ACXIOM CORP
Form 10-Q
February 08, 2010

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

(Mark One)

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

For the quarterly period ended December 31, 2009

OR

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

For the transition period from ----- to -----

Commission file number 0-13163

Acxiom Corporation
(Exact Name of Registrant as Specified in Its Charter)

DELAWARE (State or Other Jurisdiction of Incorporation or Organization)	71-0581897 (I.R.S. Employer Identification No.)
P.O. Box 8180, 601 E. Third Street, Little Rock, Arkansas (Address of Principal Executive Offices)	72201 (Zip Code)

(501) 342-1000
(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 [X] No [ ]

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such filings).

Yes [ ] No [ ]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer [X]	Accelerated filer [ ]
Non-accelerated filer [ ]	Smaller reporting company [ ]

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

Yes [ ] No [X]

The number of shares of Common Stock, $ 0.10 par value per share outstanding as of February 4, 2010 was 79,147,630.

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ACXIOM CORPORATION AND SUBSIDIARIES
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REPORT ON FORM 10-Q
December 31, 2009

PART I. FINANCIAL INFORMATION
Item 1. Financials Statements

ACXIOM CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)
(Dollars in thousands)

	December 31, 2009	March 31, 2009
ASSETS		
Current assets:		
Cash and cash equivalents	$200,582	$177,166
Trade accounts receivable, net	180,546	184,814
Deferred income taxes	45,481	45,641
Refundable income taxes	-	4,579
Other current assets	46,042	46,873
Total current assets	472,651	459,073
Property and equipment, net of accumulated depreciation and amortization	220,979	214,589
Software, net of accumulated amortization	43,077	52,798
Goodwill	474,597	454,944
Purchased software licenses, net of accumulated amortization	51,499	65,341
Deferred costs, net	71,512	70,343
Data acquisition costs, net	24,871	31,317
Other assets, net	18,366	18,938
	$1,377,552	$1,367,343
LIABILITIES AND EQUITY		
Current liabilities:		
Current installments of long-term debt	$41,485	$40,967
Trade accounts payable	23,575	27,701
Accrued expenses:		
Payroll	28,105	44,823
Other	85,769	86,072
Deferred revenue	57,426	54,991
Income taxes	121	-
Total current liabilities	236,481	254,554
Long-term debt	483,846	537,272
Deferred income taxes	79,505	58,526
Other liabilities	10,588	9,321
Commitments and contingencies		
Equity:		
Common stock	11,625	11,576
Additional paid-in capital	810,236	800,094
Retained earnings	469,851	441,950
Accumulated other comprehensive income (loss)	9,638	(6,238)
Treasury stock, at cost	(738,601)	(739,712)
Total Acxiom stockholders' equity	562,749	507,670
Noncontrolling interest	4,383	-
Total equity	567,132	507,670

	$1,377,552	$1,367,343

See accompanying notes to condensed consolidated financial statements.

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ACXIOM CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)
(Dollars in thousands, except per share amounts)

	For the Three Months ended December 31	
	2009	2008
Revenue:		
Services	$ 218,340	$ 231,077
Products	65,467	89,979
Total revenue	283,807	321,056
Operating costs and expenses:		
Cost of revenue		
Services	163,206	173,433
Products	46,727	70,487
Total cost of revenue	209,933	243,920
Selling, general and administrative	43,477	42,560
Gains, losses and other items, net	538	43,175
Total operating costs and expenses	253,948	329,655
Income (loss) from operations	29,859	(8,599)
Other income (expense):		
Interest expense	(5,687)	(8,105)
Other, net	198	140
Total other income (expense)	(5,489)	(7,965)
Earnings (loss) before income taxes	24,370	(16,564)
Income taxes	10,212	(5,115)
Net earnings (loss)	$ 14,158	$ (11,449)
Less: Net earnings (loss) attributable to noncontrolling interest	(104)	-
Net earnings (loss) attributable to Acxiom	$ 14,262	$ (11,449)
Earnings (loss) per share:		
Basic	$ 0.18	$ (0.15)
Diluted	$ 0.18	$ (0.15)
Earnings (loss) per share attributable to Acxiom stockholders:		
Basic	$ 0.18	$ (0.15)
Diluted	$ 0.18	$ (0.15)

See accompanying notes to condensed consolidated financial statements.

ACXIOM CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)
(Dollars in thousands, except per share amounts)

	For the Nine Months ended December 31	
	2009	2008
Revenue:		
Services	$627,879	$701,377
Products	183,014	279,687
Total revenue	810,893	981,064
Operating costs and expenses:		
Cost of revenue		
Services	488,574	533,280
Products	138,775	225,242
Total cost of revenue	627,349	758,522
Selling, general and administrative	119,084	131,030
Gains, losses and other items, net	858	40,260
Total operating costs and expenses	747,291	929,812
Income from operations	63,602	51,252
Other income (expense):		
Interest expense	(16,615)	(26,155)
Other, net	303	1,786
Total other income (expense)	(16,312)	(24,369)
Earnings before income taxes	47,290	26,883
Income taxes	19,493	11,829
Net earnings	$27,797	$15,054
Less: net earnings (loss) attributable to noncontrolling interest	(104)	-
Net earnings attributable to Acxiom	$27,901	$15,054
Earnings per share:		
Basic	$0.35	$0.19
Diluted	$0.35	$0.19
Earnings per share attributable to Acxiom stockholders		
Basic	$0.35	$0.19
Diluted	$0.35	$0.19

See accompanying notes to condensed consolidated financial statements.

ACXIOM CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY AND COMPREHENSIVE INCOME
NINE MONTHS ENDED DECEMBER 31, 2009
(Unaudited)
(Dollars in thousands)

	Common Stock Number of shares	Common Stock Amount	Additional paid-in Capital	Comprehensive Income (loss)	Retained earnings	Accumulated other comprehensive income (loss)	Treasury Stock Number of shares	Treasury Stock Amount	Noncontrolling interest	T ec
Balances at March 31, 2009	115,756,876	$11,576	$800,094		$441,950	$(6,238)	(37,224,867)	$(739,712)	$-	$50
Employee stock awards, benefit plans and other issuances	349,060	35	2,979	$-	-	-	-	-	-	. 3
Restricted stock units vested	144,258	14	(14)	-	-	-	-	-	-	-
Non-cash share-based compensation	-	-	7,177	-	-	-	70,631	1,111	-	8,
Purchase of MENA	-	-	-	-	-	-	-	-	4,030	4,
Noncontrolling interest equity contributions	-	-	-	-	-	-	-	-	457	45
Comprehensive income										
Foreign currency translation	-	-	-	15,953	-	15,953	-	-	-	15
Unrealized loss on interest rate swap	-	-	-	(50)	-	(50)	-	-	-	(5
Unrealized loss on marketable securities	-	-	-	(27)	-	(27)	-	-	-	(2
Net earnings (loss)	-	-	-	27,797	27,901	-	-	-	(104)	27
Total comprehensive income				$43,673						
Balances at December 31, 2009	116,250,194	$11,625	$810,236		$469,851	$9,638	(37,154,236)	$(738,601)	$4,383	$56

See accompanying notes to condensed consolidated financial statements

ACXIOM CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(Dollars in thousands)

	For the Nine Months ended December 31	
	2009	2008
Cash flows from operating activities:		
Net earnings	$ 27,797	$ 15,054
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	124,912	154,297
Loss on disposal of assets, net	410	22,654
Deferred income taxes	23,100	5,069
Non-cash share-based compensation expense	8,288	8,040
Changes in operating assets and liabilities:		
Accounts receivable, net	5	(9,377)
Deferred costs	(15,381)	(2,986)
Other assets	11,913	13,875
Accounts payable and other liabilities	(31,214)	(6,222)
Deferred revenue	1,548	(6,215)
Net cash provided by operating activities	151,378	194,189
Cash flows from investing activities:		
Payments received (paid) for investments	(1,000)	2,596
Sale of assets	1,058	24,174
Capitalized software development costs	(6,661)	(13,001)
Capital expenditures	(31,372)	(19,183)
Cash collected from the sale and license of software	-	2,000
Data acquisition costs	(14,231)	(22,954)
Net cash paid in acquisitions	(3,428)	(15,403)
Net cash used in investing activities	(55,634)	(41,771)
Cash flows from financing activities:		
Payments of debt	(72,442)	(73,694)
Fees for debt refinancing	(4,563)	-
Dividends paid	-	(9,312)
Sale of common stock	3,014	8,362
Income tax benefit of stock options, warrants and restricted stock	-	115
Acquisition of treasury stock	(307)	(655)
Noncontrolling interests equity contributions	457	-
Net cash used in financing activities	(73,841)	(75,184)
Effect of exchange rate changes on cash	1,513	(1,820)
Net increase in cash and cash equivalents	23,416	75,414
Cash and cash equivalents at beginning of period	177,166	62,661
	$ 200,582	$ 138,075

Cash and cash equivalents at end of period

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)
(Unaudited)
(Dollars in thousands)

	For the Nine Months ended December 31	
	2009	2008
Supplemental cash flow information:		
Cash paid (received) during the period for:		
Interest	$16,807	$24,468
Income taxes	(8,450)	(3,029)
Payments on capital leases and installment payment arrangements	22,607	33,116
Payments on software and data license liabilities	6,134	19,887
Prepayments of debt	37,500	14,500
Other debt payments, excluding line of credit	6,201	6,191
Non-cash investing and financing activities:		
Acquisition of property and equipment under capital leases and installment payment arrangements	18,247	7,892
Enterprise software licenses acquired under software obligations	611	1,546

See accompanying notes to condensed consolidated financial statements.

ACXIOM CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

These condensed consolidated financial statements have been prepared by Acxiom Corporation (“Registrant,” “Acxiom” or “the Company”), without audit, pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC” or “the Commission”). In the opinion of the Registrant’s management all adjustments necessary for a fair presentation of the results for the periods included have been made and the disclosures are adequate to make the information presented not misleading. All such adjustments are of a normal recurring nature. Certain note information has been omitted because it has not changed significantly from that reflected in notes 1 through 19 of the Notes to Consolidated Financial Statements filed as part of Item 8 of the Registrant’s annual report on Form 10-K for the fiscal year ended March 31, 2009 (“2009 Annual Report”), as filed with the Commission on May 29, 2009. This report and the accompanying condensed consolidated financial statements should be read in connection with the 2009 Annual Report. The financial information contained in this report is not necessarily indicative of the results to be expected for any other period or for the full fiscal year ending March 31, 2010.

Management of the Company has made a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare these condensed consolidated financial statements in conformity with accounting principles generally accepted in the United States. Actual results could differ from those estimates. Certain of the accounting policies used in the preparation of these condensed consolidated financial statements are complex and require management to make judgments and/or significant estimates regarding amounts reported or disclosed in these financial statements. Additionally, the application of certain of these accounting policies is governed by complex accounting principles and their interpretation. A discussion of the Company’s significant accounting principles and their application is included in note 1 and in Item 7, Management’s Discussion and Analysis of Financial Condition and Results of Operations, to the Company’s 2009 Annual Report.

In May 2009, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 165, “Subsequent Events” (“SFAS No. 165”). SFAS No. 165 was subsequently codified in the FASB Accounting Standards Codification Topic 855 (“ASC 855”). ASC 855 establishes principles and standards related to the accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued. ASC 855 requires an entity to recognize, in the financial statements, subsequent events that provide additional information regarding conditions that existed at the balance sheet date. In accordance with this standard, which was effective beginning with the quarter ended June 30, 2009, management has evaluated subsequent events for accounting and disclosure through the date of filing this quarterly report on Form 10-Q, which is February 8, 2010.

2. EARNINGS PER SHARE AND STOCKHOLDERS' EQUITY:

Earnings Per Share

A reconciliation of the numerator and denominator of basic and diluted earnings per share is shown below (in thousands, except per share amounts):

	For the quarter ended December 31		For the nine months ended December 31	
	2009	2008	2009	2008
Basic earnings (loss) per share:				
Numerator – net earnings (loss)	$14,158	$(11,449)	$27,797	$15,054
Denominator – weighted-average shares outstanding	79,068	78,086	78,883	77,735
Basic earnings (loss) per share	$0.18	$(0.15)	$0.35	$0.19
Diluted earnings (loss) per share:				
Numerator – net earnings (loss)	$14,158	$(11,449)	$27,797	$15,054
Denominator:				
Weighted-average shares outstanding	79,068	78,086	78,883	77,735
Dilutive effect of common stock options, warrants, and restricted stock as computed under the treasury stock method	802	-	537	345
	79,870	78,086	79,420	78,080
Diluted earnings (loss) per share	$0.18	$(0.15)	$0.35	$0.19

	For the quarter ended December 31		For the nine months ended December 31	
	2009	2008	2009	2008
Basic earnings (loss) per share attributable to Acxiom stockholders:				
Numerator – net earnings (loss)	$14,262	$(11,449)	$27,901	$15,054
Denominator – weighted-average shares outstanding	79,068	78,086	78,883	77,735
Basic earnings (loss) per share attributable to stockholders	$0.18	$(0.15)	$0.35	$0.19
Diluted earnings (loss) per share attributable to Acxiom stockholders:				
Numerator – net earnings (loss)	$14,262	$(11,449)	$27,901	$15,054
Denominator:				
Weighted-average shares outstanding	79,068	78,086	78,883	77,735
Dilutive effect of common stock options, warrants, and restricted stock as computed under the treasury stock method	802	-	537	345
	79,870	78,086	79,420	78,080
Diluted earnings (loss) per share attributable to stockholders	$0.18	$(0.15)	$0.35	$0.19

2. EARNINGS PER SHARE AND STOCKHOLDERS' EQUITY (continued):

As of December 31, 2009, the Company had options and warrants outstanding providing for the purchase of approximately 12.1 million shares of common stock. As of December 31, 2008, the Company had options and warrants outstanding providing for the purchase of approximately 12.3 million shares of common stock. Options, warrants and restricted stock units that were outstanding during the periods presented, but were not included in the computation of diluted earnings (loss) per share because the effect was antidilutive are shown below (in thousands, except per share amounts):

	For the quarter ended December 31		For the nine months ended December 31	
	2009	2008	2009	2008
Number of shares outstanding under options, warrants and restricted stock units	10,336	12,286	11,594	11,247
Range of exercise prices for options and warrants	$11.87-$268.55	$8.36-$268.55	$10.66-$268.55	$11.50-$268.55

Stockholders' Equity

The Company did not declare a dividend on its common stock in the nine months ended December 31, 2009. The Company declared dividends on its common stock of $0.12 per share in the nine months ended December 31, 2008.

There were no shares repurchased under the Company's common stock repurchase program in the nine months ended December 31, 2009. In the nine months ended December 31, 2008 the Company repurchased 0.14 million shares for $1.0 million. The share repurchase program has expired as of November 7, 2009. In the nine months ending December 31, 2009, the Company issued 70,631 shares of treasury stock to members of the board who elected to receive their annual compensation in Company stock.

3. SHARE-BASED COMPENSATION:

Share-based Compensation Plans

Stock Option Activity
The Company has stock option and equity compensation plans for which a total of 37.7 million shares of the Company's common stock have been reserved for issuance since inception of the plans. These plans provide that the option prices of qualified options will be at or above the fair market value of the common stock at the time of the grant. Board policy has required that nonqualified options be priced at or above the fair market value of the common stock at the time of grant. At December 31, 2009, there were a total of 4.7 million shares available for future grants under the plans.

The Company granted 532,000 stock options in the nine months ended December 31, 2009. The per-share weighted-average fair value of the stock options granted during the nine months ended December 31, 2009 was $4.61. This valuation was determined using a customized binomial lattice approach with the following weighted-average assumptions: dividend yield of 0.0%; risk-free interest rate of 3.5%; expected option life of 5.4 years and expected volatility of 54%. The Company granted 689,126 stock options in the nine months ended December 31, 2008. The per-share weighted-average fair value of the stock options granted during the nine months ended December 31, 2008 was $4.39. This valuation was determined using a customized binomial lattice approach with the following weighted-average assumptions: dividend yield of 1.7%; risk-free interest rate of 3.9%; expected option life of 5.6 years and expected volatility of 36.6%.

3. SHARE-BASED COMPENSATION (continued):

Option activity for the nine months ended December 31, 2009 was as follows:

	Number of shares	Weighted-average exercise price per share	Weighted-average remaining contractual term (in years)	Aggregate intrinsic value (in thousands)
Outstanding at March 31, 2009	10,414,093	$ 20.83		
Granted	532,000	$ 8.91		
Exercised	(28,657)	$ 8.52		$141
Forfeited or cancelled	(305,688)	$ 20.17		
Outstanding at December 31, 2009	10,611,748	$ 20.29	6.32	$5,799
Exercisable at December 31, 2009	8,891,105	$ 21.71	5.88	$2,454

The aggregate intrinsic value in the table above represents the total pre-tax intrinsic value (the difference between Acxiom's closing stock price on the last trading day of its third quarter of fiscal 2010 and the exercise price for each in-the-money option) that would have been received by the option holders had vested option holders exercised their options on December 31, 2009. This amount changes based upon changes in the fair market value of Acxiom's stock.

Following is a summary of stock options outstanding and exercisable as of December 31, 2009:

	Options outstanding			Options exercisable	
Range of exercise price per share	Options outstanding	Weighted- average remaining contractual life	Weighted-average exercise price per share	Options exercisable	Weighted-average exercise price per share
3.69 - $$ 9.62	648,420	8.85 years	$ 8.72	78,920	$ 7.23
10.22 - $$ 15.00	2,411,762	7.30 years	$ 12.42	1,603,119	$ 12.31
15.10 - $$ 19.82	2,482,464	6.10 years	$ 16.48	2,289,964	$ 16.55
20.12 - $$ 25.00	2,569,521	6.59 years	$ 22.98	2,494,521	$ 22.92
25.44 - $$ 29.30	1,407,078	4.94 years	$ 26.81	1,332,078	$ 26.76
30.93 - $$ 39.12	806,843	4.26 years	$ 35.69	806,843	$ 35.69
40.50 - $$ 75.55	282,930	4.57 years	$ 44.51	282,930	$ 44.51
168.61 - $$268.55	2,730	0.13 years	$ 213.46	2,730	$ 213.46
	10,611,748	6.32 years	$ 20.29	8,891,105	$ 21.71

Total expense related to stock options for the nine months ended December 31, 2009 and 2008 was approximately $1.8 million and $1.7 million respectively. Future expense for these options is expected to be approximately $6.0 million over the next four years.

Restricted Stock Unit Activity

Non-vested restricted stock unit activity for the period ending December 31, 2009 was as follows:

	Number of shares	Weighted average fair value per share at grant date (in thousands)	Weighted-average remaining contractual term (in years)
Outstanding at March 31, 2009	1,499,470	$13.83	2.49
Granted	1,545,000	$9.57	
Vested	(144,258)	$23.65	
Forfeited or cancelled	(161,158)	$12.87	
Outstanding at December 31, 2009	2,739,054	$11.19	2.47

3. SHARE-BASED COMPENSATION (continued):

During the nine months ended December 31, 2009, the Company granted restricted stock units covering 1,545,000 shares of common stock with a value at the date of grant of $14.2 million. The value at the date of grant is determined by reference to quoted market prices for the shares. Of the restricted stock units granted in the current period, 946,000 vest in equal annual increments over four years. The remaining 599,000 vest subject to 1) the Company's achievement of certain performance criteria and 2) the individual remaining employed by the Company for three years. If both criteria are met the units vest three years from the date of grant. The expense related to restricted stock in the nine months ended December 31, 2009 was $5.8 million. During the nine months ended December 31, 2008, the Company granted restricted stock units covering 851,532 shares of common stock with a value at the date of grant of $11.0 million. Of the restricted stock units granted in that period, 275,963 vest in equal annual increments over four years and the remaining 575,569 vest at the end of three years and were subject to performance criteria that was met as of March 31, 2009. Future expense for restricted stock units is expected to be approximately $16.4 million over the next four years.

4. ACQUISITIONS:

In December 2009, the Company acquired a 51% interest in Direct Marketing Services ("DMS"), with operations in Saudi Arabia and the United Arab Emirates. Upon acquisition DMS was reorganized as a limited liability company registered under the laws and regulations of the Kingdom of Saudi Arabia and renamed Acxiom Middle East and North Africa, LTD ("MENA"). The acquisition allows the Company to expand into this strategic geographic area. The purchase price for DMS was $3.8 million in cash, not including the amount, if any, to be paid pursuant to an earnout agreement where additional payment is contingent on MENA's financial performance for the period ending on December 31, 2012. Financial performance under the earnout will be measured based on MENA's calculation of earnings before interest, taxes, depreciation and amortization ("EBITDA"). The actual EBITDA will be divided by $18.3 million and that percentage multiplied by $6.1 million to determine the earnout payment. There will be no earnout payment if the actual EBITDA does not exceed $12.8 million. The Company has omitted pro forma disclosures related to this acquisition as the pro forma effect of this acquisition is not material to the Company's consolidated results for any period presented. DMS has annual revenue of less than $5 million. The results of operation for MENA are included in the Company's consolidated results beginning December 1, 2009.

The following table shows the allocation of the purchase price for the above acquisition to assets acquired and liabilities assumed (dollars in thousands):

	MENA
Assets acquired:	
Cash	$40
Goodwill	4,824
Other intangible assets	3,250
Other current and noncurrent assets	2,139
	10,253
Accounts payable, accrued expenses and capital leases assumed	(2,027)
Net assets acquired	8,226
Less:	
Cash acquired	40
Earnout liability	371
Noncontrolling interest	4,030
Net cash paid	$3,785

The above allocation of the purchase price is preliminary, pending the completion of a final valuation of the intangible assets. The value of the noncontrolling interest was estimated based on the purchase price paid by Acxiom for its interest. The amount allocated to goodwill is primarily due to the assembled work force of MENA.

4. ACQUISITIONS (continued):

In July 2008, the Company acquired the database marketing unit of ChoicePoint Precision Marketing, LLC ("Precision Marketing"). The Company paid $9.0 million, of which $4.5 million was paid into two escrow accounts which were subject to escrow arrangements finally resolved during the quarter ended September 30, 2009. A total of $0.5 million of one of the escrow funds has been released to reimburse the Company for costs incurred. Of the remaining $4.0 million escrow fund, $3.6 million has been paid to the sellers and approximately $0.4 million has been returned to the Company. The $4.0 million placed into escrow was originally treated as purchase price, therefore the $0.4 million returned to the Company has been recorded as a reduction of purchase price and the $3.6 million has been charged to goodwill. The acquired business had annual revenue of approximately $16.0 million. The Company has omitted pro forma disclosures related to this acquisition as the pro forma effect of this acquisition is not material to the Company's consolidated results for any period presented. Precision Marketing's results of operations are included in the Company's consolidated results beginning July 1, 2008.

5. OTHER CURRENT AND NONCURRENT ASSETS:

Other current assets consist of the following (dollars in thousands):

	December 31, 2009	March 31, 2009
Current portion of unbilled and notes receivable	$1,141	$1,730
Prepaid expenses	32,817	31,313
Assets of non-qualified retirement plan	11,932	8,155
Escrowed cash	-	4,344
Other miscellaneous assets	152	1,331
Other current assets	$46,042	$46,873

Other noncurrent assets consist of the following (dollars in thousands):

	December 31, 2009	March 31, 2009
Acquired intangible assets, net	$10,777	$11,579
Noncurrent portion of unbilled and notes receivable	2,965	3,367
Other miscellaneous noncurrent assets	4,624	3,992
Other assets	$18,366	$18,938

The acquired intangible assets noted above include customer relationship intangibles acquired through purchase acquisitions, net of accumulated amortization.

6. GOODWILL:

Goodwill represents the excess of acquisition costs over the fair values of net assets acquired in business combinations. Goodwill is reviewed at least annually for impairment under a two-part test. Impairment exists to the extent that the reporting unit's recorded goodwill exceeds the residual fair value assigned to goodwill. Any impairment that results from the completion of the two-part test is recorded as a charge to operations during the period in which the impairment test is completed. Completion of the Company's most recent annual impairment test during the quarter ended June 30, 2009 indicated that no potential impairment of its goodwill balances existed as of April 1, 2009.

The carrying amount of goodwill, by business segment, for the nine months ended December 31, 2009 is presented in the following table.

(dollars in thousands)

	Services	Products	Total
Balance at March 31, 2009	$336,406	$118,538	$454,944
MENA acquisition	4,824	-	4,824
Purchase adjustments	5,064	-	5,064
Change in foreign currency translation adjustment	2,929	6,836	9,765
Balance at December 31, 2009	$349,223	$125,374	$474,597

7. LONG-TERM DEBT:

Long-term debt consists of the following (dollars in thousands):

	December 31, 2009	March 31, 2009
Term loan credit agreement	$448,500	$490,500
Capital leases and installment payment obligations on land, buildings and equipment payable in monthly payments of principal plus interest at rates ranging from approximately 3% to 8%; remaining terms up to twelve years	42,957	46,646
Warrants	1,499	1,492
Software license liabilities payable over terms up to three years; effective interest rates ranging from approximately 4% to 7%	9,833	12,423
Data license agreement	-	2,934
Other debt and long-term liabilities	22,542	24,244
Total long-term debt and capital leases	525,331	578,239
Less current installments	41,485	40,967
Long-term debt, excluding current installments	$483,846	$537,272

Effective September 15, 2006, the Company entered into an amended and restated credit agreement allowing (1) term loans up to an aggregate principal amount of $600 million and (2) revolving credit facility borrowings consisting of revolving loans, letter of credit participations and swing-line loans up to an aggregate amount of $200 million.

In November 2009, the Company entered into an amendment to its term loan credit facility (the "Amendment"). Under the terms of the Amendment, certain of the lenders have agreed to extend the maturity date of the existing term loan, becoming Tranche 2 Term Lenders. Lenders who have not agreed to extend the maturity date become Tranche 1 Term Lenders. Certain lenders have also agreed to extend the maturity date of the existing revolving loan commitment, becoming Tranche 2 Revolving Lenders. Lenders who have not agreed to extend the maturity date of the revolving loan commitment become Tranche 1 Revolving Lenders. Of the $450 million balance of the existing term loan on the date of the Amendment, approximately $75 million was held by Tranche 1 Term Lenders and $375 million was held by Tranche 2 Term Lenders. Of the existing $200 million revolving loan commitment, $80 million is held by Tranche 1 Revolving Lenders and $120 million is held by Tranche 2 Revolving Lenders.

7. LONG-TERM DEBT (continued):

Tranche 1 of the term loan is payable in quarterly installments of approximately $0.2 million each, through September 30, 2011, followed by four quarterly installments of approximately $18.1 million each with the last payment due September 15, 2012. Tranche 2 of the term loan is payable in quarterly installments of approximately $1.3 million each, through September 30, 2011, followed by thirteen quarterly installments of $1.5 million each with a final payment of approximately $345.9 million due March 15, 2015. The Tranche 1 revolving loan commitment expires September 15, 2011 and the Tranche 2 revolving loan commitment expires March 15, 2014.

Revolving credit facility borrowings currently bear interest at LIBOR plus a credit spread, or at an alternative base rate or at the Federal Funds rate plus a credit spread, depending on the type of borrowing. The LIBOR credit spread is 1.5% for Tranche 1 and 2.75% for Tranche 2. There were no revolving credit borrowings outstanding at December 31, 2009 or March 31, 2009. Term loan borrowings bear interest at LIBOR plus a credit spread which is 1.75% for Tranche 1, and 3.00% for Tranche 2. The weighted average interest rate on term loan borrowings at December 31, 2009 was 3.7%. Outstanding letters of credit at December 31, 2009 were $3.9 million.

The term loan also allows prepayments before maturity. The credit agreement is secured by the accounts receivable of Acxiom and its domestic subsidiaries, as well as by the outstanding stock of certain Acxiom subsidiaries.

Under the terms of certain of the above borrowings, the Company is required to maintain certain debt-to-cash flow and debt service coverage ratios, among other restrictions. At December 31, 2009, the Company was in compliance with these covenants and restrictions. In addition, if certain financial ratios and other conditions are not satisfied, the revolving credit facility limits the Company's ability to pay dividends in excess of $30 million in any fiscal year (plus additional amounts in certain circumstances).

In fiscal 2009, the Company entered into an interest rate swap agreement. The agreement provides for the Company to pay interest through July 25, 2011 at a fixed rate of 3.25% plus the applicable credit spread on $95.0 million notional amount while receiving interest for the same period at the LIBOR rate on the same notional amount. The LIBOR rate as of December 31, 2009 was 0.3%. The swap was entered into as a cash flow hedge against LIBOR interest rate movements on the term loan. The Company assesses the effectiveness of the hedge based on the hypothetical derivative method. There was no ineffectiveness for the period ended December 31, 2009. Under the hypothetical derivative method, the cumulative change in fair value of the actual swap is compared to the cumulative change in fair value of the hypothetical swap, which has terms that identically match the critical terms of the hedged transaction. Thus, the hypothetical swap is presumed to perfectly offset the hedged cash flows. The change in the fair value of the hypothetical swap will then be regarded as a proxy for the present value of the cumulative change in the expected future cash flows from the hedged transactions. All of the fair values are derived from an interest-rate futures model. As of December 31, 2009, the hedge relationship qualified as an effective hedge under applicable accounting standards. Consequently, all changes in fair value of the derivative are deferred and recorded in other comprehensive income until the related forecasted transaction is recognized in the consolidated statement of operations. The fair market value of the derivative was zero at inception and an unrealized loss of $4.0 million since inception is recorded in other comprehensive income (loss) with the offset recorded to other noncurrent liabilities. The fair value of the interest rate swap agreement recorded in accumulated other comprehensive income (loss) may be recognized in the statement of operations if certain terms of the floating-rate debt change, if the floating-rate debt is extinguished or if the interest rate swap agreement is terminated prior to maturity. The Company has assessed the creditworthiness of the counterparty of the swap and concludes that no substantial risk of default exists as of December 31, 2009.

8. ALLOWANCE FOR DOUBTFUL ACCOUNTS:

Trade accounts receivable are presented net of allowances for doubtful accounts, returns and credits of $10.7 million at December 31, 2009 and $10.0 million at March 31, 2009.

9. SEGMENT INFORMATION:

The Company reports segment information consistent with the way management internally disaggregates its operations to assess performance and to allocate resources. The Company's business segments consist of Information Services and Information Products. The Information Services segment includes the Company's global lines of business for Customer Data Integration (CDI), Multi-channel Marketing Services, Infrastructure Management Services and Consulting Services. The Information Products segment is comprised of the Company's global Consumer Insights and Risk Mitigation Products lines of business and the U.S. Background Screening Products line of business. The Company evaluates performance of the segments based on segment operating income, which excludes certain gains, losses and other items. Beginning in the quarter ended September 30, 2009, the Company has revised its calculation of segment operating income to allocate all corporate expenses, excluding those reported as gains, losses, and other items, to the segments. Segment results for prior periods have been reclassified to reflect the revised segment operating income. Such reclassifications had no effect on consolidated results.

The gains, losses and other items are reported as other, since the Company does not hold the individual segments responsible for these charges. The following tables present information by business segment (dollars in thousands):

	For the quarter ended December 31		For the nine months ended December 31	
	2009	2008	2009	2008
Revenue:				
Information services	$218,340	$231,077	$627,879	$701,377
Information products	65,467	89,979	183,014	279,687
Total revenue	$283,807	$321,056	$810,893	$981,064
Income (loss) from operations:				
Information services	$27,565	$30,358	$63,374	$84,524
Information products	2,832	4,218	1,086	6,988
Other	(538)	(43,175)	(858)	(40,260)
Income from operations	$29,859	$(8,599)	$63,602	$51,252

10. RESTRUCTURING, IMPAIRMENT AND OTHER CHARGES:

The Company records costs associated with employee terminations and other exit activity in accordance with applicable accounting standards when those costs become probable and are reasonably estimable. The following table summarizes the restructuring activity for the nine months ended December 31, 2009 (dollars in thousands):

	Associate-related reserves	Ongoing contract costs	Total
Balance at March 31, 2009	$ 8,233	$23,932	$32,165
Payments	(4,988)	(3,302)	(8,290)
Adjustments	831	386	1,217
Balance at December 31, 2009	$ 4,076	$21,016	$25,092

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10. RESTRUCTURING, IMPAIRMENT AND OTHER CHARGES (continued):

Restructuring Plans

In fiscal 2009, the Company recorded a total of $42.3 million in restructuring charges and adjustments included in gains, losses and other items in the consolidated statement of operations. The expense includes severance and other associate-related payments of $12.4 million, lease accruals of $3.2 million, asset disposal and write-offs of $26.5 million and adjustments to the fiscal 2008 restructuring plan of $0.2 million. Included in the asset disposal was a $24.6 million loss incurred as a result of the Company terminating a software contract.

The associate-related payments of $12.4 million relate to the termination of associates in the United States and Europe. Of the amount accrued, $2.9 million remained accrued as of December 31, 2009. These costs are expected to be paid out in fiscal 2010.

The lease accruals of $3.2 million were evaluated under the accounting standard which governs exit costs. The accounting standard requires the Company to make an accrual for the liability for lease costs that will continue to be incurred without economic benefit to the Company upon the date that the Company ceases using the leased property. The remaining amount accrued at December 31, 2009 is $2.1 million.

In fiscal 2008, the Company recorded a total of $75.1 million in restructuring charges and adjustments included in gains, losses and other items in the consolidated statement of operations. The expense includes severance and other associate-related payments of $19.3 million, lease accruals of $19.0 million, contract accruals of $6.7 million, asset disposal and write-offs of $29.6 million, and other related costs of $0.5 million.

The associate-related payments of $19.3 million relate to associates in the United States and Europe who either have been terminated or are to be terminated. Of the $19.3 million accrued, $1.0 million remained accrued as of December 31, 2009. These costs are expected to be paid out in fiscal 2010.

The lease accruals of $19.0 million were evaluated under the accounting standard which governs exit costs. The remaining amount accrued at December 31, 2009 is $12.8 million. These liabilities will be paid out over the remainder of the leased properties' terms, of which the longest continues through November 2021.

The contract accruals of $6.7 million were evaluated under the applicable accounting standard which requires that a liability to terminate a contract before the end of its term be recognized when the contract is terminated in accordance with its terms. Prior to March 31, 2008, the Company gave notice under certain service contracts to the other parties which caused the Company to incur termination payments under those contracts. The remaining amount accrued of $5.8 million is expected to be paid during fiscal 2010.

During fiscal 2006, the Company recorded a total of $13.0 million in restructuring and other impairment charges included in gains, losses and other items in the consolidated statement of operations. The table above includes the portion of the above charges which are yet to be paid as of March 31, 2009. The remaining accrued costs of $0.5 million are expected to be paid out over the terms of the related leases or contracts, of which the longest one continues through fiscal 2012.

Gains, Losses and Other Items

Gains, losses and other items for each of the quarters presented are as follows (dollars in thousands):

For the quarter ended

	December 31		For the nine months ended December 31	
	2009	2008	2009	2008
Gain on disposition of operations in France	(442)	(1,071)	(442)	(1,910)
Software and data disposal	-	26,485		26,485
Restructuring plan	(5)	17,761	230	17,194
Other	985	-	1,070	(1,509)
	$538	$43,175	$858	$40,260

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11. COMMITMENTS AND CONTINGENCIES:

Legal Matters

Richard Fresco, et al. v. R.L. Polk and Company and Acxiom Corporation, (U.S. Dist. Court, S.D. Florida, 07-60695) formerly, Linda Brooks and Richard Fresco v. Auto Data Direct, Inc., et al., (U.S. Dist. Court, S.D. Florida, 03-61063) is a putative class action lawsuit, removed to federal court in May 2003, filed against Acxiom and several other information providers. The plaintiffs allege that the defendants obtained and used drivers' license data in violation of the federal Drivers Privacy Protection Act. To date, a class has not been certified. Among other things, the plaintiffs seek injunctive relief, statutory damages, and attorneys' fees. Acxiom has agreed to settle the case and is seeking preliminary approval by the court. The process of obtaining final approval of the settlement is expected to take several months. Acxiom has accrued $5.0 million for the settlement and ancillary costs to obtain final approval and has paid $2.5 million of this amount into an escrow fund established for the settlement, leaving a remaining accrual of $2.5 million. Two companion cases, Sharon Taylor, et al., v. Acxiom, et al., (U.S. District Court, E.D. Texas, 207CV001) and Sharon Taylor, et al. v. Biometric Access Company, et al., (U.S. District Court, E.D. Texas, 2:07-CV-00018), were filed in January 2007. Both Taylor cases were dismissed by the District Court and are now on appeal.

Epsilon Data Management LLC, et al. v. Acxiom Corporation, (192nd Judicial District Court of Dallas County, TX, 07-08569) is a case that was brought by a competitor of Acxiom after the acquisition of three long-time data providers and alleges that Acxiom breached certain terms and conditions of the data licenses with those acquired companies in the course of building and distributing Acxiom data products. The plaintiffs seek injunctive relief and unspecified damages. Acxiom contends that it has acted in conformance with the data licenses and is vigorously defending the claims.

The Company is involved in a number of actions with the Data Protection Authority of Spain, involving alleged improper usage of individuals' data. The Company maintains that the Company's usage of data has been in compliance with the applicable law. However, upon advice of counsel and after review of the pending claims, the Company accrued $3.9 million as part of the cost of closure of the Spain office. During the quarter ended March 31, 2008, the Company reversed $2.4 million of the accrual as some of the claims had been settled for less than the Company originally accrued. As of December 31, 2009 the Company has a remaining accrual for this matter of $0.5 million.

The Company is involved in various other claims and legal actions in the ordinary course of business. In the opinion of management, the ultimate disposition of all of these matters will not have a material adverse effect on the Company's consolidated financial position, results of operations or cash flows.

Commitments

The Company leases or licenses data processing equipment, software, office furniture and equipment, land and office space under noncancellable operating leases or licenses. The Company has a future commitment for lease payments of $109.2 million.

In connection with a certain building, the Company has entered into a 50/50 joint venture with a local real estate developer. The Company is guaranteeing a portion of the loan for the building. In addition, in connection with the disposal of certain assets, the Company has guaranteed loans for the buyers of the assets. These guarantees were made by the Company primarily to facilitate favorable financing terms for those third parties. Should the third parties default on this indebtedness, the Company would be required to perform under its guarantee. Substantially all of the third-party indebtedness is collateralized by various pieces of real property. At December 31, 2009 the Company's maximum potential future payments under this guarantee of third-party indebtedness was $1.5 million.

12. INCOME TAX

In determining the quarterly provision for income taxes, the Company makes its best estimate of the effective tax rate expected to be applicable for the full fiscal year. The anticipated effective tax rate for fiscal 2010 is approximately 40-42%.

At December 31, 2009, the Company had $6.2 million in gross unrecognized tax benefits, which is included in other liabilities on the balance sheet. This entire amount, if recognized, would impact the effective tax rate. The total amount of accrued interest and penalties for such unrecognized tax benefits, and included in the amount above, is $0.9 million. It is reasonably possible that the amount of unrecognized tax benefit with respect to the Company's uncertain tax positions will increase or decrease during the next 12 months. However, management does not expect the change to have a significant effect on consolidated results of operations or financial position.

13. FINANCIAL INSTRUMENTS:

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value.

Cash and cash equivalents, trade receivables, unbilled and notes receivable, short-term borrowings and trade payables—The carrying amount approximates fair value because of the short maturity of these instruments.

Long-term debt—The interest rate on the term loan and revolving credit agreement is adjusted for changes in market rates and therefore the carrying value of these loans approximates fair value. The estimated fair value of other long-term debt was determined based upon the present value of the expected cash flows considering expected maturities and using interest rates currently available to the Company for long-term borrowings with similar terms. At December 31, 2009, the estimated fair value of long-term debt approximates its carrying value.

Derivative instruments included in other liabilities—The carrying value is adjusted to fair value through other comprehensive income at each balance sheet date. The fair value is determined from an interest-rate futures model.

Under applicable accounting standards, financial assets and liabilities are classified in their entirety based on a hierarchy using the lowest level of input that is significant to the fair value measurements. The Company assigned assets and liabilities to Level 1—quoted prices in active markets for identical assets or liabilities, Level 2—significant other observable inputs and Level 3—significant unobservable inputs.

The following table presents the balances of assets and liabilities measured at fair value as of December 31, 2009 (dollars in thousands):

	Level 1	Level 2	Level 3	Total
Assets:				
Other current assets	$11,932	$-	$-	$11,932
Total assets	$11,932	$-	$-	$11,932
Liabilities:				
Other current liabilities	$11,932	$-	$-	$11,932
Long-term debt	-	1,499	-	1,499
Other liabilities	-	4,007	-	4,007
Total liabilities	$11,932	$5,506	$-	$17,438

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PART I. FINANCIAL INFORMATION
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Introduction and Overview

At Acxiom ("Acxiom" or "the Company") (Nasdaq: ACXM), we provide global interactive marketing services for the world's leading companies to help them solve some of their most complex marketing problems. Our products, services and thought leadership enable them to acquire new customers, retain their most valuable customers, communicate with customers in the methods and times they prefer, and make profitable marketing and business decisions. Acxiom's unmatched customer insight is achieved by blending the world's largest repository of consumer data, award-winning technology and analytics, multi-channel expertise, privacy leadership, and superior knowledge of a wide spectrum of industries. Founded in 1969, Acxiom is headquartered in Little Rock, Arkansas, with locations throughout the United States ("US") and Europe, and in Australia, China, and the Middle East.

Highlights of the quarter ended December 31, 2009 are identified below.

- Revenue of $283.8 million, a decrease of 11.6 % from $321.1 million in the third fiscal quarter a year ago. This also represents an increase of 4.7% compared to the most recent sequential quarter.
  - Revenue increased $12.7 million, or 4.7% compared to the second quarter of the current fiscal year.
- Income from operations of $29.9 million, a $38.5 million increase compared to a loss of $8.6 million in the third fiscal quarter last year.
- Pre-tax earnings of $24.4 million, compared to a pre-tax loss of $16.6 million in the third quarter of fiscal 2009.
- Diluted earnings per share of $0.18, compared to diluted loss per share of $0.15 in the third fiscal quarter last year.
- Operating cash flow of $74.5 million compared to operating cash flow of $78.9 million for the same quarter in the prior year.

These highlights are not intended to be a full discussion of the Company's results for the quarter. These highlights should be read in conjunction with the following discussion of Results of Operations and Capital Resources and Liquidity and with the Company's condensed consolidated financial statements and footnotes accompanying this report.

Results of Operations

A summary of selected financial information for each of the periods reported is presented below (dollars in millions, except per share amounts):

	For the quarter ended December 31			For the nine months ended December 31		
	2009	2008	% Change	2009	2008	% Change
Revenue						
Services	$218.3	$231.1	(6)%	$627.9	$701.4	(10)%
Products	65.5	90.0	(27)%	183.0	279.7	(35)%
	$283.8	$321.1	(12)%	$810.9	$981.1	(17)%

Total operating costs and expenses	253.9	329.7		(23	)%	747.3	929.8		(20	)%
Income from operations	$29.9	$(8.6	)	447	%	$63.6	$51.3		24	%
Diluted earnings per share	$0.18	$(0.15	)	220	%	$0.35	$0.19		84	%

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Revenues

Services revenue for the quarter ended December 31, 2009 was $218.3 million. This represents a $12.7 million decrease or 5.5% when compared to the same period in the prior year. On a geographic basis, International services increased by approximately $0.3 million while US services decreased approximately $13.0 million. By line of business, the revenue decline was primarily attributable to a $17.5 million decrease in Multi-channel Marketing Services. This decline was offset by a $1.2 million increase in Consulting and a $3.0 million increase in Infrastructure Management. Of the $17.5 million decline in Multi-channel Marketing Services, the Financial Services verticals accounted for $13.5 million of the decline. Over the last year, revenue reductions have occurred due to contract renegotiations for reduced amounts, lost contracts, volume reductions and contracts terminated because of economic issues. However, services revenue increased 3.9% compared to the most recent sequential quarter, which was also up 5.5% compared to the June 30, 2009 quarter. The Company's traditional direct marketing operations typically experience lower revenue in the first quarter of the fiscal year, compared to the second, third and fourth quarters. Infrastructure Management was positively impacted by the signing of new business in the current year.

Services revenue for the nine months ended December 31, 2009 was $627.9 million. This represents a $73.5 million decrease or 10.5% when compared to the same period in the prior year. On a geographic basis, International services decreased approximately $5.0 million while US services decreased approximately $68.5 million. The $5.0 million decrease in International services was primarily due to unfavorable exchange rate movement. By line of business, revenue declined in most areas with a $3.5 million decrease in CDI Services, a $60.5 million decrease in Multi-channel Marketing Services, and a $6.8 million decrease in Infrastructure Management. Of the $60.5 million decrease in Multi-channel Marketing Services, the Financial Services vertical accounted for $43.6 million of the decline. Over the last year, revenue reductions have occurred due to contract renegotiations for reduced amounts, lost contracts, volume reductions, and contracts terminated because of economic issues. The decline in Infrastructure Management is driven by contract reductions with a few large IT clients and lost contracts. Infrastructure Management revenue was positively impacted by the signing of new business in the current year.

Products revenue for the quarter ended December 31, 2009 was $65.5 million. This represents a $24.5 million decrease or 27.2% when compared to the same period in the prior year. During the fourth quarter of fiscal 2009, a large pass-through data contract was amended and as such the revenue is no longer reported on a gross basis. Excluding the $20.1 million in prior year pass-through revenue related to this contract, products revenue was down $4.4 million, or 6.3%. International operations accounted for $2.2 million of the decrease. Excluding the $1.9 million favorable impact of exchange rates, International product revenue declined $4.1 million. International operations were impacted by much lower ad hoc and project activity. The remaining $2.2 million decline was due to contract renegotiations for reduced amounts, lost contracts, volume reductions and contracts terminated because of economic issues in US industry verticals. Product revenue increased 7.5% compared to the most recent sequential quarter, which was also up 7.5% compared to the June 30, 2009 quarter.

Products revenue for the nine months ended December 31, 2009 was $183.0 million. This represents a $96.7 million decrease or 34.6% when compared to the same period in the prior year. Excluding the prior year pass-through revenue of $63.8 million related to the amended data contract, products revenue was down $32.8 million, or 15.2%. The International operations declined $19.6 million of which $2.0 million was due to the impact of exchange rates. International operations were impacted by much lower ad hoc and project activity, in particular in the U.K. The remaining $13.2 million decline was due to contract renegotiations for reduced amounts, lost contracts, volume reductions and contracts terminated in US industry verticals.

Operating Costs and Expenses

The following table presents the Company's operating costs and expenses for each of the periods presented (dollars in millions):

	For the quarter ended December 31			For the nine months ended December 31		
	2009	2008	% Change	2009	2008	% Change
Cost of revenue						
Services	$163.2	$173.4	(6)%	$488.5	$533.3	(8)%
Products	46.7	70.5	(34)%	138.8	225.2	(38)%
Total cost of revenue	$209.9	$243.9	(14)%	$627.3	$758.5	(17)%
Selling, general and Administrative	43.5	42.6	2%	119.1	131.0	(9)%
Gains, losses and other items, net	0.5	43.2	(99)%	0.9	40.3	(98)%
Total operating costs and expenses	$253.9	$329.7	(23)%	$747.3	$929.8	(20)%

	For the quarter ended December 31		For the nine months ended December 31	
	2009	2008	2009	2008
Gross profit margin				
Services	25.3%	24.9%	22.2%	24.0%
Products	28.6	21.7	24.2	19.5
Total gross profit margin	26.0%	24.0%	22.6%	22.7%
Operating profit margin	10.5%	(2.7)%	7.8%	5.2%

Cost of services revenue of $163.2 million for the quarter ending December 31, 2009 represents a decrease of $10.2 million compared to the same quarter a year ago. Gross margin for services revenue increased from 24.9% to 25.3%. Cost of services revenue of $488.5 million for the nine months ended December 31, 2009 represents a decrease of $44.7 million compared to the same period a year ago. Gross margin for services revenue decreased from 24.0% to 22.2%. Gross margin was impacted by the large decline in revenue from particularly high margin, volume-based business. Operating expenses have been reduced significantly as revenues have declined. However, due to the reduction in volume-based revenue, margins have suffered on a year-to-date basis. The margin impact on this volume-based business has been mitigated by efficiency improvements in data processing and delivery operations.

Cost of products revenue of $46.7 million for the quarter ending December 31, 2009 represents a decrease of $23.8 million compared to the same quarter a year ago. Products revenue gross margins increased from 21.7% a year ago to 28.6% in this quarter. Excluding pass-through data and related costs in the prior year of $20.1 million, product costs actually decreased approximately 7.3% and margins on non-pass-through products increased to 28.6% from 27.9% a year ago. Cost of products revenue of $138.8 million for the nine months ending December 31, 2009 represents a decrease of $86.5 million compared to the same nine-month period a year ago. Products revenue gross margins increased from 19.5% a year ago to 24.2%. Excluding pass-through data and related costs in the prior year of $63.9 million, product costs actually decreased approximately 14.0% and margins on non-pass-through products decreased to 24.2% from 25.2% a year ago. Margins for Products have been impacted in a similar fashion to Services. The impact of losses of high margin, volume-based business, in particular in Europe, has been offset by efficiency improvements in the delivery functions.

Selling, general, and administrative expenses were $43.5 million for the quarter ended December 31, 2009. This represents a $0.9 million increase over the prior-year quarter. As a percent of total revenue, these expenses were 15.3% compared to 13.3% a year ago. Selling, general, and administrative expenses were $119.1 million for the nine months ended December 31, 2009. This represents an $11.9 million decrease over the prior-year period. As a percent of total revenue, these expenses are 14.7% compared to 13.4% a year ago. Current year SG&A expenses reflect the cost savings initiated during both the current and prior year. Additionally, the current quarter was impacted by an increase in health insurance claims costs of $3.3 million and in sales commission costs of $1.0 million.

Gains, losses and other items were a $0.5 million expense during the quarter ended December 31, 2009. Gains, losses and other items were a $0.9 million expense for the nine months ended December 31, 2009

Gains, losses and other items were a $43.2 million expense during the quarter ended December 31, 2008. The balances primarily represent restructuring costs for severance-related accruals of $12.6 million and facility-related accruals of $5.2 million as well as software and other asset disposals of $26.5 million. Offsetting these losses is an adjustment on the gain on the sale of GIS of 1.1 million.

Gains, losses and other items were a $40.3 million expense for the nine months ended December 31, 2008. In addition to the amounts recorded in the quarter, the balance includes a $1.1 million gain on the sale of a building in Phoenix, a $1.0 million gain on a previously unrecognized note and an expense of $1.0 million for a legal contingency accrual.

Other Income (Expense)

Interest expense for the quarter ended December 31, 2009 was $5.7 million compared to $8.1 million a year ago due primarily to a $42.0 million decline in the average term loan debt balance and a decline of approximately 130 basis points on the term loan average interest rate. Interest expense for the nine months ended December 31, 2009 was $16.6 million compared to $26.2 million a year ago.

Other income for the nine months ended December 31, 2009 was $0.3 million compared to $1.8 million a year ago. The prior year included a $1.1 million gain from a real estate joint venture. Other income is comprised primarily of interest income on notes receivable and investment income.

Income taxes

The anticipated effective tax rate for fiscal 2010 is approximately 40-42%. The prior-year rate was 44%. The current and prior- year rates both reflect the impact of losses in certain foreign jurisdictions. The Company does not record the tax benefit of those losses due to uncertainty of future benefit.

Capital Resources and Liquidity

Working Capital and Cash Flow

Working capital at December 31, 2009 totaled $236.2 million compared to $204.5 million at March 31, 2009. Total current assets increased $13.6 million due to an increase in cash and cash equivalents of $23.4 million offset by decreases in trade accounts receivable of $4.3 million, refundable income taxes of $4.6 million, and other current assets of $0.8 million. Current liabilities decreased $18.1 million due to decreases in payroll accruals of $16.7 million and trade accounts payable of $4.1 million; offset by increases in deferred revenue of $2.4 million. The Company has made $37.5 million in pre-payments on its term loan during the nine months ended December 31, 2009.

Accounts receivable days sales outstanding (“DSO”) was 59 days at December 31, 2009 and was 56 days at March 31, 2009, and is calculated as follows (dollars in thousands):

	December 31, 2009	March 31, 2009
Numerator – trade accounts receivable, net	$180,546	$184,814
Denominator:		
Quarter revenue	283,807	295,509
Number of days in quarter	92	90
Average daily revenue	$3,085	$3,283

Days sales outstanding	59	56

Net cash provided by operating activities for the nine months ended December 31, 2009 declined 22.0% to $151.4 million. This was a result of increases in net earnings of $12.7 million, deferred income taxes of $18.0 million, change in accounts receivable of $9.4 million, and change in deferred revenue of $7.8 million; offset by decreases in depreciation and amortization of $29.4 million, loss on disposal of $22.2 million, change in other assets of $2.0 million, change in deferred costs of $12.4 million, and the change in accounts payable and other liabilities of $25.0 million.

Investing activities used $55.6 million in cash in the current year. This included capitalization of data acquisition costs of $14.2 million and capitalization of software development costs of $6.7 million. Capital expenditures were $31.4 million for the current year compared to $19.2 million in the prior year. The Company paid $3.8 million for a 51% interest in MENA and paid $1.0 million for an investment. The Company received $0.4 million in refunded cash from an escrow account set up for the acquisition of Precision Marketing and received $1.1 million for the sale of fixed and other assets. The Company also acquired $18.2 million of property under capital leases. Payments under these arrangements will be reflected in future cash flows as payments of debt. Prior-year investing activities included $2.6 million cash received from investments, $24.2 million from the sale of assets and $2.0 million received from the sale and license of software.

Cash flows from financing activities include payments of debt of $72.4 million, including capital lease payments of $22.6 million, software license payments of $6.1 million, other debt payments of $1.7 million, and term loan debt payments of $42.0 million. Additionally, the Company paid $4.6 million in debt refinancing fees. The Company received proceeds of $0.5 million for the noncontrolling interest equity contributions in MENA. Financing activities also include $3.0 million in proceeds from the sale of stock. Prior-year financing activities also included dividends paid of $9.3 million.

Credit and Debt Facilities

Effective September 15, 2006, the Company entered into an amended and restated credit agreement allowing (1) term loans up to an aggregate principal amount of $600 million and (2) revolving credit facility borrowings consisting of revolving loans, letter of credit participations and swing-line loans up to an aggregate amount of $200 million.

In November 2009, the Company entered into an amendment to its term loan credit facility (the “Amendment”). Under the terms of the Amendment, certain of the lenders have agreed to extend the maturity date of the existing term loan, becoming Tranche 2 Term Lenders. Lenders who have not agreed to extend the maturity date become Tranche 1 Term Lenders. Certain lenders have also agreed to extend the maturity date of the existing revolving loan commitment, becoming Tranche 2 Revolving Lenders. Lenders who have not agreed to extend the maturity date of the revolving loan commitment become Tranche 1 Revolving Lenders. Of the $450 million balance of the existing term loan on the date of the Amendment, approximately $75 million was held by Tranche 1 Term Lenders and $375 million was held by Tranche 2 Term Lenders. Of the existing $200 million revolving loan commitment, $80 million is held by Tranche 1 Revolving Lenders and $120 million is held by Tranche 2 Revolving Lenders.

Tranche 1 of the term loan is payable in quarterly installments of approximately $0.2 million each, through September 30, 2011, followed by four quarterly installments of approximately $18.1 million each with the last payment due September 15, 2012. Tranche 2 of the term loan is payable in quarterly installments of approximately $1.3 million each, through September 30, 2011, followed by thirteen quarterly installments of $1.5 million each with a final payment of approximately $345.9 million due March 15, 2015. The Tranche 1 revolving loan commitment expires September 15, 2011 and the Tranche 2 revolving loan commitment expires March 15, 2014.

Revolving credit facility borrowings currently bear interest at LIBOR plus a credit spread, or at an alternative base rate or at the Federal Funds rate plus a credit spread, depending on the type of borrowing. The LIBOR credit spread is 1.5% for Tranche 1 and 2.75% for Tranche 2. There were no revolving credit borrowings outstanding at December 31, 2009 or March 31, 2009. Term loan borrowings bear interest at LIBOR plus a credit spread which is 1.75% for Tranche 1, and 3.00% for Tranche 2. The weighted average interest rate on term loan borrowings at December 31, 2009 was 3.0%.

The term loan also allows prepayments before maturity. The credit agreement is secured by the accounts receivable of Acxiom and its domestic subsidiaries, as well as by the outstanding stock of certain Acxiom subsidiaries.

Under the terms of certain of the above borrowings, the Company is required to maintain certain debt-to-cash flow and debt service coverage ratios, among other restrictions. At December 31, 2009, the Company was in compliance with these covenants and restrictions. In addition, if certain financial ratios and other conditions are not satisfied, the revolving credit facility limits the Company's ability to pay dividends in excess of $30 million in any fiscal year (plus additional amounts in certain circumstances).

Off-Balance Sheet Items and Commitments

In connection with a certain building, the Company has entered into a 50/50 joint venture with a local real estate developer. The Company is guaranteeing a portion of the loan for the building. In addition, in connection with the disposal of certain assets, the Company has guaranteed loans for the buyers of the assets. Substantially all of the third party indebtedness for which the Company has provided guarantees is collateralized by various pieces of real property. The aggregate amount of the guarantees at December 31, 2009 was $1.5 million.

Outstanding letters of credit which reduce the borrowing capacity under the Company's revolving credit were $3.9 million at December 31, 2009.

Contractual Commitments

The following table presents Acxiom's contractual cash obligations, exclusive of interest, and purchase commitments at December 31, 2009 (dollars in thousands). The table does not include the future payment of gross unrealized tax benefit liabilities of $6.2 million or the future payment, if any, against the Company's non-current interest rate swap liability of $4.0 million as the Company is not able to predict the periods in which these payments will be made. The column for 2010 represents the three months ending March 31, 2010. All other columns represent fiscal years ending March 31.

	For the years ending March 31						
	2010	2011	2012	2013	2014	Thereafter	Total
Capital lease and installment payment obligations	$7,046	$15,686	$6,715	$3,161	$653	$9,696	$42,957
Software and data license liabilities	1,688	4,059	2,625	1,461	-	-	9,833
Other long-term debt	2,089	19,589	43,926	49,031	6,000	351,906	472,541
Total long-term obligations	10,823	39,334	53,266	53,653	6,653	361,602	525,331
Operating lease payments	9,754	23,549	15,716	11,864	10,382	37,981	109,246
Total contractual cash obligations	$20,577	$62,883	$68,982	$65,517	$17,035	$399,583	$634,577

	For the years ending March 31						
	2010	2011	2012	2013	2014	Thereafter	Total
Purchase commitments on equipment and furniture leases	931	216	-	-	-	-	1,147
Other purchase commitments	41,492	44,413	32,794	19,622	9,753	17,197	165,271
Total purchase commitments	$42,423	$44,629	$32,794	$19,622	$9,753	$17,197	$166,418

The Company has provided notice to the remaining equipment and furniture lessors of its intention to purchase the assets at the end of each lease. The other purchase commitments include contractual commitments for the purchase of data and open purchase orders for equipment, paper, office supplies, construction and other items. Other purchase commitments in some cases will be satisfied by entering into future operating leases, capital leases, or other financing arrangements, rather than payment of cash.

The following table shows contingencies or guarantees under which the Company could be required, in certain circumstances, to make cash payments as of December 31, 2009 (dollars in thousands):

Guarantee on certain partnership and other loans	1,532

Outstanding letters of credit	3,931

The total of partnership and other loans of which the Company guarantees the portion noted in the above table is $5.9 million as of December 31, 2009.

While the Company does not have any other material contractual commitments for capital expenditures, certain levels of investments in facilities and computer equipment continue to be necessary to support the growth of the business. In some cases, the Company also sells software and hardware to clients. In addition, new outsourcing or facilities management contracts frequently require substantial up-front capital expenditures to acquire or replace existing assets. Management believes that the Company's existing available debt and cash flow from operations will be sufficient to meet the Company's working capital and capital expenditure requirements for the foreseeable future. The Company also evaluates acquisitions from time to time, which may require up-front payments of cash. Depending on the size of the acquisition it may be necessary to raise additional capital. If additional capital becomes necessary as a result of any material variance of operating results from projections or from potential future acquisitions, the Company would first use available borrowing capacity under its revolving credit agreement, followed by the issuance of debt or equity securities. However, no assurance can be given that the Company would be able to obtain funding through the issuance of debt or equity securities at terms favorable to the Company, or that such funding would be available.

For a description of certain risks that could have an impact on results of operations or financial condition, including liquidity and capital resources, see "Risk Factors" contained in Part I, Item 1A, of the Company's 2009 Annual Report.

Non-U.S. Operations

The Company has a presence in the United Kingdom, France, the Netherlands, Germany, Portugal, Poland, the Middle East, Australia and China. Most of the Company's exposure to exchange rate fluctuation is due to translation gains and losses as there are no material transactions that cause exchange rate impact. In general, each of the foreign locations is expected to fund its own operations and cash flows, although funds may be loaned or invested from the U.S. to the foreign subsidiaries subject to limitations in the Company's revolving credit facility. These advances are considered to be long-term investments, and any gain or loss resulting from changes in exchange rates as well as gains or losses resulting from translating the foreign financial statements into U.S. dollars are included in accumulated other comprehensive income (loss). Exchange rate movements of foreign currencies may have an impact on the Company's future costs or on future cash flows from foreign investments. The Company has not entered into any foreign currency forward exchange contracts or other derivative instruments to hedge the effects of adverse fluctuations in foreign currency exchange rates.

Critical Accounting Policies

We prepare our consolidated financial statements in conformity with accounting principles generally accepted in the United States of America. These accounting principles require management to make certain judgments and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. The consolidated financial statements in the Company's 2009 Annual Report include a summary of significant accounting policies used in the preparation of Acxiom's consolidated financial statements. In addition, the Management's Discussion and Analysis filed as part of the 2009 Annual Report contains a discussion of the policies which management has identified as the most critical because they require management's use of complex and/or significant judgments. None of the Company's critical accounting policies have materially changed since the date of the last annual report.

New Accounting Pronouncements

In December 2007, the FASB issued Statement of Financial Accounting Standards No. 141(R), "Business Combinations," ("SFAS 141R"), which replaces SFAS 141. SFAS 141R has subsequently been codified in the FASB Accounting Standards Codification Topic 805 ("ASC 805"). ASC 805 requires most assets acquired and liabilities assumed in a business combination, contingent consideration, and certain acquired contingencies to be measured at their fair values as of the date of acquisition. The new standard also requires that acquisition-related costs and restructuring costs be recognized separately from the business combination. The new standard is effective for the Company for fiscal year 2010 and is effective for business combinations entered into this fiscal year.

In December 2007, the FASB issued Statement of Financial Accounting Standards No. 160, "Noncontrolling Interest in Consolidated Financial Statements," ("SFAS 160"). SFAS 160 has subsequently been codified in the FASB Accounting Standards Codification Topic 810 ("ASC 810"). The new standard amends previous accounting standards to establish new accounting and reporting standards for the noncontrolling interest in a subsidiary and for the deconsolidation of a subsidiary. The new standard is effective for the Company this fiscal year.

The FASB's Emerging Issues Task Force has issued new accounting guidance for revenue arrangements with multiple deliverables. Under current accounting guidance, one of the requirements for recognition of revenue for a delivered item under a multiple element arrangement is that there must be objective and verifiable evidence of the standalone selling price of the undelivered item. The new guidance eliminates that requirement and requires an entity to estimate the selling price of each element in the arrangement. The result will likely be that more arrangements will be separated into multiple elements of accounting than was previously the case.

The new guidance is effective for the Company as of April 1, 2011 and must be applied prospectively to new arrangements entered into beginning on that date. Early adoption is permitted as of the beginning of a fiscal year. If the new guidance is adopted early in a period other than the first period of the fiscal year, the guidance must be adopted retrospectively to the beginning of the fiscal year of adoption. Retrospective application to prior years is allowed, but not required. In the initial year of application, certain qualitative and quantitative disclosures about the impact of the adoption are required.

The Company has not yet determined the impact of adoption, although management believes that the new guidance will generally require separation of more units of accounting than under the current accounting guidance. The Company has not yet determined whether to adopt as of the required adoption date or to adopt in an earlier period.

Forward-looking Statements

This document contains forward-looking statements. These statements, which are not statements of historical fact, may contain estimates, assumptions, projections and/or expectations regarding the Company's financial position, results of operations, market position, product development, growth opportunities, economic conditions, and other similar forecasts and statements of expectation. The Company indicates these statements by words or phrases such as "anticipate," "estimate," "plan," "expect," "believe," "intend," "foresee," and similar words or phrases. These forward-looking statements are not guarantees of future performance and are subject to a number of factors and uncertainties that could cause the Company's actual results and experiences to differ materially from the anticipated results and expectations expressed in the forward-looking statements.

Forward-looking statements may include but are not limited to the following:

- that the amounts for restructuring and impairment charges and accruals for litigation will be within estimated ranges;
- that the cash flows used in estimating the recoverability of assets will be within the estimated ranges; and
- that items which management currently believes are not material will continue to not be material in the future.

The factors and uncertainties that could cause actual results to differ materially from those expressed in, or implied by, forward-looking statements include but are not limited to the following:

- the risk factors described in Part I, "Item 1A. Risk Factors" included in the Company's 2009 Annual Report and in this report and those described from time to time in our future reports filed with the Securities and Exchange Commission;
- the possibility that certain contracts may not generate the anticipated revenue or profitability or may not be closed within the anticipated time frames;
-

the possibility that significant customers may experience extreme, severe economic difficulty or otherwise reduce the amount of business they do with us;

- the possibility that we will not successfully complete customer contract requirements on time or meet the service levels specified in the contracts, which may result in contract penalties or lost revenue;
- the possibility that we may not be able to attract, retain or motivate qualified technical, sales and leadership associates, or that we may lose key associates to other organizations;
- the possibility that we will not be able to continue to receive credit upon satisfactory terms and conditions;
- the possibility that negative changes in economic conditions in general or other conditions might lead to a reduction in demand for our products and services;
- the possibility that there will be changes in consumer or business information industries and markets that negatively impact the company;
- the possibility that the historical seasonality of our business may change;

- the possibility that we will not be able to achieve cost reductions and avoid unanticipated costs;
- the possibility that the fair value of certain of our assets may not be equal to the carrying value of those assets now or in future time periods;
- the possibility that changes in accounting pronouncements may occur and may impact these forward-looking statements; and
- the possibility that we may encounter difficulties when entering new markets or industries.

With respect to the provision of products or services outside our primary base of operations in the United States, all of the above factors apply, along with the difficulty of doing business in numerous sovereign jurisdictions due to differences in scale, competition, culture, laws and regulations.

Other factors are detailed from time to time in periodic reports and registration statements filed with the United States Securities and Exchange Commission. The Company believes that we have the product and technology offerings, facilities, associates and competitive and financial resources for continued business success, but future revenues, costs, margins and profits are all influenced by a number of factors, including those discussed above, all of which are inherently difficult to forecast.

In light of these risks, uncertainties and assumptions, the Company cautions readers not to place undue reliance on any forward-looking statements. The Company undertakes no obligation to publicly update or revise any forward-looking statements based on the occurrence of future events, the receipt of new information or otherwise.

Item 3. Quantitative and Qualitative Disclosure about Market Risk

Acxiom's earnings are affected by changes in short-term interest rates primarily as a result of its term loan and revolving credit agreement, which bears interest at a floating rate. Acxiom currently uses an interest-rate swap agreement to mitigate the changes in interest rate risk on $95 million of its variable interest debt. Risk can be estimated by measuring the impact of a near-term adverse movement of one percentage point in short-term market interest rates. If short-term market interest rates increase one percentage point during the next four quarters compared to the previous four quarters, there would be no material adverse impact on Acxiom's results of operations. Acxiom has no material future earnings or cash flow expenses from changes in interest rates related to its other long-term debt obligations as substantially all of Acxiom's remaining long-term debt instruments have fixed rates. At both December 31, 2009 and March 31, 2009, the fair value of Acxiom's fixed rate long-term debt approximated carrying value.

The Company has a presence in the United Kingdom, France, The Netherlands, Germany, Portugal, Poland, the Middle East, Australia and China. In general, each of the foreign locations is expected to fund its own operations and cash flows, although funds may be loaned or invested from the U.S. to the foreign subsidiaries. Therefore, exchange rate movements of foreign currencies may have an impact on Acxiom's future costs or on future cash flows from foreign investments. Acxiom, at this time, has not entered into any foreign currency forward exchange contracts or other derivative instruments to hedge the effects of adverse fluctuations in foreign currency exchange rates.

Item 4. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures.

As of December 31, 2009 under the supervision and with the participation of our management, including our Chief Executive Officer (our principal executive officer) and our Chief Financial Officer (our principal financial officer), we evaluated the effectiveness of our disclosure controls and procedures (as defined under Rule 13a-15(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")). Based on this evaluation, our Chief Executive Officer and our Chief Financial Officer concluded that, as of December 31, 2009 our disclosure controls and procedures were effective.

(b) Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting that occurred during the fiscal quarter ended December 31, 2009 that have materially affected, or are reasonably likely to materially affect, such internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

The Company is involved in various claims and litigation matters that arise in the ordinary course of the business. None of these, however, are believed to be material in their nature or scope, except those incorporated by reference under this Part II, Item 1.

Refer to the discussion of certain legal proceedings pending against the Company under Part I, Item 1, Notes to Condensed Consolidated Financial Statements, Note 11 Commitments and Contingencies, which discussion is incorporated herein by reference.

Item 6 Exhibit

(a) The following exhibits are filed with this Report:

10.1 First Amendment to Fourth Amended and Restated Credit Agreement dated as of November 13, 2009 among Acxiom Corporation, a Delaware corporation, the lenders party thereto and JPMorgan Chase Bank, N.A. (incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8-K filed by the Company on November 19, 2009).

31(a) Certification of Chief Executive Officer (principal executive officer) pursuant to SEC Rule 13a-14(a)/15d-14(a), as adopted pursuant to Sections 302 and 404 of the Sarbanes-Oxley Act of 2002

31(b) Certification of Chief Financial Officer (principal financial and accounting officer) pursuant to SEC Rule 13a-14(a)/15d-14(a), as adopted pursuant to Sections 302 and 404 of the Sarbanes-Oxley Act of 2002

32(a) Certification of Chief Executive Officer (principal executive officer) pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

32(b) Certification of Chief Financial Officer (principal financial and accounting officer) pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

ACXIOM CORPORATION AND SUBSIDIARIES

SIGNATURE

Pursuant to the requirements of the Securities and Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Acxiom Corporation

Dated: February 8, 2010

By: /s/Christopher W. Wolf
(Signature)
Christopher W. Wolf
Chief Financial Officer
(principal financial and accounting officer)