

CONVERSANT, INC.

Form 425

September 11, 2014

---

Filed by Alliance Data Systems Corporation  
Pursuant to Rule 425 under the Securities Act of 1933  
and deemed filed pursuant to Rule 14a-12  
of the Securities Exchange Act of 1934  
Subject Company: Conversant, Inc.  
Commission File No.: 001-31357

The following is a slide presentation from a webcast hosted by Alliance Data Systems Corporation and Conversant, Inc. to discuss the transaction.

---

©2014 ADS Alliance Data Systems, Inc. Confidential and Proprietary Conversant Acquisition 1 September 11, 2014 \* \* September 11, 2014 Alliance Data to Acquire Conversant

---

©2014 ADS Alliance Data Systems, Inc. Confidential and Proprietary Conversant Acquisition 1 September 11, 2014 \* \* Call Participants Ed Heffernan President and Chief Executive Officer, Alliance Data John Giuliani Chief Executive Officer, Conversant Bryan Kennedy Chief Executive Officer, Epsilon Charles Horn Chief Financial Officer, Alliance Data

---

©2014 ADS Alliance Data Systems, Inc. Confidential and Proprietary Conversant Acquisition I September 11, 2014 \* \* Important Information for Investors and Stockholders This communication shall not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended. This communication may be deemed to be solicitation material in respect of the proposed merger between Conversant, Inc. and a subsidiary of Alliance Data Systems Corporation. In connection with the proposed merger, Alliance Data intends to file with the United States Securities and Exchange Commission (SEC) a registration statement on Form S-4 containing a proxy statement/prospectus. After the registration statement has been declared effective by the SEC, the definitive proxy statement/prospectus will be delivered to stockholders of Conversant. SECURITY HOLDERS OF CONVERSANT ARE URGED TO READ THE DEFINITIVE PROXY STATEMENT/PROSPECTUS (INCLUDING ALL AMENDMENTS AND SUPPLEMENTS THERETO) AND OTHER DOCUMENTS RELATING TO THE MERGER THAT WILL BE FILED WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED MERGER. Investors and security holders will be able to obtain copies of the registration statement and proxy statement/prospectus (when available) and other documents filed by Alliance Data and Conversant, without charge, through the website maintained by the SEC at <http://www.sec.gov>. Copies of documents filed with the SEC by Alliance Data will be made available free of charge on Alliance Data's website at [www.alliancedata.com](http://www.alliancedata.com). Copies of documents filed with the SEC by Conversant will be made available free of charge on Conversant's website at [www.conversantmedia.com](http://www.conversantmedia.com). Safe Harbor Statement/Forward Looking Statements Certain information set forth in this communication, including financial estimates, projections about the industries and markets in which Alliance Data and Conversant operate, and statements as to the expected timing, completion and effects of the proposed merger between Alliance Data and Conversant, constitute forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such statements may use words such as "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "predict," "project," "would" or similar expressions as they relate to each company or their respective management teams. These estimates and statements are subject to risks and uncertainties that could cause actual results to differ materially from those expected in or suggested by such statements. Such estimates and statements include, but are not limited to, statements about the benefits of the merger, including future financial and operating results, the combined company's plans, objectives, expectations (financial or otherwise) and intentions, the estimated timetable for completing the transaction and other statements that are not historical facts. Such statements are based upon the current beliefs and expectations of the management of Alliance Data and/or Conversant and are subject to significant risks and uncertainties outside of our control.

---

©2014 ADS Alliance Data Systems, Inc. Confidential and Proprietary Conversant Acquisition 1 September 11, 2014 \* \* Risks and uncertainties related to the proposed merger include, among others: the occurrence of any event, change or other circumstances that could give rise to the termination of the merger agreement; the risk that Conversant stockholders may not adopt the merger agreement; the risk that the necessary regulatory approvals may not be obtained or may be obtained subject to conditions that are not anticipated; uncertainties as to the timing of the merger; competitive responses to the proposed merger; response by activist shareholders to the merger; risks that any of the closing conditions to the proposed merger may not be satisfied in a timely manner; unexpected costs, charges or expenses resulting from the merger; litigation relating to the merger; the outcome of pending litigation; risks related to the disruption of management time from ongoing business operations due to the proposed merger; failure to realize the benefits expected from the proposed merger; changes in general economic and/or industry-specific conditions; and the effect of the announcement of the proposed merger on the ability of Alliance Data and Conversant to retain customers and retain and hire key personnel and maintain relationships with their suppliers, and on their operating results and businesses generally. For further information regarding factors affecting future results of Alliance Data and Conversant, please refer to their respective Annual Reports filed on Form 10-K for the year ended December 31, 2013, Quarterly Reports on Form 10-Q for the quarters ended March 31 and June 30, 2014, and other documents filed by Alliance Data and Conversant with the SEC, which are available at the SEC's website <http://www.sec.gov>. Neither Alliance Data nor Conversant is under any obligation, and each expressly disclaim any obligation, to update, alter, or otherwise revise any forward-looking statements, whether written or oral, that may be made from time to time, whether as a result of new information, future events, or otherwise, except as required by law. Persons reading this announcement are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Participants in the Solicitation Alliance Data Systems Corporation and Conversant, Inc. and their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from the holders of Conversant common stock in respect of the proposed transaction. Information about Alliance Data's directors and executive officers is set forth in the proxy statement for Alliance Data's 2014 Annual Meeting of Stockholders, which was filed with the SEC on April 21, 2014. Information about Conversant's directors and executive officers is set forth in the proxy statement for Conversant's 2014 Annual Meeting of Stockholders, which was filed with the SEC on March 28, 2014. Additional information regarding the participants in the proxy solicitation and a description of their direct and indirect interests, through securities holdings or otherwise, will be contained in the proxy statement/prospectus and other relevant materials to be filed with the SEC regarding the proposed merger when they become available. Investors should read the joint proxy statement/prospectus carefully when it becomes available before making any voting or investment decisions. You may obtain free copies of these documents from Alliance Data or Conversant using the sources indicated above.

---

Edgar Filing: CONVERSANT, INC. - Form 425

©2014 ADS Alliance Data Systems, Inc. Confidential and Proprietary Conversant Acquisition 1 September 11, 2014 \* \* The Transaction is Expected to Deliver Significant Value Consideration to Conversant Stockholders\$35 per share: \$18.20 in ADS stock and \$16.80 cash per shareRatio of stock to cash can change based upon subsequent movements in ADS share price, subject to certain limitations\$2.32 billion equity valueImplies multiple of 10.0x 2015E EBITDA excluding cost synergiesOption to elect all cash or all stock consideration, subject to pro-ratioFinancial ExpectationsCore EPS accretion: approximately \$0.50 in 1st year and \$0.75 in 2nd yearIncremental free cash flow of approximately \$100 million in 1st yearGrowth OpportunitiesExpanded access to fast growing digital marketing sectorEnriched data assetsApprovals RequiredConversant stockholdersVarious antitrust approvalsClosing expected by year end Conversant (NASDAQ: CNVR)Complementary Set of AssetsPure digital, with mobile and video capabilitiesCross-device, cross-channel marketing technologySupplemental online, anonymous and unstructured data2013 Financial Results\$573 million revenue\$222 million adjusted EBITDA

---

©2014 ADS Alliance Data Systems, Inc. Confidential and Proprietary Conversant Acquisition 1 September 11, 2014 \* \* Significant Upside for Conversant Stockholders Transaction creates immediate and long-term value 34% premium to the 30 day average closing price of Conversant's shares Attractive consideration mix: 48% cash and 52% stock, with value protection via symmetrical collar (+/-10%) As ADS share price increases or decreases, the amount of cash payable decreases or increases (up to the collar limits) Helps protect value during the pendency of the transaction while providing the ability to share in strong upside potential Conversant stockholders to own approximately 7% of the pro forma entity Continue to participate in the benefits and growth of the combined company Significant cross selling opportunities as part of end-to-end comprehensive marketing solution

---

Edgar Filing: CONVERSANT, INC. - Form 425

©2014 ADS Alliance Data Systems, Inc. Confidential and Proprietary Conversant Acquisition 1 September 11, 2014 \* \* Financial Expectations Core EPS accretion Expected to be \$0.50 in 1st year; \$0.75 in 2nd year Strong incremental free cash flow Expected to be \$100 million in 1st year Strong balance sheet Net debt to adjusted EBITDA <2.0x Deal Summary (\$ in billions) Equity Value at \$35 per share price \$ 2.3 Net debt 0 Conversant Transaction Value \$ 2.3  
Consideration to Equity Holders \$ 2.3 ADS Stock Value  
1.2 Cash Consideration \$ 1.1 Current ADS Net Debt \$ 2.2 Post-Closing ADS Net Debt \$  
3.3 Current ADS Shares Outstanding 60.0MM Post-Closing  
ADS Shares Outstanding 64.7MM

---



©2014 ADS Alliance Data Systems, Inc. Confidential and Proprietary Conversant Acquisition 1 September 11, 2014 \* \* Online Ads – Emerging, High-Growth Market North American Ad Spend 2014F: \$400bn Up YOY +5%, but internet +29% Digital Ad Spend, 2014F Ad Spend, 2014F Search is: Source: Company estimates US Digital Ad Spend, 2014F: \$100bn Up YOY +29%, with: Search +20% Display +22% Conversant: all categories but search Social +20% Mobile +82% Other +17% “Other” includes affiliate marketing, lead generation and classifieds Video is included within Display and Mobile

---

Edgar Filing: CONVERSANT, INC. - Form 425

©2014 ADS Alliance Data Systems, Inc. Confidential and Proprietary Conversant Acquisition 1 September 11, 2014 \* \* \$1.5bn revenue \$0.6bn revenue Data Content Technology Media Clients Offline & Online Anonymous Automated Creative Optimization Mobile / Video Cross-Device ID Cross-Channel Affiliate platform Expansive Publisher Network Integration w/ RTB & Social Massive Scale 7/10 Auto, 8/10 Pharma 70/100 Retail, 3/4 Telco Indirect Agency Primarily Offline Transactional Identified Agency Creative Strategy Analytics Agility Harmony™ digital messaging platform Database and Loyalty Platforms Partner for display FB/Twitter ramping Top 10 Auto Top 10 Pharma 8/10 Retail, Top Banks “One-stop, cross-device data fueled marketing powerhouse” (Set up to solve the attribution problem for modern CMO’s) Revenue largely driven by labor-based services (limits operating leverage) 100% revenue driven by transactions in digital (tech, automation, scale = leverage) Strategic Rationale

---

©2014 ADS Alliance Data Systems, Inc. Confidential and Proprietary Conversant Acquisition 1 September 11, 2014 \* \* Leveraging Agility Harmony™ is Epsilon's digital messaging platform The more data that's pushed through Agility Harmony, the more it learns Capable of handling online display campaigns for clients Conversant's CRM/online display enhances Epsilon's end-to-end offering while simultaneously strengthening Agility Harmony's IQ, all at scale Display Expands our capabilities Strategic Rationale

---

Edgar Filing: CONVERSANT, INC. - Form 425

©2014 ADS Alliance Data Systems, Inc. Confidential and Proprietary Conversant Acquisition 1 September 11, 2014 \* \* Conversant Overview Revenue by Segment EBITDA by Segment\* Affiliate Marketing29% Media71% Affiliate Marketing44% Media56% AffiliateMarketing29% Media57% Media71% Affiliate Marketing43% \* Excludes corporate expenses, stock compensation, depreciation, and amortization Conversant's Media offerings are unique and comprehensiveKnow your customer...Client data is combined with an in-house data assetCommon ID identifies an individual consumer across multiple devicesTo send the right message...Systems dynamically personalize ads based on insights from the data (e.g., choosing the right text or creative elements)Through the right channels to the right devices...Systems know to use display ads during the day (consumer is at work) but mobile ads at lunch (browsing on her phone)Then measure, optimize and repeat LTM 6/30/2014

---

©2014 ADS Alliance Data Systems, Inc. Confidential and Proprietary Conversant Acquisition 1 September 11, 2014 \* \* Affiliate marketing Brands use Conversant's "CJ Affiliate" platform to place ads on any of 60,000+ websites and mobile applications When consumers act as a result of those ads, brands pay commissions to referring sites and CJ Affiliate Websites and mobile applications Brands Performance-based commissions (no risk to advertisers) Item purchases, app downloads, form submissions, coupon printing \$8bn transaction value in 2013 100mm publisher commission transactions processed annually Conversant Overview

---

Edgar Filing: CONVERSANT, INC. - Form 425

©2014 ADS Alliance Data Systems, Inc. Confidential and Proprietary Conversant Acquisition 1 September 11,  
2014 \* \* Data driven, personalized marketing fits Alliance Data's DNA More exposure to highest growth market  
segments (i.e., digital) Adds complementary digital assets to Epsilon's "one stop shop" for CMO's Immediately  
accretive to Core EPS Reasonable size: 15% of Alliance Data's EV Balances Alliance Data's business mix Key  
Combination Merits Maintains moderate debt levels (leverage ratio <2.0x)

---

©2014 ADS Alliance Data Systems, Inc. Confidential and Proprietary Conversant Acquisition 1 September 11, 2014 \* \* September 11, 2014 Q & A

---