense	2.4	0.2
Net Other Expense	1.4	0.1
Depreciation Expense	3.6	2.0
Amortization Expense	9.9	5.2
Non-Cash Compensation Expense	2.6	2.2
<b>Adjusted EBITDA</b>	<b>\$24.4</b>	<b>\$20.7</b>
Deferred revenue	4.9	-
Employee-related actions	0.3	-
Facility closure costs	3.5	-
IT exit costs	0.1	-
Other one-time S1-related expenses	0.4	3.4
<b>Adjusted EBITDA ex one-time expenses</b>	<b>\$33.6</b>	<b>\$24.1</b>

# Non-GAAP Operating Income



	Quarter Ended September 30, 2012	Quarter Ended September 30, 2011
Operating Income	\$8.3	\$11.3
Plus:		
Deferred Revenue	4.9	-
Employee-related actions	0.5	-
Facility closure costs	3.5	-
IT exit costs	0.1	-
Other one-time S1-related expenses	0.4	3.4
<b>Non-GAAP Operating Income</b>	<b>\$17.7</b>	<b>\$14.7</b>



## Non-GAAP Financial Measures



To supplement our financial results presented on a GAAP basis, we use the non-GAAP measure indicated in the tables, which exclude certain business combination accounting entries and expenses related to the acquisition of S1, as well as other significant non-cash expenses such as depreciation, amortization and share-based compensation, that we believe are helpful in understanding our past financial performance and our future results. The presentation of these non-GAAP financial measures should be considered in addition to our GAAP results and are not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with GAAP. Management generally compensates for limitations in the use of non-GAAP financial measures by relying on comparable GAAP financial measures and providing investors with a reconciliation of non-GAAP financial measures only in addition to and in conjunction with results presented in accordance with GAAP. We believe that these non-GAAP financial measures reflect an additional way of viewing aspects of our operations that, when viewed with our GAAP results, provide a more complete understanding of factors and trends affecting our business. Certain non-GAAP measures include:

- Non-GAAP revenue: revenue plus deferred revenue that would have been recognized in the normal course of business by S1 if not for GAAP purchase accounting requirements. Non-GAAP revenue should be considered in addition to, rather than as a substitute for, revenue.
- Non-GAAP operating income: operating income (loss) plus deferred revenue that would have been recognized in the normal course of business by S1 if not for GAAP purchase accounting requirements and one-time expense related to the acquisition of S1. Non-GAAP operating income should be considered in addition to, rather than as a substitute for, operating income.
- Adjusted EBITDA: net income (loss) plus income tax expense, net interest income (expense), net other income (expense), depreciation, amortization and non-cash compensation, as well as deferred revenue that would have been recognized in the normal course of business by S1 if not for GAAP purchase accounting requirements and one-time expense related to the acquisition of S1. Adjusted EBITDA should be considered in addition to, rather than as a substitute for, operating income.

## Non-GAAP Financial Measures



ACI is also presenting operating free cash flow, which is defined as net cash provided by operating activities, plus net after-tax payments associated with employee-related actions and facility disclosures, net after-tax payments associated with IBM IT outsourcing transition, and less capital expenditures. 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 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.

ACI also includes backlog estimates, which include 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.

# Non-GAAP Financial Measures



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.

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.

# 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:

- The company’s 12-month and 60-month backlog estimates and assumptions;
- Expectations regarding sales pipelines and momentum; profitability attainment; accelerated revenue recognition, expedited product development and increased sales from the Distra Pty Ltd. acquisition; and market trends; and
- Expectations regarding 2012 and 2013 financial guidance related to sales bookings, revenue, operating income and EBITDA, diluted share counts, cost savings from data center consolidations and overall cost synergies.

# Forward-Looking Statements



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, risks related to the expected benefits to be achieved in the transaction with S1, 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, the risk that expected synergies, operational efficiencies and cost savings from the S1 acquisition may not be fully realized or realized within the expected time frame. 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, Registration Statement on Form S-4, and subsequent reports on Forms 10-Q and 8-K.

*ACI's software underpins electronic payments throughout retail and wholesale banking, and commerce all the time, without fail.*

 **trusted globally**