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ALLIANCE DATA SYSTEMS CORP

Form SC 13D

February 11, 2008

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13D

Under the Securities Exchange Act of 1934
(Amendment No. ___) *

Alliance Data Systems Corporation
(Name of Issuer)

Common Stock, Par Value \$0.01
(Title of Class of Securities)

018581108
(CUSIP Number)

Keith Schaitkin, Esq.
Icahn Capital LP
767 Fifth Avenue, 47th Floor
New York, New York 10153
(212) 702-4388
(Name, Address and Telephone Number of Person Authorized to
Receive Notices and Communications)

January 30, 2008
(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of Section 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box / /.

NOTE: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 13d-7 for other parties to whom copies are to be sent.

*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

SCHEDULE 13D

CUSIP No. 018581108

1 NAME OF REPORTING PERSON
Icahn Partners Master Fund LP

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- 2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP
(a) / /
(b) / /
- 3 SEC USE ONLY
- 4 SOURCE OF FUNDS
WC
- 5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
ITEMS 2(d) or 2(e) / /
- 6 CITIZENSHIP OR PLACE OF ORGANIZATION
Cayman Islands
- NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:
- 7 SOLE VOTING POWER
939,929
- 8 SHARED VOTING POWER
0
- 9 SOLE DISPOSITIVE POWER
939,929
- 10 SHARED DISPOSITIVE POWER
0
- 11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
939,929
- 12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES / /
- 13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
1.19%
- 14 TYPE OF REPORTING PERSON
PN

SCHEDULE 13D

CUSIP No. 018581108

- 1 NAME OF REPORTING PERSON
Icahn Partners Master Fund II LP
- 2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP
(a) / /
(b) / /
- 3 SEC USE ONLY
- 4 SOURCE OF FUNDS
WC
- 5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
ITEMS 2(d) or 2(e) / /

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6 CITIZENSHIP OR PLACE OF ORGANIZATION
Cayman Islands

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:

7 SOLE VOTING POWER
293,508

8 SHARED VOTING POWER
0

9 SOLE DISPOSITIVE POWER
293,508

10 SHARED DISPOSITIVE POWER
0

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
293,508

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES / /

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
0.37%

14 TYPE OF REPORTING PERSON
PN

SCHEDULE 13D

CUSIP No. 018581108

1 NAME OF REPORTING PERSON
Icahn Partners Master Fund III LP

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP
(a) / /
(b) / /

3 SEC USE ONLY

4 SOURCE OF FUNDS
WC

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
ITEMS 2(d) or 2(e) / /

6 CITIZENSHIP OR PLACE OF ORGANIZATION
Cayman Islands

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:

7 SOLE VOTING POWER
111,352

8 SHARED VOTING POWER
0

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9 SOLE DISPOSITIVE POWER
111,352

10 SHARED DISPOSITIVE POWER
0

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
111,352

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES / /

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
0.14%

14 TYPE OF REPORTING PERSON
PN

SCHEDULE 13D

CUSIP No. 018581108

1 NAME OF REPORTING PERSON
Icahn Offshore LP

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP
(a) / /
(b) / /

3 SEC USE ONLY

4 SOURCE OF FUNDS

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
ITEMS 2(d) or 2(e) / /

6 CITIZENSHIP OR PLACE OF ORGANIZATION
Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:

7 SOLE VOTING POWER
0

8 SHARED VOTING POWER
1,344,789

9 SOLE DISPOSITIVE POWER
0

10 SHARED DISPOSITIVE POWER
1,344,789

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
1,344,789

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES / /

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

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1.71%

14 TYPE OF REPORTING PERSON
PN

SCHEDULE 13D

CUSIP No. 018581108

1 NAME OF REPORTING PERSON
Icahn Partners LP

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP
(a) / /
(b) / /

3 SEC USE ONLY

4 SOURCE OF FUNDS
WC

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
ITEMS 2(d) or 2(e) / /

6 CITIZENSHIP OR PLACE OF ORGANIZATION
Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:

7 SOLE VOTING POWER
803,411

8 SHARED VOTING POWER
0

9 SOLE DISPOSITIVE POWER
803,411

10 SHARED DISPOSITIVE POWER
0

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
803,411

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES / /

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
1.02%

14 TYPE OF REPORTING PERSON
PN

SCHEDULE 13D

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CUSIP No. 018581108

1 NAME OF REPORTING PERSON
Icahn Onshore LP

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP
(a) / /
(b) / /

3 SEC USE ONLY

4 SOURCE OF FUNDS

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
ITEMS 2(d) or 2(e) / /

6 CITIZENSHIP OR PLACE OF ORGANIZATION
Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:

7 SOLE VOTING POWER
0

8 SHARED VOTING POWER
803,411

9 SOLE DISPOSITIVE POWER
0

10 SHARED DISPOSITIVE POWER
803,411

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
803,411

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES / /

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
1.02%

14 TYPE OF REPORTING PERSON
PN

SCHEDULE 13D

CUSIP No. 018581108

1 NAME OF REPORTING PERSON
Icahn Capital LP

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP
(a) / /
(b) / /

3 SEC USE ONLY

4 SOURCE OF FUNDS

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WC

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) / /

6 CITIZENSHIP OR PLACE OF ORGANIZATION
Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:

7 SOLE VOTING POWER
0

8 SHARED VOTING POWER
2,148,200

9 SOLE DISPOSITIVE POWER
0

10 SHARED DISPOSITIVE POWER
2,148,200

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
2,148,200

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES / /

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
2.73%

14 TYPE OF REPORTING PERSON
PN

SCHEDULE 13D

CUSIP No. 018581108

1 NAME OF REPORTING PERSON
IPH GP LLC

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP
(a) / /
(b) / /

3 SEC USE ONLY

4 SOURCE OF FUNDS
WC

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) / /

6 CITIZENSHIP OR PLACE OF ORGANIZATION
Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:

7 SOLE VOTING POWER

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0

8 SHARED VOTING POWER
2,148,200

9 SOLE DISPOSITIVE POWER
0

10 SHARED DISPOSITIVE POWER
2,148,200

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
2,148,200

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES / /

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
2.73%

14 TYPE OF REPORTING PERSON
OO

SCHEDULE 13D

CUSIP No. 018581108

1 NAME OF REPORTING PERSON
Icahn Enterprises Holdings L.P.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP
(a) / /
(b) / /

3 SEC USE ONLY

4 SOURCE OF FUNDS
WC

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
ITEMS 2(d) or 2(e) / /

6 CITIZENSHIP OR PLACE OF ORGANIZATION
Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:

7 SOLE VOTING POWER
0

8 SHARED VOTING POWER
2,148,200

9 SOLE DISPOSITIVE POWER
0

10 SHARED DISPOSITIVE POWER
2,148,200

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- 11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
2,148,200
- 12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES / /
- 13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
2.73%
- 14 TYPE OF REPORTING PERSON
PN

SCHEDULE 13D

CUSIP No. 018581108

- 1 NAME OF REPORTING PERSON
Icahn Enterprises G.P. Inc.
- 2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP
(a) / /
(b) / /
- 3 SEC USE ONLY
- 4 SOURCE OF FUNDS
WC
- 5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
ITEMS 2(d) or 2(e) / /
- 6 CITIZENSHIP OR PLACE OF ORGANIZATION
Delaware
- NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:
- 7 SOLE VOTING POWER
0
- 8 SHARED VOTING POWER
2,148,200
- 9 SOLE DISPOSITIVE POWER
0
- 10 SHARED DISPOSITIVE POWER
2,148,200
- 11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
2,148,200
- 12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES / /
- 13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
2.73%
- 14 TYPE OF REPORTING PERSON
CO

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SCHEDULE 13D

CUSIP No. 018581108

1 NAME OF REPORTING PERSON
Beckton Corp.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP
(a) / /
(b) / /

3 SEC USE ONLY

4 SOURCE OF FUNDS
WC

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
ITEMS 2(d) or 2(e) / /

6 CITIZENSHIP OR PLACE OF ORGANIZATION
Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:

7 SOLE VOTING POWER
0

8 SHARED VOTING POWER
2,148,200

9 SOLE DISPOSITIVE POWER
0

10 SHARED DISPOSITIVE POWER
2,148,200

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
2,148,200

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES / /

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
2.73%

14 TYPE OF REPORTING PERSON
CO

SCHEDULE 13D

CUSIP No. 018581108

1 NAME OF REPORTING PERSON
Carl C. Icahn

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- 2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP
(a) / /
(b) / /
- 3 SEC USE ONLY
- 4 SOURCE OF FUNDS
- 5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
ITEMS 2(d) or 2(e) / /
- 6 CITIZENSHIP OR PLACE OF ORGANIZATION
United States of America
- NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:
- 7 SOLE VOTING POWER
0
- 8 SHARED VOTING POWER
2,148,200
- 9 SOLE DISPOSITIVE POWER
0
- 10 SHARED DISPOSITIVE POWER
2,148,200
- 11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
2,148,200
- 12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES / /
- 13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
2.73%
- 14 TYPE OF REPORTING PERSON
IN

SCHEDULE 13D

Item 1. Security and Issuer

This statement relates to the Common Stock, par value \$0.01 (the "Shares"), issued by Alliance Data Systems Corporation (the "Issuer"). The address of the principal executive offices of the Issuer is 17655 Waterview Parkway, Dallas, Texas 75252.

Item 2. Identity and Background

The persons filing this statement are Icahn Partners Master Fund LP ("Icahn Master"), Icahn Partners Master Fund II LP ("Icahn Master II"), Icahn Partners Master Fund III LP ("Icahn Master III"), Icahn Offshore LP ("Icahn Offshore"), Icahn Partners LP ("Icahn Partners"), Icahn Onshore LP ("Icahn Onshore"), Icahn Capital LP ("Icahn Capital"), IPH GP LLC ("IPH"), Icahn Enterprises Holdings L.P. ("Icahn Enterprises Holdings"), Icahn Enterprises G.P. Inc. ("Icahn Enterprises GP"), Beckton Corp. ("Beckton"), and Carl C. Icahn (collectively, the "Reporting Persons").

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The principal business address of each of (i) Icahn Offshore, Icahn Partners, Icahn Onshore, Icahn Capital, IPH, Icahn Enterprises Holdings, Icahn Enterprises GP and Beckton is White Plains Plaza, 445 Hamilton Avenue - Suite 1210, White Plains, NY 10601, (ii) Icahn Master, Icahn Master II and Icahn Master III is c/o Walkers SPV Limited, P.O. Box 908GT, 87 Mary Street, George Town, Grand Cayman, Cayman Islands, and (iii) Mr. Icahn is c/o Icahn Associates Corp., 767 Fifth Avenue, 47th Floor, New York, NY 10153.

Icahn Offshore is the general partner of each of Icahn Master, Icahn Master II and Icahn Master III. Icahn Onshore is the general partner of Icahn Partners. Icahn Capital is the general partner of each of Icahn Offshore and Icahn Onshore. Icahn Enterprises Holdings is the sole member of IPH, which is the general partner of Icahn Capital. Beckton is the sole stockholder of Icahn Enterprises GP, which is the general partner of Icahn Enterprises Holdings. Carl C. Icahn is the sole stockholder of Beckton. As such, Mr. Icahn is in a position indirectly to determine the investment and voting decisions made by each of the Reporting Persons. In addition, Mr. Icahn is the indirect holder of approximately 91% of the outstanding depository units representing limited partnership interests in Icahn Enterprises L.P. ("Icahn Enterprises"). Icahn Enterprises GP is the general partner of Icahn Enterprises, which is the sole limited partner of Icahn Enterprises Holdings.

Each of Icahn Master, Icahn Master II, Icahn Master III and Icahn Partners is primarily engaged in the business of investing in securities. Icahn Offshore is primarily engaged in the business of serving as the general partner of each of Icahn Master, Icahn Master II and Icahn Master III. Icahn Onshore is primarily engaged in the business of serving as the general partner of Icahn Partners. Icahn Capital is primarily engaged in the business of serving as the general partner of each of Icahn Offshore and Icahn Onshore. IPH is primarily engaged in the business of serving as the general partner of Icahn Capital. Icahn Enterprises Holdings is primarily engaged in the business of holding direct or indirect interests in various operating businesses. Icahn Enterprises GP is primarily engaged in the business of serving as the general partner of each of Icahn Enterprises and Icahn Enterprises Holdings. Beckton is primarily engaged in the business of holding the capital stock of Icahn Enterprises GP.

Carl C. Icahn's present principal occupation or employment is serving as (i) Chief Executive Officer of Icahn Capital LP, a wholly owned subsidiary of Icahn Enterprises, through which Mr. Icahn manages various private investment funds, including Icahn Partners, Icahn Master, Icahn Master II and Icahn Master III, (ii) Chairman of the Board of Icahn Enterprises GP, the general partner of Icahn Enterprises, a New York Stock Exchange listed diversified holding company engaged in a variety of businesses, including investment management, metals, real estate and home fashion, and (iii) Chairman of the Board and a director of Starfire Holding Corporation ("Starfire"), a holding company engaged in the business of investing in and/or holding securities of various entities, and as Chairman of the Board and a director of various of Starfire's subsidiaries.

The name, citizenship, present principal occupation or employment and business address of each director and executive officer of the Reporting Persons are set forth in Schedule A attached hereto.

None of the Reporting Persons nor any manager or executive officer of the Reporting Persons, has, during the past five years, (a) been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors), or (b) been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting, or mandating activities subject to, Federal or State securities laws or a finding of any violation with respect to such laws.

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Item 3. Source and Amount of Funds or Other Consideration

The aggregate purchase price of the 2,148,200 Shares deemed to be beneficially owned by Icahn Master, Icahn Master II, Icahn Master III and Icahn Partners (which includes Shares that may be acquired upon exercise of call options), collectively, was \$90,759,144 (including commissions, option premiums and the strike price of the call options). The source of funding for the purchase of these Shares was the general working capital of the respective purchasers. The Shares are held by the Reporting Persons in margin accounts. Such margin accounts may from time to time have debit balances. Since other securities are held in such margin accounts, it is not possible to determine the amounts, if any, of margin used with respect to the purchase of the Shares.

Item 4. Purpose of Transaction

The Reporting Persons acquired their positions in the Shares in the belief that they were undervalued. The Reporting Persons reserve the right to seek to have conversations with members of the Issuer's management regarding the transaction between the Issuer and affiliates of Blackstone Group. The Reporting Persons may, from time to time and at any time, acquire additional Shares in the open market or otherwise and reserve the right to dispose of any or all of their Shares in the open market or otherwise, at any time and from time to time, and to engage in any hedging or similar transactions with respect to the Shares.

Item 5. Interest in Securities of the Issuer

(a) The Reporting Persons may be deemed to beneficially own, in the aggregate, 2,148,200 Shares (including Shares that may be acquired upon exercise of call options), representing approximately 2.73% of the Issuer's outstanding Shares (based upon the 78,740,781 Shares stated to be outstanding as of November 2, 2007 by the Issuer in the Issuer's Quarterly Report on Form 10-Q, filed with the Securities and Exchange Commission on November 6, 2007).

(b) Icahn Master has sole voting power and sole dispositive power with regard to 939,929 Shares (including Shares that may be acquired upon exercise of call options). Each of Icahn Offshore, Icahn Capital, IPH, Icahn Enterprises Holdings, Icahn Enterprises GP, Beckton and Mr. Icahn has shared voting power and shared dispositive power with regard to such Shares. Icahn Master II has sole voting power and sole dispositive power with regard to 293,508 Shares (including Shares that may be acquired upon exercise of call options). Each of Icahn Offshore, Icahn Capital, IPH, Icahn Enterprises Holdings, Icahn Enterprises GP, Beckton and Mr. Icahn has shared voting power and shared dispositive power with regard to such Shares. Icahn Master III has sole voting power and sole dispositive power with regard to 111,352 Shares (including Shares that may be acquired upon exercise of call options). Each of Icahn Offshore, Icahn Capital, IPH, Icahn Enterprises Holdings, Icahn Enterprises GP, Beckton and Mr. Icahn has shared voting power and shared dispositive power with regard to such Shares. Icahn Partners has sole voting power and sole dispositive power with regard to 803,411 Shares (including Shares that may be acquired upon exercise of call options). Each of Icahn Onshore, Icahn Capital, IPH, Icahn Enterprises Holdings, Icahn Enterprises GP, Beckton and Mr. Icahn has shared voting power and shared dispositive power with regard to such Shares.

Each of Icahn Offshore, Icahn Capital, IPH, Icahn Enterprises Holdings, Icahn Enterprises GP, Beckton and Mr. Icahn, by virtue of their relationships to each of Icahn Master, Icahn Master II and Icahn Master III (as disclosed in Item 2), may be deemed to indirectly beneficially own (as that term is defined in Rule 13d-3 under the Act) the Shares which each of Icahn Master, Icahn Master II and Icahn Master III directly beneficially owns. Each of Icahn Offshore, Icahn Capital, IPH, Icahn Enterprises Holdings, Icahn Enterprises GP, Beckton and Mr. Icahn disclaims beneficial ownership of such Shares for all other purposes. Each of Icahn Onshore, Icahn Capital, IPH, Icahn Enterprises Holdings, Icahn

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Enterprises GP, Beckton and Mr. Icahn, by virtue of their relationships to Icahn Partners (as disclosed in Item 2), may be deemed to indirectly beneficially own (as that term is defined in Rule 13d-3 under the Act) the Shares which Icahn Partners directly beneficially owns. Each of Icahn Onshore, Icahn Capital, IPH, Icahn Enterprises Holdings, Icahn Enterprises GP, Beckton and Mr. Icahn disclaims beneficial ownership of such Shares for all other purposes.

(c) The following table sets forth all transactions with respect to Shares effected during the past sixty (60) days by any of the Reporting Persons. Except as otherwise indicated, all transactions were effected in the open market, and the table includes commissions paid in per share prices.

Name	Date	Shares Purchased (Sold)	Price Per Share
Icahn Partners	1/8/08	144,961	73.4173
Icahn Partners	1/9/08	225,424	73.1047
Icahn Partners	1/10/08	343,156	71.7748
Icahn Partners	1/28/08	262,883	42.4827
Icahn Partners	1/28/08	(1) 112,663	(2) 41.9732
Icahn Partners	1/29/08	225,329	41.8371
Icahn Partners	1/29/08	(1) 53,778	(2) 42.3034
Icahn Partners	1/30/08	(1) 189,652	(2) 42.3638
Icahn Partners	2/8/08	(754,435)	54.9969
Icahn Master	1/8/08	167,730	73.4173
Icahn Master	1/9/08	260,831	73.1047
Icahn Master	1/10/08	397,052	71.7748
Icahn Master	1/28/08	304,174	42.4827
Icahn Master	1/28/08	(1) 130,360	(2) 41.9732
Icahn Master	1/29/08	260,719	41.8371
Icahn Master	1/29/08	(1) 62,225	(2) 42.3034
Icahn Master	1/30/08	(1) 219,440	(2) 42.3638
Icahn Master	2/8/08	(862,602)	54.9969
Icahn Master II	1/8/08	53,159	73.4173
Icahn Master II	1/9/08	82,664	73.1047
Icahn Master II	1/10/08	125,839	71.7748
Icahn Master II	1/28/08	96,402	42.4827
Icahn Master II	1/28/08	(1) 41,315	(2) 41.9732

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Icahn Master II	1/29/08	82,630	41.8371
Icahn Master II	1/29/08	(1) 19,721	(2) 42.3034
Icahn Master II	1/30/08	(1) 69,547	(2) 42.3638
Icahn Master II	2/8/08	(277,769)	54.9969
Icahn Master III	1/8/08	20,150	73.4173
Icahn Master III	1/9/08	31,335	73.1047
Icahn Master III	1/10/08	47,699	71.7748
Icahn Master III	1/28/08	36,541	42.4827
Icahn Master III	1/28/08	(1) 15,662	(2) 41.9732
Icahn Master III	1/29/08	31,322	41.8371
Icahn Master III	1/29/08	(1) 7,476	(2) 42.3034
Icahn Master III	1/30/08	(1) 26,361	(2) 42.3638
Icahn Master III	2/8/08	(105,194)	54.9969

-
- (1) Shares that may be acquired upon exercise of call options.
(2) Includes exercise price and option premium.

(e) As a result of the transactions reported in this Schedule 13D, the Reporting Persons are no longer subject to the reporting requirements of Rule 13d-1(a) of the Exchange Act.

Item 6. Contracts, Arrangements, Understandings or Relationship with Respect to Securities of the Issuer

The Reporting Persons have sold European-style put options referencing an aggregate of 948,200 Shares. The agreements provide that they settle in cash. The per share cash settlement amount of put options sold by the Reporting Persons will be equal to the difference between (i) an initial reference price (as adjusted to account for any dividends or other distributions declared by the Issuer prior to settlement of the options) and (ii) the volume-weighted average price per Share during a period of trading days following the settlement date (if lower than the initial reference price, as adjusted). These agreements do not give the Reporting Persons direct or indirect voting, investment or dispositive control over the Shares to which these agreements relate and, accordingly, the Reporting Persons disclaim any beneficial ownership in the Shares to which these agreements relate.

Except as otherwise described herein, there are no contracts, arrangements, understandings or relationships (legal or otherwise) among the persons named in Item 2 and between such persons and any person with respect to any securities of the Issuer, including but not limited to transfer or voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, puts or calls, guarantees of profits, division of profits or loss, or the giving or withholding of proxies.

Item 7. Material to be Filed as Exhibits

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1 Joint Filing Agreement of the Reporting Persons

SIGNATURE

After reasonable inquiry and to the best of each of the undersigned knowledge and belief, each of the undersigned certifies that the information set forth in this statement is true, complete and correct.

Dated: February 11, 2008

ICAHN PARTNERS MASTER FUND LP

By: /s/ Edward E. Mattner

Name: Edward E. Mattner
Title: Authorized Signatory

ICAHN PARTNERS MASTER FUND II LP

By: /s/ Edward E. Mattner

Name: Edward E. Mattner
Title: Authorized Signatory

ICAHN PARTNERS MASTER FUND III LP

By: /s/ Edward E. Mattner

Name: Edward E. Mattner
Title: Authorized Signatory

ICAHN OFFSHORE LP

By: /s/ Edward E. Mattner

Name: Edward E. Mattner
Title: Authorized Signatory

ICAHN PARTNERS LP

By: /s/ Edward E. Mattner

Name: Edward E. Mattner
Title: Authorized Signatory

ICAHN ONSHORE LP

By: /s/ Edward E. Mattner

Name: Edward E. Mattner
Title: Authorized Signatory

ICAHN CAPITAL LP

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By: IPH GP LLC, its general partner
By: Icahn Enterprises Holdings L.P., its sole member
By: Icahn Enterprises G.P. Inc., its general partner

By: /s/ Andrew Skobe

Name: Andrew Skobe
Title: Chief Financial Officer

IPH GP LLC

By: Icahn Enterprises Holdings L.P., its sole member
By: Icahn Enterprises G.P. Inc., its general partner

By: /s/ Andrew Skobe

Name: Andrew Skobe
Title: Chief Financial Officer

ICAHN ENTERPRISES HOLDINGS L.P.

By: Icahn Enterprises G.P. Inc., its general partner

By: /s/ Andrew Skobe

Name: Andrew Skobe
Title: Chief Financial Officer

ICAHN ENTERPRISES G.P. INC.

By: /s/ Andrew Skobe

Name: Andrew Skobe
Title: Chief Financial Officer

BECKTON CORP.

By: /s/ Edward E. Mattner

Name: Edward E. Mattner
Title: Authorized Signatory

/s/ Carl C. Icahn

CARL C. ICAHN

[Signature Page of Schedule 13D - Alliance Data Systems Corporation]

EXHIBIT 1

JOINT FILING AGREEMENT

In accordance with Rule 13d-1(k)(1) under the Securities Exchange Act of 1934, as amended, the persons named below agree to the joint filing on behalf of each of them of a statement on Schedule 13D (including amendments thereto) with respect to the Common Stock of Alliance Data Systems Corporation and further

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agree that this Joint Filing Agreement be included as an Exhibit to such joint filings. In evidence thereof, the undersigned, being duly authorized, have executed this Joint Filing Agreement this 11th day of February, 2008.

ICAHN PARTNERS MASTER FUND LP

By: /s/ Edward E. Mattner

Name: Edward E. Mattner
Title: Authorized Signatory

ICAHN PARTNERS MASTER FUND II LP

By: /s/ Edward E. Mattner

Name: Edward E. Mattner
Title: Authorized Signatory

ICAHN PARTNERS MASTER FUND III LP

By: /s/ Edward E. Mattner

Name: Edward E. Mattner
Title: Authorized Signatory

ICAHN OFFSHORE LP

By: /s/ Edward E. Mattner

Name: Edward E. Mattner
Title: Authorized Signatory

ICAHN PARTNERS LP

By: /s/ Edward E. Mattner

Name: Edward E. Mattner
Title: Authorized Signatory

ICAHN ONSHORE LP

By: /s/ Edward E. Mattner

Name: Edward E. Mattner
Title: Authorized Signatory

ICAHN CAPITAL LP

By: IPH GP LLC, its general partner
By: Icahn Enterprises Holdings L.P., its sole member
By: Icahn Enterprises G.P. Inc., its general partner

By: /s/ Andrew Skobe

Name: Andrew Skobe
Title: Chief Financial Officer

IPH GP LLC

By: Icahn Enterprises Holdings L.P., its sole member
By: Icahn Enterprises G.P. Inc., its general partner

By: /s/ Andrew Skobe

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Name: Andrew Skobe
Title: Chief Financial Officer

ICAHN ENTERPRISES HOLDINGS L.P.

By: Icahn Enterprises G.P. Inc., its general partner

By: /s/ Andrew Skobe

Name: Andrew Skobe
Title: Chief Financial Officer

ICAHN ENTERPRISES G.P. INC.

By: /s/ Andrew Skobe

Name: Andrew Skobe
Title: Chief Financial Officer

BECKTON CORP.

By: /s/ Edward E. Mattner

Name: Edward E. Mattner
Title: Authorized Signatory

/s/ Carl C. Icahn

CARL C. ICAHN

[Signature Page of Joint Filing Agreement to Schedule 13D -
Alliance Data Systems Corporation]

SCHEDULE A

DIRECTORS AND EXECUTIVE OFFICERS OF THE REPORTING PERSONS

The following sets forth the name, position, and principal occupation of each director and executive officer of each of the Reporting Persons. Each such person is a citizen of the United States of America. Except as otherwise indicated, the business address of each director and officer is c/o Icahn Associates Corp., 767 Fifth Avenue, 47th Floor, New York, New York 10153. To the best of the Reporting Persons' knowledge, except as set forth in this statement on Schedule 13D, none of the directors or executive officers of the Reporting Persons own any Shares.

ICAHN PARTNERS MASTER FUND LP	
ICAHN PARTNERS MASTER FUND II LP	
ICAHN PARTNERS MASTER FUND III LP	
Name	Position
----	-----
Icahn Offshore LP	General Partner

ICAHN PARTNERS LP	
Name	Position

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Icahn Onshore LP	General Partner
ICAHN ONSHORE LP	
ICAHN OFFSHORE LP	
Name	Position
-----	-----
Icahn Capital LP	General Partner
ICAHN CAPITAL LP	
Name	Position
-----	-----
IPH GP LLC	General Partner
IPH GP LLC	
Name	Position
-----	-----
Icahn Enterprises Holdings L.P.	Sole Member
ICAHN ENTERPRISES HOLDINGS L.P.	
Name	Position
-----	-----
Icahn Enterprises G.P. Inc.	General Partner
ICAHN ENTERPRISES G.P. INC.	
Name	Position
-----	-----
Carl C. Icahn	Chairman
Keith A. Meister	Vice Chairman; Principal Executive Officer
William A. Leidesdorf	Director
Jack G. Wasserman	Director
James L. Nelson	Director
Vincent J. Intrieri	Director
Peter K. Shea	President
Andrew Skobe	Interim Chief Financial Officer; Treasurer
John P. Saldarelli	Vice President; Secretary
Felicia P. Buebel	Assistant Secretary
BECKTON CORP.	
Name	Position
-----	-----
Carl C. Icahn	Chairman of the Board; President
Jordan Bleznick	Vice President/Taxes
Edward E. Mattner	Authorized Signatory
Keith Cozza	Secretary; Treasurer