

ACI WORLDWIDE, INC.

Form 10-Q/A

March 04, 2008

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q/A

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from October 1, 2007 to December 31, 2007

Commission File Number 0-25346

ACI WORLDWIDE, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

**120 Broadway, Suite 3350
New York, New York 10271**

(Address of principal executive offices, including zip code)

47-0772104

(I.R.S. Employer Identification No.)

(646) 348-6700

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):

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Large accelerated filer Accelerated filer Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

As of February 15, 2008, there were 35,935,352 shares of the registrant's common stock outstanding.

Explanatory Note

ACI Worldwide, Inc. is filing this Amendment to its Transition Report on Form 10-Q for the quarter ended December 31, 2007 (Form 10-Q), as filed with the U.S. Securities and Exchange Commission (SEC) on February 19, 2008. This Amendment is being filed solely to correct a classification error in Item 2, Management's Discussion and Analysis of Financial Condition and Results of Operations. We determined that there was a difference in the reporting of monthly license fees as disclosed in the earnings release for the quarter ended December 31, 2007 issued on February 19, 2008 and in the table in the Results of Operations section of Item 2, Management's Discussion and Analysis of Financial Condition and Results of Operations, in the Form 10-Q. As clarification, the allocation of total licensee fee revenue to initial license fees and monthly license fees for the quarter ended December 31, 2007, was \$30.3 million and \$16.0 million, respectively, rather than \$32.6 million and \$13.7 million, respectively. The total software license fee revenue set forth in this Form 10-Q/A for the transition period ended December 31, 2007 remains \$46.3 million as originally set forth in our Form 10-Q.

This Form 10-Q/A continues to speak as of the date of the Form 10-Q and no attempt has been made to modify or update disclosures in the original Form 10-Q except as noted above. This Form 10-Q/A does not reflect events occurring after the filing of the Form 10-Q or modify or update any related disclosures, and information not affected by this amendment is unchanged and reflects the disclosure made at the time of the filing of the Form 10-Q with the SEC. In particular, any forward-looking statements included in this form 10-Q/A represent management's view as of the filing date of the Form 10-Q. Accordingly, this 10-Q/A should be read in conjunction with the original filing of our Transition Report on Form 10-Q.

As required by Rule 12b-15, under the Securities and Exchange Act of 1934, new certifications of our principal executive officer and principal financial officer are being filed and/or furnished as exhibits to this Form 10-Q/A.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Forward-Looking Statements

This transition report 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 include words or phrases such as management anticipates, we believe, we anticipate, we expect, we plan, we will, we are well positioned, and words and phrases of similar impact, and but are not limited to, statements regarding future operations, business strategy, business environment and key trends, as well as statements related to expected financial and other benefits from our recent acquisition of Visual Web Solutions, Inc., and Stratasoft Sdn Bhd and those related to our organizational restructuring activities. The forward-looking statements are made pursuant to safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Any or all of the forward-looking statements in this document may turn out to be incorrect. They may be based on inaccurate assumptions or may not account for known or unknown risks and uncertainties. Consequently, no forward-looking statement is guaranteed, and our actual future results may vary materially from the results expressed or implied in our forward-looking statements. The cautionary statements in this report expressly qualify all of our forward-looking statements. In addition, we are not obligated, and do not intend, to update any of our forward-looking statements at any time unless an update is required by applicable securities laws. Factors that could cause actual results to differ from those expressed or implied in the forward-looking statements include, but are not limited to; those discussed in Item 1A in the section entitled Risk Factors Factors That May Affect Our Future Results or The

Market Price of Our Common Stock.

The following discussion should be read together with our financial statements and related notes contained in this report and with the financial statements and related notes and Management's Discussion & Analysis in our Annual Report on Form 10-K for the fiscal year ended September 30, 2007. Results for the three months ended December 31, 2007 are not necessarily indicative of results that may be attained in the future.

Change in Fiscal Year End

Effective January 1, 2008, we changed our fiscal year end from September 30 to December 31. As a result of this change, our transition period from October 1, 2007 to December 31, 2007 is covered by this Transition Report on Form 10-Q. This transition period will be audited in connection with our Annual Report on Form 10-K for the year ended December 31, 2008. Our new fiscal year commenced January 1, 2008 and will end on December 31, 2008. We have changed our fiscal year end to align its sales contracting and delivery processes with our customers and to allow for more effective communication with the capital markets and investment community by being consistent with our peer group.

Overview

We develop, market, install and support a broad line of software products and services primarily focused on facilitating electronic payments. In addition to our own products, we distribute, or act as a sales agent for, software developed by third parties. Our products are sold and supported through distribution networks covering three geographic regions – the Americas, EMEA and Asia/Pacific. Each distribution network has its own sales force and supplements its sales force with independent reseller and/or distributor networks. Our products and services are used principally by financial institutions, retailers and electronic payment processors, both in domestic and international markets. Accordingly, our business and operating results are influenced by trends such as information technology spending levels, the growth rate of the electronic payments industry, mandated regulatory changes, and changes in the number and type of customers in the financial services industry. Our products are marketed under the ACI Worldwide brand.

We derive a majority of our revenues from non-domestic operations and believe our greatest opportunities for growth exist largely in international markets. Refining our global infrastructure is a critical component of driving our growth. We have launched a globalization strategy which includes elements intended to streamline our supply chain and provide low-cost centers of expertise to support a growing international customer base. In fiscal 2006, we established a new subsidiary in Ireland to serve as the focal point for certain international product development and commercialization efforts. This subsidiary will oversee remote software development operations in Romania and elsewhere, as well as manage certain of our intellectual property rights. We are also seeking to take a direct selling and support strategy in certain countries where historically we have used third-party distributors to represent our products, in an effort to develop closer relationships with our customers and develop a stronger overall position in those countries. We also moved our principal executive offices to New York City in September 2006 to manage our global infrastructure more strategically.

We have launched a service called ACI On Demand, wherein we will host our payment systems and sell them as a service to banks, retailers and processors.

Key trends that currently impact our strategies and operations include:

- **Increasing electronic payment transaction volumes.** Electronic payment volumes continue to increase around the world, taking market share from traditional cash and check transactions. We commissioned an industry study that determined that electronic payment volumes are expected to grow at approximately 13% per year for the next five years, with varying growth rates based on the type of payment and part of the world. We leverage the growth in transaction volumes through the licensing of new systems to customers whose older systems cannot handle increased volume and through the licensing of capacity upgrades to existing customers.

- **Increasing competition.** The electronic payments market is highly competitive and subject to rapid change. Our competition comes from in-house information technology departments, third-party electronic payment processors and third-party software companies located both within and outside of the United States. Many of these companies are significantly larger than us and have significantly greater financial, technical and marketing resources. As electronic payment transaction volumes increase, third-party processors tend to provide competition to our solutions, particularly among customers that do not seek to differentiate their electronic payment offerings. As consolidation in the financial services industry continues, we anticipate that competition for those customers will intensify.

- **Aging payments software.** In many markets, electronic payments are processed using software developed by internal information technology departments, much of which was originally developed over ten years ago. Increasing transaction volumes, industry mandates and the overall

costs of supporting these older technologies often serve to make these older systems obsolete, creating opportunities for us to replace this aging software with newer and more advanced products.

- **Adoption of open systems technology.** In an effort to leverage lower-cost computing technologies and current technology staffing and resources, many financial institutions, retailers and electronic payment processors are seeking to transition their systems from proprietary technologies to open technologies such as Windows, UNIX and Linux. Our continued investment in open systems technologies is, in part, designed to address this demand.
- **Electronic payments fraud and compliance.** As electronic payment transaction volumes increase, criminal elements continue to find ways to commit a growing volume of fraudulent transactions using a wide range of techniques. Financial institutions, retailers and electronic payment processors continue to seek ways to leverage new technologies to identify and prevent fraudulent transactions. Due to concerns with international terrorism and money laundering, financial institutions in particular are being faced with increasing scrutiny and regulatory pressures. We continue to see opportunity to offer our fraud detection solutions to help customers manage the growing levels of electronic payment fraud and compliance activity.
- **Adoption of smartcard technology.** In many markets, card issuers are being required to issue new cards with embedded chip technology. Chip-based cards are more secure, harder to copy and offer the opportunity for multiple functions on one card (e.g. debit, credit, electronic purse, identification, health records, etc.). The EMV standard for issuing and processing debit and credit card transactions has emerged as the global standard, with many regions throughout the world working on EMV rollouts. The primary benefit of EMV deployment is a reduction in electronic payment fraud, with the additional benefit that the core infrastructure necessary for multi-function chip cards is being put in place (e.g. chip card readers in ATM's and POS devices). We are working with many customers around the world to facilitate EMV deployments, leveraging several of our solutions.
- **Single Euro Payments Area (SEPA) and Faster Payments Mandates.** The SEPA and Faster Payment initiatives, primarily focused on the European Economic Community and the United Kingdom, are designed to facilitate lower costs for cross-border payments and facilitate reduced timeframes for settling electronic payment transactions. Our retail and wholesale banking solutions provide key functions that help financial institutions address these mandated regulations.
- **Financial institution consolidation.** Consolidation continues on a national and international basis, as financial institutions seek to add market share and increase overall efficiency. There are several potential negative effects of increased consolidation activity. Continuing consolidation of financial institutions may result in a fewer number of existing and potential customers for our products and services. Consolidation of two of our customers could result in reduced revenues if the combined entity were to negotiate greater volume discounts or discontinue use of certain of our products. Additionally, if a non-customer and a customer combine and the combined entity in turn decide to forego future use of our products, our revenue would decline. Conversely, we could benefit from the combination of a non-customer and a customer when the combined entity continues use of our products and, as a

larger combined entity, increases its demand for our products and services. We tend to focus on larger financial institutions as customers, often resulting in our solutions being the solutions that survive in the consolidated entity.

- **Electronic payments convergence.** As electronic payment volumes grow and pressures to lower overall cost per transaction increase, financial institutions are seeking methods to consolidate their payment processing across the enterprise. We believe that the strategy of using service-oriented-architectures to allow for re-use of common electronic payment functions such as authentication, authorization, routing and settlement will become more common. Using these techniques, financial institutions will be able to reduce costs, increase overall service levels, enable one-to-one marketing in multiple bank channels and manage enterprise risk. Our reorganization was, in part, focused on this trend, by facilitating the delivery of integrated payment functions that can be re-used by multiple bank channels, across both the consumer and

wholesale bank. While this trend presents an opportunity for us, it may also expand the competition from third-party electronic payment technology and service providers specializing in other forms of electronic payments. Many of these providers are larger than us and have significantly greater financial, technical and marketing resources.

Several other factors related to our business may have a significant impact on our operating results from year to year. For example, the accounting rules governing the timing of revenue recognition in the software industry are complex and it can be difficult to estimate when we will recognize revenue generated by a given transaction. Factors such as maturity of the software product licensed, payment terms, creditworthiness of the customer, and timing of delivery or acceptance of our products often cause revenues related to sales generated in one period to be deferred and recognized in later periods. For arrangements in which services revenue is deferred, related direct and incremental costs may also be deferred. Additionally, while the majority of our contracts are denominated in the United States dollar, a substantial portion of our sales are made, and some of our expenses are incurred, in the local currency of countries other than the United States. Fluctuations in currency exchange rates in a given period may result in the recognition of gains or losses for that period. Also during the year ended September 30, 2007, we entered into two interest rate swaps with a commercial bank whereby we pay a fixed rate of 5.375% and 4.90% and receive a floating rate indexed to the 3-month LIBOR from the counterparty on a notional amount of \$75 million and \$50 million that is not yet outstanding under the credit facility, respectively. Fluctuations in interest rates in a given period may result in the recognition of gains or losses for that period.

We continue to seek ways to grow, through both organic sources and acquisitions. We continually look for potential acquisitions designed to improve our solutions breadth or provide access to new markets. As part of our acquisition strategy, we seek acquisition candidates that are strategic, capable of being integrated into our operating environment, and financially accretive to our financial performance.

International Business Machines Corporation Alliance

On December 16, 2007, we entered into an Alliance Agreement (Alliance) with International Business Machines Corporation (IBM) relating to joint marketing and optimization of our electronic payments application software and IBM s middleware and hardware platforms, tools and services. Under the terms of the Alliance, each party will retain ownership of its respective intellectual property and will independently determine product offering pricing to customers. In connection with the formation of the Alliance, we granted warrants to IBM to purchase up to 1,427,035 shares of the Company s common stock at a price of \$27.50 per share and up to 1,427,035 shares of the Company s common stock at a price of \$33.00 per share. The warrants are exercisable for five years.

Under the terms of the Alliance, on December 16, 2007, IBM paid us an initial non-refundable payment of \$33.3 million in consideration for the estimated fair value of the warrants described above. The fair value of the warrants granted, as subsequently determined by an independent third party appraiser, is approximately \$24.0 million and is recorded as common stock warrants in the accompanying consolidated balance sheet as of December 31, 2007. The remaining balance of \$9.3 million is related to prepaid incentives and other obligations and is recorded in accrued and other current liabilities in the accompanying consolidated balance sheet as of December 31, 2007.

The future costs incurred by the Company related to internally developed software associated with the technical enablement milestones will be capitalized in accordance with SFAS No. 86, *Accounting for Costs of Computer Software to be Sold, Leased, or Otherwise Marketed* (SFAS No. 86), when the resulting product reaches technological feasibility. Prior to reaching technological feasibility, the costs will be expensed as incurred. We will receive partial reimbursement from IBM for expenditures incurred if certain technical enablement milestones and delivery dates specified in the Alliance are met. Reimbursements from IBM for expenditures determined to be direct and incremental to satisfying the technical enablement milestones will be used to offset the amounts expensed or capitalized as described above but not in excess of non-refundable cash received or receivable.

IBM will pay us additional amounts upon meeting certain prescribed obligations and incentives payable upon IBM recognizing revenue from end-user customers as a result of the Alliance. The revenue related to the incentive payments will be deferred until the Company has reached substantial completion of the technical enablement obligations. Subsequent to reaching substantial completion, revenue will be recognized as sales incentives are earned.

The stated initial term of the Alliance is five years, subject to extension for successive two year terms if not previously terminated by either party and subject to earlier termination for cause.

Acquisitions

On February 7, 2007, we acquired Visual Web Solutions, Inc (Visual Web). Visual Web markets trade finance and web-based cash management solutions, primarily to financial institutions in the Asia/Pacific region. Visual Web has sales and customer support office in Singapore, and a product development facility in Bangalore, India. The aggregate purchase price of Visual Web, including direct costs of the acquisition, was \$8.3 million, net of \$1.1 million of cash acquired

On April 2, 2007, we acquired Stratasoft Sdn. Bhd. (Stratasoft). Stratasoft was a Kuala Lumpur based company focused on the provision of mainframe based payments systems to the Malaysian market. Prior to the acquisition, Stratasoft had been a distributor of our OCM 24 product within the Malaysian market since 1995. The aggregate purchase price of Stratasoft, including direct costs of the acquisition, was \$2.5 million, net of \$0.7 million of cash acquired.

Backlog

Included in backlog estimates 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.

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.

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In computing our 60-month backlog estimate, the following items are specifically not taken into account:

- Anticipated increases in transaction volumes in customer systems.
- Optional annual uplifts or inflationary increases in recurring fees.
- Services engagements, other than facilities management, are not assumed to renew over the 60-month backlog period.
- The potential impact of merger activity within our markets and/or customers is not reflected in the computation of our 60-month backlog estimate.

We have substantially completed a comprehensive review of the assumptions used and data required in computing our backlog estimates. The 60-month and 12-month backlog estimates set forth below for the period ended September 30, 2007 have been revised to reflect these adjustments. The revisions resulted in an increase in the 60-month backlog estimate of \$14 million and a decrease in the 12-month backlog estimate of \$2.5 million, the majority of which is monthly recurring revenue for the period ended September 30, 2007.

The review identified two categories of adjustments which are reflected in the above revision:

- Adjustments due to inaccurate or incomplete data resulting in a historical over-statement of previously reported backlog estimates, and
- Adjustments required to conform with the recently adopted backlog policy resulting in a historical under-statement of previously reported backlog estimates.

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While this review is substantially complete and we do not expect further adjustments to previously reported backlog estimates, we continue to review the processes, procedures, tools, and assumptions used in preparing backlog estimates.

In addition, we also completed a review of our customer renewal experience over the most recent 12-month period. The impact of this review resulted in a revision to the renewal assumptions used in computing the 60-month and 12-month backlog estimates. For comparability purposes, September 30, 2007 backlog estimates have been revised to reflect the updated renewal rate assumptions. This revision resulted in an increase in the 60-month backlog estimate of approximately \$25 million and an increase in the 12-month backlog estimate of approximately \$1.6 million, the majority of which is monthly recurring revenue for the period ended September 30, 2007.

The company expects to perform an annual review of customer renewal experience. In the event a revision to renewal assumptions is determined to be necessary, prior periods will be adjusted for comparability purposes.

The following table sets forth our 60-month backlog estimate, by geographic region, as of December 31, 2007 and September 30, 2007 (in millions):

	December 31, 2007	September 30, 2007
Americas	\$ 733	\$ 717
EMEA	504	489
Asia/Pacific	143	135
Total	\$ 1,380	\$ 1,341

We also estimate 12-month backlog, segregated between monthly recurring and non-recurring revenues, using a methodology consistent with the 60-month backlog estimate. Monthly recurring revenues include all monthly license fees, maintenance fees and processing services fees. Non-recurring revenues include other software license fees and services. Amounts included in 12-month backlog estimate assume renewal of one-time license fees on a monthly fee basis if such renewal is expected to occur in the next 12 months. The following table sets forth our 12-month backlog estimate, by geographic region, as of December 31, 2007 and September 30, 2007 (in millions):

	December 31, 2007			September 30, 2007		
	Monthly Recurring	Non- Recurring	Total	Monthly Recurring	Non- Recurring	Total
Americas	\$ 130	\$ 30	\$ 160	\$ 125	\$ 34	\$ 159
EMEA	73	66	139	70	66	136
Asia/Pacific	26	11	37	25	8	33
Total	\$ 229	\$ 107	\$ 336	\$ 220	\$ 108	\$ 328

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 amounts included in backlog estimates will actually generate the specified revenues or that the actual revenues will be generated within the corresponding 12-month or 60-month period. Additionally, because backlog estimates are operating metrics, the estimates are not subject to the same level of internal review or controls as a GAAP financial

measure.

RESULTS OF OPERATIONS

The following table presents the consolidated statements of operations as well as the percentage relationship to total revenues of items included in our Consolidated Statements of Operations (amounts in thousands):

	Three Months Ended December 31,			
	2007		2006	
	Amount	% of Total Revenue	Amount	% of Total Revenue
Revenues:				
Initial license fees (ILFs)	\$ 30,274	29.9%	\$ 25,948	27.8%
Monthly license fees (MLFs)	15,992	15.8%	15,237	16.3%
Software license fees	46,266	45.6%	41,185	44.1%
Maintenance fees	32,167	31.8%	28,729	30.8%
Services	22,849	22.6%	23,375	25.1%
Total revenues	101,282	100.0%	93,289	100.0%
Expenses:				
Cost of software licenses fees	10,214	10.1%	10,211	10.9%
Cost of maintenance and services	24,689	24.4%	24,147	25.9%
Research and development	16,411	16.2%	11,985	12.8%
Selling and marketing	20,673	20.4%	18,150	19.5%
General and administrative	26,443	26.1%	23,831	25.5%
Total expenses	98,430	97.2%	88,324	94.7%
Operating income	2,852	2.8%	4,965	5.3%
Other income (expense):				
Interest income	763	0.8%	885	0.9%
Interest expense	(1,389)	-1.4%	(1,460)	-1.6%
Other, net	(334)	-0.3%	(293)	-0.3%
Total other income (expense)	(960)	-0.9%	(868)	-0.9%
Income before income taxes	1,892	1.9%	4,097	4.4%
Income tax expense	3,908	3.9%	1,476	1.6%
Net income (loss)	\$ (2,016)	-2.0%	\$ 2,621	2.8%

Revenues

Total revenues for the three months ended December 31, 2007 increased \$8.0 million, or 8.6%, as compared to the same period of 2006. Included in the three months ended December 31, 2007 revenue with no corresponding amount in the same period of 2006 was approximately \$0.8 million of revenue related to the acquisitions of Visual Web and Stratasoft. Excluding the impact of the acquired businesses, total revenues increased primarily as a result of a \$5.1 million, or 12.3%, increase in software license fee revenues, a \$3.1 million, or 10.7%, increase in maintenance fee revenues partially offset by a \$1.0 million or 4.2% decrease in services revenue.

The increase in software license fee revenues, excluding the impact of Visual Web and Stratasoft, during the three months ended December 31, 2007, as compared to the same period of 2006, is primarily due to greater license and capacity fee

revenues in the Americas and EMEA reportable operating segments. This increase is primarily due to increased capacity requirements for existing customers which is often combined with the renewal of license term.

The increase in maintenance fee revenues, excluding the impact of Visual Web and Stratasoft, during the three months ended December 31, 2007, as compared to the same period of 2006, is primarily a result of an

increase in the number of customers in the EMEA reportable operating segment that achieved go live status since December 31, 2006.

The decrease in services revenues, excluding the impact of Visual Web and Stratasoft, during the three months ended December 31, 2007, as compared to the same period of 2006, resulted from a \$1.3 million or a 17.7% decline of implementation services primarily in the EMEA reportable operating segment. This was a result of a series of large projects that were completed during the three months ended December 31, 2006. Recognition of implementation services is often a function of timing, as in this case, which drives variances between years. Processing services increased by \$0.8 million or 10.7%, driven primarily by Enterprise Banker application services growth offset by the cancellation of a facilities management contract in the America s reportable operating segment.

Expenses

Total operating expenses for the three months ended December 31, 2007 increased \$10.1 million, or 11.4%, as compared to the same period of 2006. Included in the three months ended December 31, 2007 operating expenses with no corresponding amount in the same period of 2006 was approximately \$2.3 million of operating expenses related to acquired businesses.

Excluding the impact of the acquired businesses, total expenses increased primarily as a result of a \$3.4 million, or 28.0% increase in research and development costs, a \$2.3 million, or 12.8% increase in selling and marketing costs, a \$2.5 million, or 10.5% increase in general and administrative costs, offset by a \$0.1 million, or 0.5% decrease in maintenance and service costs and a \$0.3 million, or 2.7% decrease in the cost of software license fees.

Cost of software license fees for the three months ended December 31, 2007 was consistent with the same period of 2006. Expenses of \$0.3 million related to acquired businesses were incurred during the three months ended December 31, 2007.

Cost of maintenance and services for the three months ended December 31, 2007 increased \$0.5 million, or 2.2%, as compared to the same period of 2006. Expenses of \$0.6 million related to acquired businesses were incurred during the three months ended December 31, 2007.

Research and development (R&D) costs for the three months ended December 31, 2007 increased \$4.4 million, or 36.9%, as compared to the same period of 2006. The increase resulted from expenses of \$1.1 million related to acquired businesses and \$3.3 million of expenses associated with B24-eps R&D activities, build-out of ACI On Demand and other software optimization.

Selling and marketing costs for the three months ended December 31, 2007 increased \$2.5 million, or 13.9%, as compared to the same period of 2006. The increase resulted from expenses of \$0.2 million related to acquired businesses as well as an approximate \$2.0 million increase in commissions driven by a relative increase in sales activity partly attributable to the change from a fiscal year to a calendar year-end. The remaining expense was driven by timing of advertising and promotions activities.

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General and administrative costs for the three months ended December 31, 2007 increased \$2.6 million, or 11.0%, as compared to the same period of 2006. Included in costs for the three months ended December 31, 2007 with no corresponding amount in the same period of 2006 are general and administrative costs of approximately \$0.1 million related to acquired businesses. Additionally, included in the three months ended December 31, 2007, were \$3.0 million of accounting and tax professional fees, \$1.3 million of expense associated with early termination of the corporate jet lease, \$0.7 million of restructuring and other employee related expense, \$0.5 million of professional fees to support the IBM Alliance, \$0.5 million of increased rent and utilities expense related to improvements made in our United Kingdom and Canada facilities and \$0.4 million of other expenses offset by \$1.3 million for release of the accrual related to LTIP Performance Shares granted in fiscal 2005 and 2006. Approximately \$2.6 million of the expenses incurred in the three months ended December 31, 2006, with no corresponding amount during the same period in 2007, related to the historical stock option review and management analysis.

Other Income and Expense.

Other income and expense includes interest income and expense, foreign currency gains and losses, and other non-operating items. Fluctuating currency rates impacted the three months ended December 31, 2007 by \$1.9 million in net foreign currency gains, as compared with \$0.6 million in net losses during the same period in 2006. A \$2.5 million loss on change in fair value of interest rate swaps was incurred during the three months ended December 31, 2007 with no corresponding amount in the same period of 2006. Interest income for the three months ended December 31, 2007 decreased \$0.1 million or 13.8% as compared to the corresponding period of 2006. Interest expense was consistent for the three months ended December 31, 2007 and 2006.

Income Taxes.

The effective tax rate for the three months ended December 31, 2007 and 2006 was approximately 206.6% and 36.0%, respectively. The effective tax rate for the three months ended December 31, 2007 was negatively impacted by losses in foreign countries in which the Company was not able to record tax benefits. The effective tax rate for the three months ended December 31, 2006 was positively impacted primarily by a U.S. tax law change during the quarter that extended the research and development tax credit and negatively impacted primarily by the recognition of tax expense associated with the transfer of certain intellectual property rights out of the U.S.

Segment Results

The following table presents revenues and operating income for the periods indicated by geographic region (in thousands):

	Three Months Ended December 31,	
	2007	2006
Revenues:		
Americas	\$ 49,618	\$ 47,134
EMEA	43,094	37,555
Asia/Pacific	8,570	8,600
	\$ 101,282	\$ 93,289
Operating income (loss):		
Americas	\$ 2,883	\$ 2,622
EMEA	403	697
Asia/Pacific	(434)	1,646
	\$ 2,852	\$ 4,965

Revenues increased in the EMEA region by \$5.5 million, or 14.7%, and in the Americas region by \$2.5 million, or 5.3%, for the three months ended December 31, 2007 compared to the same period in 2006. Revenue for the Asia/Pacific region were consistent for the three months ended December 31, 2007 compared to the same period in 2006.

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Operating income increased in the Americas region by \$0.3 million, or 10.0%, for the three months ended December 31, 2007 compared to the same period in 2006. The increase in operating income in the Americas region is due to improved organic revenue performance and to a lesser extent, the integration of the acquisition of P&H Solutions, Inc. Operating income in the EMEA region declined by \$0.3 million or 42.2% for the three months ended December 31, 2007 compared to the same period in 2006. Operating income decreased in the Asia/Pacific region by \$2.1 million for the three months ended December 31, 2007 compared to the same period in 2006. The decrease in operating income in the Asia/Pacific region is primarily due to margin impact related to acquired businesses of (\$1.2) million and higher corporate and global support cost allocations.

Liquidity and Capital Resources

As of December 31, 2007, our principal sources of liquidity consisted of \$97.0 million in cash and cash equivalents and \$75.0 million of unused borrowings under our revolving credit facility. We had bank borrowings of \$75.0 million outstanding under our revolving credit facility as of December 31, 2007.

In December 2004, we announced that our Board of Directors approved a stock repurchase program authorizing us, from time to time as market and business conditions warrant, to acquire up to \$80.0 million of our common stock. In May 2006, our board of directors approved an increase of \$30.0 million to the stock repurchase program, bringing the total of the approved plan to \$110.0 million. In March 2007, our board of directors approved an increase of \$100 million to our current repurchase authorization, bringing the total authorization to \$210 million. Under the program to date, we have purchased approximately 4,409,729 shares for approximately \$123 million. The maximum remaining dollar value of shares authorized for purchase under the stock repurchase program was approximately \$87 million as of December 31, 2007. Purchases will be made from time to time as market and business conditions warrant, in open market, negotiated or block transactions, subject to applicable laws, rules and regulations.

We may also decide to use cash to acquire new products and services or enhance existing products and services through acquisitions of other companies, product lines, technologies and personnel, or through investments in other companies.

Cash Flows

The following table sets forth summary cash flow data for the periods indicated. Please refer to this summary as you read our discussion of the sources and uses of cash in each period.

	Three Months Ended December 31,	
	2007	2006
	(amounts in thousands)	
Net cash provided by (used in):		
Operating activities	\$ 12,123	\$ (611)
Investing activities	5,898	(13,836)
Financing activities	20,382	(6,085)

Net cash flows provided by operating activities for the three months ended December 31, 2007 amounted to \$12.1 million as compared to net cash flows used by operating activities of \$0.6 million during the same period in 2006. The comparative period increase in net cash flows from operating activities of \$12.7 million was principally the result of the following items: \$8.5 million paid during the three months ended December 31, 2006 for settlement of the class action lawsuit, a \$16.1 million increase in deferred revenue and a decrease in accruals for other expenses of \$21.1 million in the three months ended December 31, 2007. These items were partially offset by a net loss of \$2.0 million for the three months ended December 31, 2007 versus net income of \$2.6 million for the same period in 2006 and decreased cash collections on customer receivables of \$27.1 million in the three months ended December 31, 2007 as compared to the same period in 2006 and decreased non-cash expenses of \$1.3 million, such as depreciation, amortization, change in fair value of interest rate swaps and deferred taxes.

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Net cash flows provided by investing activities totaled \$5.9 million in the three months ended December 31, 2007 as compared to \$13.8 million used in investing activities during the same period in 2006. During the three months ended December 31, 2007, we used cash of \$47,000 for a contingency payment under the S2 Systems, Inc. purchase agreement. We also used cash of \$3.9 million to purchase software, property and equipment. These uses of cash flow were offset in the three months ended December 31, 2007 by \$9.3 million received related to the IBM Alliance and \$0.5 million in proceeds from asset transferred under contractual arrangement. During the three months ended December 31, 2006, we used cash of \$2.5 million to increase our holdings of marketable securities and \$5.1 million to purchase software, property and equipment. We also used cash of \$6.2 million for the acquisition of eps Electronic Payment Systems AG and \$0.6 million related to P&H Solutions, Inc during the three months ended December 31, 2006. These uses of cash flow were partially offset in the three months ended December 31, 2006 by \$0.5 million provided by assets

transferred under contractual arrangement.

Net cash flows provided by financing activities totaled \$20.4 million in the three months ended December 31, 2007 as compared to net cash flows used of \$6.1 million during the same period in 2006. In the three months ended December 31, 2007 and 2006, we used cash of \$4.0 million and \$4.4 million, respectively, to purchase shares of our common stock under the stock repurchase program. We also made payments to third-party financial institutions, primarily related to debt and capital leases, totaling \$0.6 million and \$1.5 million during the three months ended December 31, 2007 and 2006, respectively. In 2007 and 2006, we received proceeds of \$0.7 million and \$42,000, including corresponding excess tax benefits, from the exercises of stock options, respectively. In the three months ended December 31, 2007, we received \$24.0 million for issuance of common stock warrants related to the IBM Alliance and \$0.3 million in proceeds for the issuance of common stock for a purchase under our Employee Stock Purchase Plan.

We also realized a \$2.2 million decrease in cash during the three months ended December 31, 2007 compared to a \$0.3 million increase in cash during the same period of 2006 related to foreign exchange rate variances.

We believe that our existing sources of liquidity, including cash on hand and cash provided by operating activities, will satisfy our projected liquidity requirements, which primarily consists of working capital requirements, for the foreseeable future.

Contractual Obligations and Commercial Commitments

We are unable to reasonably estimate the ultimate amount or timing of settlement of our reserves for income taxes under FASB Interpretation No. 48, Accounting for Uncertainty in Income Taxes (as amended). The liability for unrecognized tax benefits at December 31, 2007 is \$16.2 million.

Critical Accounting Estimates

The preparation of the consolidated financial statements requires that we make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. We base our estimates on historical experience and other assumptions that we believe to be proper and reasonable under the circumstances. We continually evaluate the appropriateness of estimates and assumptions used in the preparation of our consolidated financial statements. Actual results could differ from those estimates.

The following key accounting policies are impacted significantly by judgments, assumptions and estimates used in the preparation of the consolidated financial statements. See Note 1, Summary of Significant Accounting Policies in the Notes to Consolidated Financial Statements for a further discussion of revenue recognition and other significant accounting policies.

Revenue Recognition

For software license arrangements for which services rendered are not considered essential to the functionality of the software, we recognize revenue upon delivery, provided (1) there is persuasive evidence of an arrangement, (2) collection of the fee is considered probable, and (3) the fee is fixed or determinable. In most arrangements, because vendor-specific objective evidence of fair value does not exist for the license element, we use the residual method to determine the amount of revenue to be allocated to the license element. Under the residual method, the fair value of all undelivered elements, such as post contract customer support or other products or services, is deferred and subsequently recognized as the products are delivered or the services are performed, with the residual difference between the total arrangement fee and revenues allocated to undelivered elements being allocated to the delivered element. For software license arrangements in which we have concluded that collectibility issues may exist, revenue is recognized as cash is collected, provided all other conditions for revenue recognition have been met. In making the determination of collectibility, we consider the creditworthiness of the customer, economic conditions in the customer's industry and geographic location, and general economic conditions.

Our sales focus continues to shift from our more-established products to more complex arrangements involving multiple products inclusive of our BASE24-eps product and less-established (collectively referred to as newer) products. As a result of this shift to newer products and more complex, multiple product

arrangements, absent other factors, we initially experience an increase in deferred revenue and a corresponding decrease in current period revenue due to differences in the timing of revenue recognition for the respective products. Revenues from newer products are typically recognized upon acceptance or first production use by the customer whereas revenues from mature products, such as BASE24, are generally recognized upon delivery of the product, provided all other conditions for revenue recognition have been met. For those arrangements where revenues are being deferred and we determine that related direct and incremental costs are recoverable, such costs are deferred and subsequently expensed as the revenues are recognized. Newer products are continually evaluated by our management and product development personnel to determine when any such product meets specific internally defined product maturity criteria that would support its classification as a mature product. Evaluation criteria used in making this determination include successful demonstration of product features and functionality; standardization of sale, installation, and support functions; and customer acceptance at multiple production site installations, among others. A change in product classification (from newer to mature) would allow us to recognize revenues from new sales of the product upon delivery of the product rather than upon acceptance or first production use by the customer, resulting in earlier recognition of revenues from sales of that product, as well as related costs, provided all other revenue recognition criteria have been met. BASE24-eps was reclassified as a mature product as of October 1, 2006.

When a software license arrangement includes services to provide significant modification or customization of software, those services are not considered to be separable from the software. Accounting for such services delivered over time is referred to as contract accounting. Under contract accounting, we generally use the percentage-of-completion method. Under the percentage-of-completion method, we record revenue for the software license fee and services over the development and implementation period, with the percentage of completion generally measured by the percentage of labor hours incurred to-date to estimated total labor hours for each contract. Estimated total labor hours for each contract are based on the project scope, complexity, skill level requirements, and similarities with other projects of similar size and scope. For those contracts subject to contract accounting, estimates of total revenue and profitability under the contract consider amounts due under extended payment terms. For arrangements where we believe it is reasonably assured that no loss will be incurred under the arrangement and fair value for maintenance services does not exist, we use a zero margin approach of applying percentage-of-completion accounting until software customization services are completed. We exclude revenues due on extended payment terms from our current percentage-of-completion computation until such time that collection of the fees becomes probable.

We may execute more than one contract or agreement with a single customer. The separate contracts or agreements may be viewed as one multiple-element arrangement or separate arrangements for revenue recognition purposes. Judgment is required when evaluating the facts and circumstances related to each situation in order to reach appropriate conclusions regarding whether such arrangements are related or separate. Those conclusions can impact the timing of revenue recognition related to those arrangements.

Allowance for Doubtful Accounts

We maintain a general allowance for doubtful accounts based on our historical experience, along with additional customer-specific allowances. We regularly monitor credit risk exposures in our accounts receivable. In estimating the necessary level of our allowance for doubtful accounts, management considers the aging of our accounts receivable, the creditworthiness of our customers, economic conditions within the customer's industry, and general economic conditions, among other factors. Should any of these factors change, the estimates made by management would also change, which in turn would impact the level of our future provision for doubtful accounts. Specifically, if the financial condition of our customers were to deteriorate, affecting their ability to make payments, additional customer-specific provisions for doubtful accounts may be required. Also, should deterioration occur in general economic conditions, or within a particular industry or region in which we have a number of customers, additional provisions for doubtful accounts may be recorded to reserve for potential future losses. Any such additional provisions would reduce operating income in the periods in which they were recorded.

Intangible Assets and Goodwill

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Our business acquisitions typically result in the recording of intangible assets, and the recorded values of those assets may become impaired in the future. As of December 31, 2007 and September 30, 2007, our

intangible assets, net of accumulated amortization, were \$38.1 million and \$39.7 million, respectively. The determination of the value of such intangible assets requires management to make estimates and assumptions that affect the consolidated financial statements. We assess potential impairments to intangible assets when there is evidence that events or changes in circumstances indicate that the carrying amount of an asset may not be recovered. Judgments regarding the existence of impairment indicators and future cash flows related to intangible assets are based on operational performance of our businesses, market conditions and other factors. Although there are inherent uncertainties in this assessment process, the estimates and assumptions used, including estimates of future cash flows, volumes, market penetration and discount rates, are consistent with our internal planning. If these estimates or their related assumptions change in the future, we may be required to record an impairment charge on all or a portion of our intangible assets. Furthermore, we cannot predict the occurrence of future impairment-triggering events nor the impact such events might have on our reported asset values. Future events could cause us to conclude that impairment indicators exist and that intangible assets associated with acquired businesses is impaired. Any resulting impairment loss could have an adverse impact on our results of operations.

As of December 31, 2007 and September 30, 2007, our goodwill was \$206.8 million and \$205.7 million, respectively. In accordance with SFAS No. 142, *Goodwill and Other Intangible Assets* (SFAS No. 142), we assess goodwill for impairment at least annually or when there is evidence that events or changes in circumstances indicate that the carrying amount of an asset may not be recovered. During this assessment, which is completed as of the end of the fiscal year, management relies on a number of factors, including operating results, business plans and anticipated future cash flows.

Other intangible assets are amortized using the straight-line method over periods ranging from 18 months to 12 years.

Stock-Based Compensation

Effective October 1, 2005 we began recording compensation expense associated with stock-based awards in accordance with SFAS No. 123(R). We adopted the modified prospective transition method provided for under SFAS No. 123(R), and consequently have not retroactively adjusted results from prior periods. Under this transition method, compensation cost associated with stock-based awards includes (1) amortization related to the remaining unvested portion of stock-based awards granted prior to September 30, 2005, based on the grant date fair value estimated in accordance with the original provisions of SFAS No. 123; and (2) amortization related to stock-based awards granted subsequent to September 30, 2005, based on the grant date fair value estimated in accordance with the provisions of SFAS No. 123(R).

Under the provisions of SFAS No. 123(R), stock-based compensation cost for stock option awards is estimated at the grant date based on the award's fair value as calculated by the Black-Scholes option-pricing model and is recognized as expense ratably over the requisite service period. We recognize stock-based compensation costs for only those shares that are expected to vest. The impact of forfeitures that may occur prior to vesting is estimated and considered in the amount of expense recognized. Forfeiture estimates will be revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. The Black-Scholes option-pricing model requires various highly judgmental assumptions including volatility and expected option life. If any of the assumptions used in the Black-Scholes model change significantly, stock-based compensation expense may differ materially for future awards from that recorded for existing awards.

We also have stock options outstanding that vest upon attainment by us of certain market conditions. In order to determine the grant date fair value of these stock options that vest based on the achievement of certain market conditions, a Monte Carlo simulation model is used to estimate (i) the probability that the performance goal will be achieved and (ii) the length of time required to attain the target market price.

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Long term incentive program performance share awards (LTIP Performance Shares) were issued in fiscal 2007, fiscal 2006 and fiscal 2005. These awards are earned based on the achievement over a specified period of performance goals related to certain performance indicators. In order to determine compensation expense to be recorded for these LTIP Performance Shares, each quarter management evaluates the probability that the target performance goals will be achieved, if at all, and the anticipated level of attainment.

Accounting for Income Taxes

Accounting for income taxes requires significant judgments in the development of estimates used in income tax calculations. Such judgments include, but are not limited to, the likelihood we would realize the benefits of net operating loss carryforwards and/or foreign tax credit carryforwards, the adequacy of valuation allowances, and the rates used to measure transactions with foreign subsidiaries. As part of the process of preparing our consolidated financial statements, we are required to estimate our income taxes in each of the jurisdictions in which the Company operates. The judgments and estimates used are subject to challenge by domestic and foreign taxing authorities. It is possible that either domestic or foreign taxing authorities could challenge those judgments and estimates and draw conclusions that would cause us to incur tax liabilities in excess of, or realize benefits less than, those currently recorded. In addition, changes in the geographical mix or estimated amount of annual pretax income could impact our overall effective tax rate.

To the extent recovery of deferred tax assets is not likely, we record a valuation allowance to reduce our deferred tax assets to the amount that is more likely than not to be realized. Although we have considered future taxable income along with prudent and feasible tax planning strategies in assessing the need for a valuation allowance, if we should determine that we would not be able to realize all or part of our deferred tax assets in the future, an adjustment to deferred tax assets would be charged to income in the period any such determination was made. Likewise, in the event we are able to realize our deferred tax assets in the future in excess of the net recorded amount, an adjustment to deferred tax assets would increase income in the period any such determination was made.

In July 2006, the FASB issued FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes - an interpretation of FASB Statement No. 109* (FIN 48). The Company adopted the provision of FIN 48 effective October 1, 2007. FIN 48 prescribes a recognition threshold and measurement attribute for the recognition and measurement of tax positions taken or expected to be taken in a tax return and also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition.

Recently Issued Accounting Standards

In September 2006, the FASB issued Statement of Financial Accounting Standards (SFAS) No. 157, *Fair Value Measurements* (SFAS No. 157). SFAS No. 157 provides a common definition of fair value and establishes a framework to make the measurement of fair value in generally accepted accounting principles more consistent and comparable. SFAS No. 157 also requires expanded disclosures to provide information about the extent to which fair value is used to measure assets and liabilities, the methods and assumptions used to measure fair value, and the effect of fair value measures on earnings. SFAS No. 157 is effective for fiscal years beginning after November 15, 2007, although early adoption is permitted. We are currently assessing the potential effect, if any, of SFAS No. 157 on our consolidated financial statements.

In February 2007, the FASB issued SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities - Including an amendment of FASB Statement No. 115* (SFAS 159). SFAS No. 159 permits an entity to elect fair value as the initial and subsequent measurement attribute for many financial assets and liabilities. Entities electing the fair value option would be required to recognize changes in fair value in earnings. Entities electing the fair value option are required to distinguish, on the face of the statement of financial position, the fair value of assets and liabilities for which the fair value option has been elected and similar assets and liabilities measured using another measurement attribute. SFAS 159 is effective for years beginning after November 15, 2007. The adjustment to reflect the difference between the fair value and the carrying amount would be accounted for as a cumulative-effect adjustment to retained earnings as of the date of initial adoption. The Company does not expect the adoption of SFAS 159 to have an impact on its consolidated financial statements.

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In December 2007, the FASB issued SFAS No. 141(R), *Business Combinations* (SFAS 141(R)), which replaces SFAS 141. SFAS 141(R) establishes principles and requirements for how an acquirer in a business combination recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, and any controlling interest; recognizes and measures the goodwill acquired in the business combination or a gain from a bargain purchase; and determines what information to disclose to enable users of the financial statements to evaluate the nature and financial effects of the business combination. SFAS 141(R) is to be applied prospectively to business combinations for which the acquisition date is on or after an entity s

fiscal year that begins after December 15, 2008. We will assess the impact of SFAS 141(R) if and when a future acquisition occurs.

In December 2007, the FASB issued SFAS No. 160, *Noncontrolling Interests in Consolidated Financial Statements – an amendment of ARB No. 51* (SFAS 160). SFAS 160 establishes new accounting and reporting standards for the noncontrolling interest in a subsidiary and for the deconsolidation of a subsidiary. Specifically, this statement requires the recognition of a noncontrolling interest (minority interest) as equity in the consolidated financial statements and separate from the parent’s equity. The amount of net income attributable to the noncontrolling interest will be included in consolidated net income on the face of the income statement. SFAS 160 clarifies that changes in a parent’s ownership interest in a subsidiary that do not result in deconsolidation are equity transactions if the parent retains its controlling financial interest. In addition, this statement requires that a parent recognize a gain or loss in net income when a subsidiary is deconsolidated. Such gain or loss will be measured using the fair value of the noncontrolling equity investment on the deconsolidation date. SFAS 160 also includes expanded disclosure requirements regarding the interests of the parent and its noncontrolling interest. SFAS 160 is effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2008. Earlier adoption is prohibited. We are currently evaluating the impact, if any, the adoption of SFAS 160 will have on our consolidated financial statements.

Item 6. EXHIBITS

The following exhibit index lists exhibits filed as part or furnished as part of this Form 10-Q/A:

Exhibit No.	Description
31.01	Certification of Principal Executive Officer pursuant to S.E.C. Rule 13a-14, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith)
31.02	Certification of Principal Financial Officer pursuant to S.E.C. Rule 13a-14, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith)
32.01	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith)
32.02	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith)

SIGNATURE

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 thereunto duly authorized.

ACI WORLDWIDE, INC.
(Registrant)

Date: March 4, 2008

By:

/s/ SCOTT W. BEHRENS
Scott W. Behrens
Vice President, Corporate Controller and
Chief Accounting Officer
(Principal Financial Officer)

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