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, 1999 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	71-0581897
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)

P.O. Box 8180, 1 Information Way, Little Rock, Arkansas	72203
(Address of Principal Executive Offices)	(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

The number of shares of Common Stock, $ 0.10 par value per share, outstanding as of February 2, 2000 was 86,595,765.

Form 10-Q

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

Company for which report is filed:

ACXIOM CORPORATION

The condensed consolidated financial statements included herein have been prepared by Registrant, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. In the opinion of the Registrant's management, however, all adjustments necessary for a fair statement of the results for the periods included herein have been made and the disclosures contained herein are adequate to make the information presented not misleading. All such adjustments are of a normal recurring nature.

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

	December 31, 1999	March 31, 1999
Assets		
Current assets:		
Cash and cash equivalents	$ 17,929	12,604
Trade accounts receivable, net	214,557	184,799
Refundable income taxes	-	12,651
Deferred income taxes	30,643	30,643
Other current assets	82,592	61,302
Total current assets	345,721	301,999
Property and equipment	361,835	341,841
Less - Accumulated depreciation and amortization	123,384	115,460
Property and equipment, net	238,451	226,381
Software, net of accumulated amortization	48,311	37,400
Excess of cost over fair value of net assets acquired	161,032	122,483
Other assets	241,013	201,537
	$ 1,034,528	889,800
Liabilities and Stockholders' Equity		
Current liabilities:		
Current installments of long-term debt	19,071	23,355
Trade accounts payable	32,886	60,216
Accrued merger and integration costs	16,648	33,181
Accrued payroll and related expenses	16,854	18,224
Other accrued expenses	27,316	25,744
Deferred revenue	10,967	7,195
Income taxes	37,649	-
Total current liabilities	161,391	167,915
Long-term debt, excluding current installments	308,375	325,223
Deferred income taxes	38,889	38,889
Stockholders' equity		
Common stock	8,656	8,106
Additional paid-in capital	290,058	186,011
Retained earnings	230,540	167,013
Accumulated other comprehensive income (loss)	(306)	(324)
Treasury stock, at cost	(3,075)	(3,033)
Total stockholders' equity	525,873	357,773
Commitments and contingencies		
	$ 1,034,528	889,800

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 Three Months Ended December 31	
	1999	1998
Revenue	$ 244,303	193,910
Operating costs and expenses:		
Salaries and benefits	95,490	67,588
Computer, communications and other equipment	36,400	29,779
Data costs	25,825	26,142
Other operating costs and expenses	40,199	35,068
Special charges	-	9,375
Total operating costs and expenses	197,914	167,952
Income from operations	46,389	25,958
Other income (expense):		
Interest expense	(5,624)	(4,518)
Other, net	1,598	957
	(4,026)	(3,561)
Earnings before income taxes	42,363	22,397
Income taxes	15,885	8,359
Net earnings	$ 26,478	14,038
Earnings per share:		
Basic	$ .31	.18
Diluted	$ .29	.16

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	
	1999	1998
Revenue	$ 702,649	538,452
Operating costs and expenses:		
Salaries and benefits	271,040	202,653
Computer, communications and other equipment	109,143	82,967
Data costs	80,473	80,577
Other operating costs and expenses	125,475	89,936
Special charges	-	118,747
Total operating costs and expenses	586,131	574,880
Income (loss) from operations	116,518	(36,428)
Other income (expense):		
Interest expense	(17,977)	(12,917)
Other, net	3,098	5,871
	(14,879)	(7,046)
Earnings (loss) before income taxes	101,639	(43,474)
Income taxes	38,112	(8,701)
Net earnings (loss)	$ 63,527	(34,773)
Earnings (loss) per share:		
Basic	$ .75	(.45)
Diluted	$ .71	(.45)

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	
	1999	1998
Cash flows from operating activities:		
Net earnings (loss)	$ 63,527	(34,773)
Non-cash operating activities:		
Depreciation and amortization	62,281	45,696
Loss (gain) on disposal of assets	311	(23)
Provision for returns and doubtful accounts	685	2,153
ESOP compensation	-	2,055
Special charges	-	118,747
Changes in operating assets and liabilities:		
Accounts receivable	(22,195)	(60,848)
Other assets	(28,646)	(24,741)
Accounts payable and other liabilities	(5,012)	(17,323)
Merger and integration costs	(16,533)	(26,685)
Net cash provided by operating activities	54,418	4,258
Cash flows from investing activities:		
Disposition of assets	1,424	693
Development of software	(25,465)	(20,379)
Capital expenditures	(88,084)	(87,435)
Proceeds from sale and leaseback transaction	34,763	-
Sales of marketable securities	-	11,794
Investments in joint ventures	(4,246)	(10,607)
Net cash paid in acquisitions	(32,897)	(22,296)
Net cash used by investing activities	(114,505)	(128,230)
Cash flows from financing activities:		
Proceeds from debt	190,882	90,758
Payments of debt	(191,447)	(97,951)
Sale of common stock	66,028	19,202
Net cash provided by financing activities	65,463	12,009
Effect of exchange rate changes on cash	(51)	5
Net increase (decrease) in cash and cash equivalents	5,325	(111,958)
Cash and cash equivalents at beginning of period	12,604	117,652
Cash and cash equivalents at end of period	$ 17,929	5,694
Supplemental cash flow information:		
Cash paid (received) during the period for:		
Interest	$ 21,987	12,312
Income taxes	(12,190)	5,580

See accompanying notes to condensed consolidated financial statements.

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

Certain note information has been omitted because it has not changed significantly from that reflected in Notes 1 through 18 of the Notes to Supplemental Consolidated Financial Statements filed as a part of the Registrant's restated consolidated financial statements as a result of the Registrant's merger with Computer Graphics of Arizona, Inc. and all of its affiliated companies, as filed with the Securities and Exchange Commission on a Form 8-K dated June 21, 1999.

1. During the year ended March 31, 1999, the Company recorded special charges totaling $118.7 million related to merger and integration charges associated with the May & Speh merger and the write down of other impaired assets.

The following table shows the balances which were accrued as of March 31,1999 and the changes in those balances during the nine months ended December 31, 1999 (dollars in thousands):

	March 31, 1999	Payments	December 31, 1999
Associate-related reserves	$ 4,354	1,957	2,397
Contract termination costs	27,000	13,500	13,500
Other accruals	1,827	1,076	751
	$ 33,181	16,533	16,648

The bulk of the associate-related reserves and contract termination costs will be paid during the current fiscal year. The other accruals will be paid out over periods ranging up to five years.

On May 28, 1999, the Company completed the acquisition of Computer Graphics of Arizona, Inc. ("Computer Graphics") and all of its affiliated companies in a stock-for-stock merger. The Company issued 1,871,343 shares of its common stock in exchange for all the outstanding common stock of Computer Graphics. Computer Graphics, a privately held enterprise headquartered in Phoenix, Arizona, is a computer service bureau principally serving financial services direct marketers. This acquisition was accounted for as a pooling-of-interests and, accordingly, the consolidated financial statements for periods prior to the combination have been restated to include the accounts and results of operations of Computer Graphics. Included in the statement of operations for the nine months ended December 31, 1999 are revenues of $5.3 million and earnings before income taxes of $1.7 million for Computer Graphics for the period from April 1, 1999 to May 28, 1999. For the nine months ended December 31, 1998 Computer Graphics had revenues of $17.4 million and earnings before income taxes of $2.1 million.

Effective April 1, 1999, the Company acquired the assets of Horizon Systems, Inc. ("Horizon") for $16.5 million in cash and common stock and the assumption of certain liabilities of Horizon, and other cash and stock consideration based on the future performance of Horizon. The acquisition has been accounted for as a purchase and, accordingly, the results of operations of Horizon are included in the consolidated results of operations from the date of the acquisition. The excess of the purchase price over the net assets acquired of $14.1 million is being amortized over 20 years.

Effective August 1, 1999 the Company acquired all of the issued and outstanding common stock of Access Communication Systems, Inc. ("Access") for 300,000 shares of the

Company's common stock, valued at $6.3 million. The acquisition has been accounted for as a purchase and, accordingly, the results of operations of Access are included in the consolidated results of operations from the date of acquisition. The excess of the purchase price over the net assets acquired of $8.6 million is being amortized over 20 years.

Effective December 15, 1999 the Company acquired the net assets of Litton Enterprise Solutions ("LES") for cash of $17.3 million. The acquisition has been accounted for as a purchase and, accordingly, the results of operations of LES are included in the consolidated results from the date of acquisition. The excess of the purchase price over the net assets acquired of $18.9 million is being amortized over 20 years.

The pro forma effect of the above purchase acquisitions is not material to the Company's consolidated results of operations for the periods reported.

2. Included in other assets are unamortized deferred expenses and outsourcing capital expenditure costs in the amount of $47.3 million and $28.4 million at December 31, 1999 and March 31, 1999, respectively. These costs are amortized over the life of the related contract. Noncurrent receivables from software license, data, and equipment sales are also included in other assets in the amount of $39.4 million and $24.9 million at December 31, 1999 and March 31, 1999, respectively. The current portion of such receivables is included in other current assets in the amount of $41.2 million and $24.6 million as of December 31, 1999 and March 31, 1999, respectively. Other assets also included $118.5 million and $103.5 million in capitalized software license agreements at December 31, 1999 and March 31, 1999, respectively. These licenses are enterprise-wide agreements for systems software from several vendors with terms of from five to seven years. The licenses are being amortized over their estimated useful lives. The offsetting liabilities for the present value of the future payments are included in long-term debt. Also included in other assets are investments in unconsolidated joint ventures in the amount of $21.8 million and $16.9 million at December 31, 1999 and March 31, 1999 respectively.

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

	December 31, 1999	March 31, 1999
5.25% Convertible subordinated notes due 2003; convertible at the option of the holder into shares of common stock at a conversion price of $19.89 per share; redeemable at the option of the Company at any time after April 3, 2001	$ 115,000	115,000
Unsecured revolving credit agreement	75,690	55,384
6.92% Senior notes due March 30, 2007, payable in annual installments of $4,286 commencing March 30, 2001; interest is payable semi-annually	30,000	30,000
3.12% Convertible note, interest and principal due April 30, 1999; convertible at maturity into two million shares of common stock	-	25,000
Capital leases on land, buildings and equipment payable in monthly payments of $357 of principal and interest; remaining terms of from five to twenty years; interest rates at approximately 8%	18,630	20,587
Software license liabilities payable over terms of from five to seven years; effective interest rates at approximately 6%	69,631	76,748
8.5% Unsecured term loan; quarterly principal payments of $200 plus interest with the balance due in 2003	8,600	9,000
9.75% Senior notes, due May 1, 2000, payable in annual installments of $2,143 each May 1; interest is payable semi-annually	2,143	4,286
Other capital leases, debt and long-term liabilities	7,752	12,573
Total long-term debt	327,446	348,578
Less current installments	19,071	23,355
Long-term debt, excluding current installments	$ 308,375	325,223

In April 1999, the holder of the 3.12% convertible note exchanged the note for two million shares of the Company's common stock. Accordingly, the balance of the debt and related accrued interest of $2.1 million has been reclassified into equity.

In connection with the construction of the Company's new headquarters building and a new customer service facility in Little Rock, Arkansas, the Company has entered into 50/50 joint ventures with local real estate developers. In each case, the Company is guaranteeing portions of the loans for the buildings. The aggregate amount of the guarantees at December 31, 1999 was approximately $4.6 million.

On December 29, 1999 the Company completed a new unsecured revolving credit agreement with a group of commercial banks and completely repaid the balance due under the prior revolving credit agreement. The new agreement expires December 29, 2002 unless extended in accordance with the terms of the agreement. The new agreement provides for revolving loans and letters of credit in amounts of up to $275 million and provides for interest at various market rates at the Company's option, included the prime rate, a LIBOR-based rate and a rate based on the federal funds rate. The agreement requires a commitment fee of 0.3% on the average unused portion of the loan commitment.

4. Below is a calculation and reconciliation of the numerator and denominator of basic and diluted earnings per share (dollars in thousands, except per share amounts):

	For the Quarter Ended December 31,		For the Nine Months Ended December 31,	
	1999	1998	1999	1998
Basic earnings (loss) per share:				
Numerator - net earnings (loss)	$ 26,478	14,038	63,527	(34,773)
Denominator:				
Weighted average shares Outstanding	85,895	79,563	84,474	77,100
Earnings (loss) per share:	$ .31	.18	.75	(.45)
Diluted earnings (loss) per share:				
Numerator:				
Net earnings (loss)	$ 26,478	14,038	63,527	(34,773)
Interest expense on convertible debt (net of tax effect)	943	1,083	2,829	--
	$ 27,421	15,121	66,356	(34,773)
Denominator:				
Weighted average shares Outstanding	85,895	79,563	84,474	77,100
Effect of common stock options and warrants	2,942	4,451	3,547	--
Convertible debt	5,783	7,783	5,783	--
	94,620	91,797	93,804	77,100
Earnings (loss) per share	$ .29	.16	.71	(.45)

Options to purchase shares of common stock that were outstanding during the periods reported, but were not included in the computation of diluted earnings per share because the option exercise price was greater than the average market price of the common shares, are shown below:

	For the Quarter Ended		For the Nine Months Ended
	December 31, 1999	December 31, 1998	December 31, 1999
Number of shares under option (in thousands)	6,122	1,378	3,849
Range of exercise prices	$17.93 - 54.00	$24.81 - 54.00	$17.93 - 54.00

All potentially dilutive securities were excluded from the diluted earnings per share calculations for the nine months ended December 31, 1998 because they were antidilutive. The number of shares under stock options and warrants excluded from the earnings per share computation was 6,110,000. Potentially dilutive shares related to convertible debt which were excluded were 7,783,000. Interest expense on the convertible debt (net of tax effect) excluded in computing diluted earnings (loss) per share was $3,208,000.

5. Trade accounts receivable are presented net of allowances for doubtful accounts, returns, and credits of $6.7 million and $5.6 million at December 31, 1999 and March 31, 1999, respectively.

6. The following tables present information by business segment (dollars in thousands):

	For the Quarter Ended December 31,		For the Nine Months Ended December 31,	
	1999	1998	1999	1998
Services	$ 156,115	115,069	448,873	317,537
Data Products	60,684	45,784	168,583	137,591
Information Technology (I.T.) Management	50,127	45,642	139,116	113,718
Intercompany eliminations	(22,623)	(12,585)	(53,923)	(30,394)
Total revenue	$ 244,303	193,910	702,649	538,452
Services	36,869	23,809	95,620	62,281
Data Products	10,191	2,865	18,230	14,359
Information Technology (I. T.) Management	12,425	12,901	34,686	26,415
Intercompany eliminations	(11,315)	(6,311)	(26,966)	(15,140)
Corporate and other	(1,781)	(7,306)	(5,052)	(124,343)
Income (loss) from operations	$ 46,389	25,958	116,518	(36,428)

7. On July 28, 1999 the Company completed a secondary offering of 1,500,000 shares of its common stock. In addition, four shareholders of the Company sold 4,011,076 shares of common stock. In connection with the offering, the Company granted an over-allotment option to the underwriters to purchase up to an additional 800,000 shares. The underwriters exercised the option on August 17, 1999 for 500,000 shares, bringing the total shares sold by the Company to 2,000,000. The net proceeds to the Company, after deducting underwriting discounts and offering expenses, were approximately $51.3 million.

8. On September 30, 1999 the Company entered into a synthetic lease arrangement under which a lessor committed to purchase and lease to the Company up to $100 million of

equipment under a master lease agreement. The initial funding was approximately $32.5 million paid directly to the Company for the sale and leaseback of existing equipment, purchased generally over the previous 18 months, and an additional $3.7 million for new equipment which was paid directly to vendors. In the third quarter, the Company funded an additional $6.7 million under the arrangement, bringing the total amount drawn under the synthetic lease to $42.9 million. There was no gain or loss on the sale and leaseback transaction. The leases, which have minimum terms of 24 months for the sale and leaseback on the used equipment portion and 36 months for the new equipment portion, are being accounted for as operating leases.

9. The accumulated balance of other comprehensive loss, which consists solely of foreign currency translation adjustment, was $0.3 million as of both December 31, 1999 and March 31, 1999. Comprehensive income was $25.8 million and $63.5 million for the quarter and nine months ended December 31, 1999, respectively. Comprehensive income was $13.6 million for the quarter ended December 31, 1998 and comprehensive loss was $35.0 million for the nine months ended December 31, 1998.

10. In December 1999 the Company entered into an equity forward purchase agreement with a commercial bank under which the Company will purchase 3.1 million shares of its common stock at an average total cost of approximately $20.81 per share for a total notional amount of $64.5 million. The cost of the equity forward will be accounted for as a component of stockholders' equity. If the market value of the stock exceeds $20.81 per share, the Company has the option of settling the contract by receiving cash or stock worth the excess of the market value over $20.81. If the market value of the stock is less than $20.81 per share, the Company has the option of settling the contract by paying the amount by which the market value is less than $20.81 per share. The Company can also settle the contract by paying the full notional amount and taking delivery of the stock. The shares remain issued and outstanding until the forward purchase contract is settled. The Company has the option to settle the contract at any time prior to March 31, 2002, when the contract is required to be settled.

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Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

On May 28, 1999, the Company completed the acquisition of Computer Graphics of Arizona, Inc. ("Computer Graphics") and all of its affiliated companies in a stock-for-stock merger. The acquisition was accounted for as a pooling-of-interests, and accordingly, the consolidated financial statements for periods prior to the combination have been restated to include the accounts and results of operations of Computer Graphics.

Results of Operations

For the quarter ended December 31, 1999, consolidated revenue was $244.3 million, up 26% from the same quarter a year ago. For the nine months ended December 31, 1999, revenue was $702.6 million, an increase of 30% over the same period in the prior year.

The following table shows the Company's revenue by business segment for the quarters ended December 31, 1999 and 1998 (dollars in millions):

	December 31, 1999	December 31, 1998	% Change
Services	$ 156.1	$ 115.1	+36%
Data Products	60.7	45.8	+33
I. T. Management	50.1	45.6	+10
Intercompany eliminations	(22.6)	(12.6)	+80
	$ 244.3	$ 193.9	+26%

Services segment revenue grew 36% for the quarter when compared to the same quarter in the prior year. This growth was spread among vertical industries and came despite a decline in revenue from the Allstate business unit of 9% from the prior year as a result of lower volumes and decreased margins. The Financial Services Division reported an increase of 38% from the third quarter in the prior year. Other increases included retail which more than doubled over the prior year, telecommunications which was up 21%, media up 36%, pharmaceutical up 20%, and the Sigma business unit up 50%. The International Division increased 34% over the prior year.

The Data Products segment third quarter revenue increased by 33% over the prior year. Direct Media grew only 3% over the year-earlier period, while InfoBase and DataQuick grew a combined 50%.

Revenues from I. T. Management for the quarter increased 10% over the prior year. This growth was heavily impacted as a result of the discontinuation of the Waste Management contract during the second quarter. Excluding the impact of Waste Management, revenue increased over 80% compared to the prior year. During the quarter, the Company signed an outsourcing contract with a major financial services customer with a term of 10 years and an aggregate revenue over the contract term of $250 million.

For the nine months ended December 31, 1999, Services segment revenue was up 41%, Data Products was up 23%, and I. T. Management increased 22%. The discussion above related to the third quarter is also generally applicable to understanding the revenue increases for the nine month period.

Salaries and benefits grew 41% for the quarter. This increase primarily reflects a 17% increase in headcount associated with the growth of the business, normal merit increases, increased benefit costs, the impact of acquisitions and higher incentive accruals over the prior year. Salaries and benefits before incentive compensation increased 32% over the prior year. For the nine months ended December 31, 1999, salaries and benefits increased 34%, which also generally reflects both headcount and normal salary increases resulting from the growth in the business. Headcount increases are partially driven by acquisitions and new outsourcing contracts signed since the comparable period in the prior year.

Computer, communications and other equipment costs for the quarter increased 22%, reflecting increased depreciation and software costs associated with the increased revenue volume, primarily in the I. T. Management business. For the nine months ended December 31, 1999, computer, communications and other equipment costs were up 32%.

Data costs decreased 1% for the quarter, reflecting lower Allstate volumes combined with the impact of fixed cost contracts from other data providers. For the nine months, data costs decreased less than 1%.

Other operating costs and expenses increased 15% for the quarter principally due to higher facility costs and goodwill amortization, along with higher cost of sales related to sales of client/server equipment during the quarter. These server sales are sometimes part of our data warehouse solution being delivered to our customers. For the nine months, other operating costs and expenses increased 40%, principally for the same reasons noted above.

Income from operations for the quarter was $46.4 million, compared to $26.0 million in the prior year. The prior year included special charges of $9.4 million which were merger and integration charges associated with the May & Speh merger and the write down of other impaired assets. Excluding the special charges, operating margin increased from 18.2% to 19.0% for the quarter. For the nine months ended December 31, 1999, income from operations was $116.5 million, compared to a loss from operations in the prior year of $36.4 million. Again excluding the special charges in the prior year of $118.7 million, operating margin increased from 15.3% to 16.6% for the nine months.

Interest expense increased by $1.1 million in the current quarter compared to the same quarter a year ago, as a result of higher debt levels. The increase for the nine months was $5.1 million for the same reason. Other income increased $0.6 million from the previous year due to equity in the earnings of investments. For the nine month period, other income decreased by $2.8 million due to reduced interest income from invested cash related to the $115 million May & Speh convertible debt offering which was completed in March of 1998. The Company's effective tax rate for both the quarter and nine months was 37.5%. The effective tax rate in the prior year was impacted by the special charges, which were not fully deductible for tax purposes. The Company recorded net earnings of $26.5 million for the quarter and $63.5 million for the nine months, compared to net earnings of $14.0 million for the quarter and a net loss of $34.8 million for the

nine months in the previous year. Earnings per share for the quarter on a basic and diluted basis were $.31 and $.29, respectively. For the nine months, earnings per share on a basic and diluted basis were $.75 and $.71, respectively.

Capital Resources and Liquidity

Working capital at December 31, 1999 totaled $184.3 million compared to $134.1 million at March 31, 1999. At December 31, 1999, the Company had available credit lines of $276.5 million of which $77.2 million was outstanding. On December 29, 1999 the Company completed a new unsecured revolving credit agreement with a group of commercial banks and completely repaid the balance due under the prior revolving credit agreement. The new agreement expires December 29, 2002 unless extended in accordance with its terms and provides for revolving loans and letters of credit in amounts of up to $275 million and provides for interest at various alternative market rates at the Company's option, including the prime rate, a LIBOR-based rate and a rate based on the Federal Funds rate. The Company's debt-to-capital ratio (capital defined as long-term debt plus stockholders' equity) was 37% at December 31, 1999 compared to 48% at March 31, 1999. Included in long-term debt at March 31, 1999 were two convertible debt facilities totaling $140 million, of which $25 million was converted to equity in April, 1999. The conversion price of the remaining $115 million convertible debt is $19.89 per share. The market price of the Company's common stock has been in excess of this conversion price for most of the current fiscal year, although it was below the conversion price during much of the third quarter. If the price of the Company's common stock stays above the conversion price, management expects this debt to be converted to equity as well. Assuming that the remaining $115 million converts to equity, the Company's debt-to-capital ratio would be reduced to 23% at December 31, 1999. From March 31, 1999 to December 31, 1999, total stockholders' equity increased 47% to $525.9 million.

Cash provided by operating activities was $54.4 million for the nine months ended December 31, 1999, compared with $4.3 million for the same period in the prior year. Included in cash provided by operating activities were merger and integration costs for the nine months ended December 31, 1999 and 1998 of $16.5 million and $26.7 million, respectively. Excluding the impact of these costs, cash provided by operating activities more than doubled, increasing from $30.9 million to $71.0 million. Also, excluding special charges, earnings before interest, taxes, depreciation, and amortization ("EBITDA"), increased by 36% compared to a year ago. EBITDA is not intended to represent cash flows for the period, is not presented as an alternative to operating income as an indicator of operating performance, may not be comparable to other similarly titled measures of other companies, and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with generally accepted accounting principles. However, EBITDA is a relevant measure of the Company's operations and cash flows and is used internally as a surrogate measure of cash provided by operating activities. The resulting operating cash flow in both the current and prior year was reduced by the change in operating assets and liabilities. Days sales outstanding was 78 days at December 31, 1999 compared to 80 days at March 31, 1999. The days sales outstanding calculation reflects the impact of adjusting revenue and receivables for long-term receivables included in other assets and pass-through amounts receivable associated with some outsourcing contracts and value added taxes in the United Kingdom. These adjustments are made to properly reflect receivables and revenues on a comparable basis. The Company has set a target of 72 days sales outstanding

for March 31, 2000. The Company has designated 10% of its leadership bonus plans toward achieving this goal.

Investing activities used $114.5 million in the nine months ended December 31, 1999 compared to $128.2 million in the prior year. Investing activities included $88.1 million in capital expenditures, compared to $87.4 million in the prior year. Capital expenditures are principally purchases of data center equipment to support the Company's outsourcing agreements, as well as the purchase of additional data center equipment in the Company's core data centers and construction of new facilities discussed below. Capital expenditures were partially offset by the sale and leaseback of equipment under a synthetic leasing arrangement entered into in September 1999. The Company has obtained a commitment from a financial institution for up to $100 million in equipment leases under this leasing facility. At September 30, 1999, the Company obtained funding for $36.2 million of assets. Of this amount, $32.5 million was paid to the Company for previously purchased assets and the remainder was paid directly to vendors for asset purchases which were in process. In the third quarter, the Company funded an additional $6.7 million under the arrangement, bringing the total drawn under the synthetic lease to $42.9 million. Investing activities also included development of software of $25.5 million in the current year, compared to $20.4 million in the prior year. The current year includes the capitalized portion of investments being made in Acxiom Data Network and Abilitec technology of approximately $11.3 million, discussed below under the "Outlook" section. Investing activities also include cash paid for acquisitions, including the purchase of Horizon Systems, Inc. in April 1999, the purchase of Access Communication Systems, Inc., in August 1999, and the purchase of Litton Enterprise Solutions, Inc., in December 1999.

Free cash flow (defined as cash provided by operating activities less cash used by investing activities) went from a negative $124.0 million for the nine months ended December 31, 1998 to a negative $60.1 million for the nine months ended December 31, 1999. Free cash flow for the nine months ended December 31, 1999 included $16.5 million of merger and integration costs and $37.1 million for joint venture investments and acquisitions which, if excluded, would result in a free cash flow of a negative $6.4 million. For the quarter ended December 31, 1999, excluding these same items, free cash flow was $21.2 million.

Financing activities provided $65.5 million for the nine months ended December 31, 1999, compared to $12.0 million in the previous year. Most of the amount provided through debt proceeds represents borrowing under the revolving credit agreements. Financing activities also include the proceeds of approximately $51.3 million related to the sale of two million shares of stock in a secondary public offering, as well as sales of common stock under existing option and warrant agreements.

During fiscal 1999, construction was substantially completed on the Company's new headquarters building and a new customer service facility in Little Rock, Arkansas. These two buildings were built pursuant to 50/50 joint ventures between the Company and local real estate investors. The Company has now occupied both of these buildings. During the current fiscal year, the Company has begun construction on a new customer service facility in Conway, Arkansas and expects to begin construction on another customer service facility in Little Rock. The Conway project is expected to be completed in the spring of 2000 and to cost approximately $12.0 million. The Little Rock building is expected to cost approximately $30.0 to $35.0 million and construction is expected to last from April 2000 to September 2001. The Company has

secured construction and permanent financing for the Conway project through a local bank. The City of Little Rock has committed to issue revenue bonds for the Little Rock project.

While the Company does not have any other material contractual commitments for capital expenditures, additional investments in facilities and computer equipment continue to be necessary to support the growth of the business. In addition, new outsourcing or facilities management contracts frequently require substantial up-front capital expenditures in order to acquire or replace existing assets. In some cases, the Company also sells hardware and software to customers under extended payment terms or notes receivable collectible generally over three years. These arrangements also require up-front expenditures of cash, which are repaid over the life of the agreement. 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, the Company would first use available borrowing capacity under its new revolving credit agreement, followed by the issuance of other debt or equity securities. The Company completed a secondary offering of common stock July 28, 1999 under which 1.5 million shares of stock were sold. The Company granted an option to the underwriters under which they could purchase an additional 800,000 shares at a price of $25.85 per share. The underwriters exercised the option for 500,000 shares on August 17, 1999. The total net proceeds from these stock sales after deducting underwriting discounts and offering expenses were approximately $51.3 million.

In December 1999 the Company entered into an equity forward purchase agreement with a financial institution under which the Company will purchase 3.1 million shares of its common stock at an average total cost of approximately $20.81 per share. In accordance with the terms of the contract, the shares remain issued and outstanding until the forward purchase contract is settled. The agreement may be settled in cash or in net shares of common stock. The Company has the option to settle the contract at any time prior to March 31, 2002, when the contract is required to be settled. The Company's intention is to settle the contract by paying for and taking delivery of the 3.1 million shares, but the arrangement allows the contract to be settled by paying cash, if the price upon settlement is below the contract price, or by receiving cash if the market price upon settlement is above the contract price.

Year 2000

Many computer systems ("IT Systems') and equipment and instruments with embedded microprocessors ("non-IT systems") were designed to only recognize the last two digits of a calendar year. With the arrival of the Year 2000, these systems and microprocessors may encounter operating problems due to their inability to distinguish years after 1999 from years preceding 1999. This could manifest in a system failure or miscalculations causing disruption of operations, including, among other things, a temporary inability to process or transmit data, or engage in normal business activities. As a result, the Company has previously engaged in an extensive project to remediate or replace its date-sensitive IT systems and non-IT systems.

The following discussion of the implications of the Year 2000 issue for the Company contains numerous forward-looking statements based on inherently uncertain information. The information presented is based on the Company's best estimates, which were derived utilizing a number of assumptions of future events, including the continued availability of internal and external resources, third party modifications, and other factors. However, there can be no

guarantee that these estimates will be achieved and actual results could differ. Although the Company believes it will be able to make the necessary modifications in advance, there can be no guarantee that failure to correctly modify the systems would not have a material adverse effect on the Company.

From 1996 through 1999, the Company was engaged in an enterprise-wide effort ("the Project") to address the risks associated with the Year 2000 problem, both internal and external. Under the Project, the Company established a project office comprised of representatives from each of the operating divisions of the Company. A Company readiness champion and project leader were responsible for the readiness process, which included deliverables such as plans, reviews, and appropriate sign-offs by the appropriate business unit leaders and the Company's Year 2000 leadership. The Project also included the dissemination of internal communications and status reports on a regular basis to senior leadership.

The Company set an internal deadline of December 31, 1998 to achieve Year 2000 readiness status, with any residual activity to conclude before March 31, 1999. Overall, this objective was achieved as outlined in the Project and exceptions were managed closely throughout 1999. The original timeline was developed to allow the Company to focus on mergers and acquisitions as well as customer-driven dependencies. While the core Project substantially ended on March 31, 1999, a transition strategy was implemented moving the Company from a project mode to a standards-based maintenance mode. On-going activities based on the transition strategy included reviewing or enhancing contingency plans, continuing vendor product analysis and evaluation, establishing the Year 2000 readiness of acquisitions, and maintaining the readiness standing of existing operations through purchasing and quality processes.

The Project involved four phases: (1) planning; (2) remediation; (3) testing; and (4) certification. The planning phase involved developing a detailed inventory of applications and systems, identifying the scope of necessary remediation to each application or system, and establishing a conversion schedule. During the remediation phase, source codes were actually converted, date fields were expanded or windowed, and the remediated system was tested to ensure it was functionally the same as the existing production version. In the testing phase, test data was prepared and the application was tested using a variety of Year 2000 scenarios. The certification phase validated that a system could run successfully in a Year 2000 environment and appropriate internal sign-offs were obtained.

The following chart indicates the estimated state of completion from each phase of the Project. It is important to note that each phase of the Project was required to be completed before moving to the next phase.

	Current December 1999	Planned December 1998	Planned December 1999
Planning	100%	100%	100%
Remediation	100%	90%	100%
Testing	100%	80%	100%
Certification	100%	75%	100%

The financial impact of the Project to the Company has not been, and is not expected to be, material to its financial position or results of operations in any given fiscal year. The costs to

date associated with the Year 2000 effort primarily represent a reallocation of existing Company resources. Because of the range of possible issues and the large number of variables involved (including the Year 2000 readiness of any entities acquired by the Company), it is impossible to accurately quantify the potential cost of problems if the Company's remediation efforts or the efforts of those with whom it does business are not successful. Such costs and any failure of such remediation efforts could result in a loss of business, damage to the Company's reputation, and legal liability.

The Company currently believes that with modifications to existing software and conversions to new software, the Year 2000 issues have been mitigated. But a vendor or customer may have failed to convert its software or may have implemented a conversion that is incompatible with the Company's systems, which could have a material adverse impact on the Company.

In order to assess the readiness status of the Company's vendors, the Company contacted each vendor, via written and/or telephone inquiries, regarding its Year 2000 status and set up an internal database of this information. The Company obtained, when possible, written commitments from each vendor that the products supplied to the Company are or will be (by a date certain) Year 2000 ready. As of March 31, 1999, the Company had received responses to 89% of its inquiries. The Company also relied on representations made or contained in its vendors' web sites. The responses received were analyzed and where necessary, testing was undertaken. Year 2000 ready versions of vendor products were obtained, as available, and moved onto production platforms. The Company has also identified and communicated with customers to determine if customers had an effective plan in place to address their Year 2000 issues, and to determine the extent of the Company's vulnerability to the failure of customers to remediate their own Year 2000 issues.

During the Year 2000 rollover event, from midnight December 30, 1999, through midnight January 2, 2000, the Company staffed a Response Command Center around the clock in Conway, Arkansas and monitored Year 2000 issues in all Company locations worldwide. Additionally, all Company data centers and account teams were on alert status throughout this period. On Saturday, January 1, 2000, the Company exercised critical production systems and equipment to identify if they were operating correctly. Like most well prepared companies, the Company did not experience any significant Year 2000 related issues during the rollover period or thereafter.

The Company believes that the most likely risks of serious Year 2000 business disruptions continue to be external in nature, such as disruptions in telecommunications, electric, or transportation services. In addition, the Company places a high degree of reliance on computer systems of third parties, such as customers and computer hardware and software suppliers. Although the Company has assessed the readiness of these third parties and prepared contingency plans, there can be no guarantee that the failure of these third parties to modify their systems would not have a material adverse effect on the Company. Of all the external risks, the Company believes the most reasonably likely worst case scenario would be a business disruption resulting from an extended and/or extensive communications failure.

In an effort to mitigate any remaining risks associated with the Year 2000 problem, efforts to maintain and enhance our state of readiness will continue beyond January 1, 2000. Some of the follow on activities include ensuring that existing operations remain Year 2000 Ready, continuing vendor product analysis and evaluation, establishing the Year 2000 readiness of acquisitions, and reviewing or enhancing contingency plans. The Company will continue to

maintain awareness and address the Year 2000 problem from both a leadership and operational perspective throughout this year.

Despite the best efforts of the Company, the failure to correct a material Year 2000 problem could result in an interruption in, or a failure of, certain normal business activities or operations. Any failures could materially and adversely affect the Company's results of operations, liquidity and financial condition. Due to the general uncertainty inherent in the Year 2000 problem, resulting in part from the uncertainty of the Year 2000 readiness of third party vendors and customers, the Company is unable to determine at this time whether the consequences of Year 2000 failures will have a material impact on the Company's results of operations, liquidity or financial condition. The Project is expected to significantly reduce the Company's level of uncertainty about the Year 2000 problem and, in particular, about the Year 2000 compliance and readiness of its material third party vendors and customers. The Company believes that the implementation of the Project and ongoing Year 2000 activities will reduce the possibility of significant interruptions to the Company's normal business operations.

Outlook

The Acxiom Data Network and AbiliTec technology are becoming an increasingly important part of the solutions our customers are buying, significantly impacting most of our new business and helping us grow more strongly during this quarter. We believe that these products will be a key to our future growth.

AbiliTec is a technology that we believe will revolutionize the way companies use and manage information about their customers. AbiliTec will provide our customers substantial value by enabling them to have a single view of their customer relationships. AbiliTec offers four major benefits to companies intent on optimizing Customer Relationship Management (CRM) initiatives by:

- Customer data integration across multiple customer files
- Understanding of customers in real time
- Enhancement and correction of customer internal data with external data
- Greater speed and accuracy

The CRM market is expected to reach $16.8 billion by 2003 with a compound annual growth rate of 49 percent over the next five years according to Boston-based AMR Research, Inc.

AbiliTec unifies customer and prospect data bases from virtually any source and allows this data to work in new ways for a broad range of applications, including Enterprise Resource Planning (ERP), Customer Relationship Management (CRM), business-to-business, data warehousing, e-commerce, e-tailing, customer, consumer and business data content and more. We believe AbiliTec represents the next generation of customer data integration capabilities, and has given us more than a two-year lead over any competitor in customer data integration.

During the third quarter, the Company announced the successful validation of the AbiliTec technology as a result of the completion of a recent 100-day internal project. That project resulted in substantial improvements in the speed and accuracy of combining (or appending) data and substantially improved the accurate matching of valid names and addresses. The technology has been further validated by recent licensing of the AbiliTec technology including a recent announcement by Land's End. AbiliTec will be used in conjunction with Land's End's existing

in-house systems for enhancing the accuracy of its customer addresses to reduce duplicate mailings and to create efficiencies that provide immediate return on their investment.

We believe that increasing customer acceptance of AbiliTec will result in its adoption as the industry standard for integrating consumer and business information into e-commerce applications along with enterprise application for Fortune 1000 type companies. We also believe there is a substantial Acxiom Data Network and AbiliTec opportunity to service the Fortune 1000 type companies as well as the small office/home office market by leveraging our channel partner relationships. We expect AbiliTec to become "the powerful engine room" driving CRM applications within a few years.

As a result of the events outlined above, we will significantly increase our investment in the technology in order to maximize this opportunity. Based on our current expectations for the remainder of our fiscal year, we believe that opportunities and savings in other areas should offset the increased investment. However, as we ramp up this investment, next fiscal year's earnings per share growth may be impacted and could be in the 15 - 20% range as a result of these investments which include incremental spending in marketing and branding, global development, education, training and implementation. We expect the investment period to be approximately 2 to 2 1/2 years. As the more efficient AbiliTec delivered products become a predominant part of our total revenue, we anticipate the results of our investment will produce margins well above current levels. Further, we also currently expect revenues to grow in excess of 25% during the investment period.

Certain statements in this quarterly report may constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. 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, regulatory matters, growth opportunities and growth rates, acquisition and divestiture opportunities, and other similar forecasts and statements of expectation. Words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates," and "should," and variations of these words and similar expressions, are intended to identify these forward-looking statements. Such forward-looking statements are not guarantees of future performance. They involve known and unknown risks, uncertainties, and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The forward-looking statements include: statements concerning the Company's need for additional capital and the ability to raise additional capital; statements concerning the Company's ability to remediate date sensitive IT-systems and non-IT systems in conjunction with the arrival of the year 2000 and the impact of those efforts, and their success or failure, on the Company's future results of operations; statements concerning future earnings per share growth; statements concerning the length and future impact of the Company's investment in Acxiom Data Network and AbiliTec products on the Company's future revenue and margins; statements concerning the benefits of AbiliTec for our customers; statements concerning any competitive lead; statements concerning the impact of implementation of Acxiom Data Network and AbiliTec technology in CRM applications; statements concerning the momentum of CRM application and e-commerce initiatives; statements concerning the future growth and size of the CRM market; statements concerning AbiliTec becoming an industry standard; statements concerning the impact of impending passage of legislation in the U.S. banking industry; statements concerning efficiency gains related to the implementation of AbiliTec; and statements concerning potential growth of

international markets. Other factors may cause actual results to differ materially from those in the forward-looking statements. Representative factors include: the complexity and uncertainty regarding the development of new high technology products, such as the Acxiom Data Network and AbiliTec, and the loss of market share through competition or the acceptance of these or other products on a less rapid basis than expected; the introduction of competent products or technologies by other companies; changes in the business information industries and markets; the Company's ability to protect proprietary information and technology or to obtain necessary licenses on commercially reasonable terms; the Company's ability to complete the implementation of its Year 2000 plans and its customers ability to complete their Year 2000 plans on a timely basis; a reduction in demand for the Company's products and services resulting from its customers' Year 2000 issues; the continued ability to attract and retain qualified technical associates and the possible loss of associates to other organizations; the ability to motivate its sales force; the ability to achieve cost reductions; changes in the regulatory environment affecting the Company's business, including but not limited to legislation relating to the Company's ability to collect and use data; data suppliers might withdraw data from the Company, leading to the Company's inability to provide certain products and services; short-term contracts affect the predictability of the Company's revenues; the potential loss of data center capacity or interruption of telecommunication links; postal rate increases that could lead to reduced volume of business; Acxiom's customers may cancel or modify their agreements with the Company; and other market factors. Other factors are detailed from time to time in the Company's periodic reports and registration statements. The Company undertakes no obligation to publicly release any revision to any forward looking statement to reflect any future events or circumstances. See "Additional Information Regarding Forward-looking Statements" in the Company's Annual Report on Form 10-K.

ACXIOM CORPORATION
PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

On September 20, 1999 the Company and certain of its directors and officers were sued by an individual shareholder in a purported class action filed in the United States District Court for the Eastern District of Arkansas. The action alleges that the defendants violated Section 11 of the Securities Act of 1933 in connection with the July 23, 1999 public offering of 5,421,000 shares of the common stock of the Company. In addition, the action seeks to assert liability against the Company Leader pursuant to Section 15 of the Securities Act of 1933. The action seeks to have a class certified of all purchasers of the stock sold in the public offering. Two additional suits were subsequently filed in the same venue against the same defendants and asserting the same allegations. The cases are in their infancy and no substantive filings have been made subsequent to the initial complaints. The Company believes the allegations are without merit and the defendants intend to vigorously contest the cases, and at the appropriate time, seek their dismissal.

There are various other litigation matters that arise in the normal course of the business of the Company. None of which, however, are believed to be material in their nature or scope.

Item 6. Exhibits and Reports on Form 8-K.

(a) Exhibits:

10 Purchase and Sale Agreement, Blocks 14 and 15, Pope's Addition to the City of Little Rock by and between Stephens Group, Inc. and Acxiom Corporation dated October 15, 1999 and its amendment thereto dated November 15, 1999.

27 Financial Data Schedule

(b) Reports on Forms 8-K.

A report was filed on December 1, 1999, which reported restated consolidated financial statements in connection with the May 1999 acquisition of Computer Graphics of Arizona, Inc. and included the restated consolidated financial statements as an exhibit.

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 10, 2000

By: /s/ Robert S. Bloom

(Signature)
Robert S. Bloom
Chief Financial Officer
(Chief Accounting Officer)

EXHIBIT 10

PURCHASE AND SALE AGREEMENT
BLOCKS 14 AND 15,
POPE'S ADDITION TO THE CITY OF LITTLE ROCK

This Purchase and Sale Agreement ("Agreement") is executed as of April 13, 1999, by and between Stephens Group, Inc., an Arkansas corporation ("Seller"), and Acxiom Corporation, a Delaware corporation ("Purchaser").

1. Purchase and Sale. Subject to and on the terms and conditions set forth below, Seller hereby agrees to sell and convey to Purchaser and Purchaser hereby agrees to buy that certain real estate described as Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, and 12, Block 14, Pope's Addition to the City of Little Rock, Pulaski County, Arkansas, as shown on Plat recorded in Plat Book H, Page 30, records of Pulaski County, Arkansas and all of Sherman Oaks Horizontal Property Regime in the City of Little Rock, Pulaski County, Arkansas, together with all rights, appurtenances, structures, easements, alleys, rights-of-ways, improvements, fixtures or privileges located thereon or pertaining thereto (collectively, the "Property").

2. Purchase Price. The consideration ("Purchase Price") for the Property is the conveyance of 54,450 shares of the common stock of the Purchaser (the "Shares") to the Seller on Closing Date (as defined below). The Shares, when a certificate is delivered to Seller on the Closing Date, shall be validly issued, fully paid and non-assessable. Purchaser shall register the issuance of the shares to Seller under the Securities Act of 1933, as amended, so that they shall be freely tradable and not subject to any instructions on transfer. All expenses incurred in connection with such registration shall be borne by Purchaser.

3. Closing.

3.1 Date and Place. The closing ("Closing") of the transactions contemplated by this Agreement shall take place in Little Rock, Arkansas at the office of Rose Law Firm, a Professional Association, 120 East Fourth Street, Little Rock, Arkansas, (or such other place as may be mutually acceptable to Seller and Purchaser), on or before July 15, 1999 (on such date as may be mutually agreeable to Seller and Purchaser, and as may be extended as provided herein or by mutual consent, the "Closing Date"). Purchaser shall have the option to extend the Closing Date for up to an additional forty-five (45) days by notifying Seller in writing five (5) days prior to the Closing Date. In addition, if there are title, inspection, or environmental objections which have not yet been cured on or before the Closing Date, then Purchaser or Seller may extend the Closing Date until on or before ten (10) days after such objections have been resolved; provided, however, if the closing has not occurred on or before October 1, 1999, this Agreement shall be terminated. Should the matters provided in Sections 5 or 6 not be completed on or before the Closing Date, then the Closing shall be rescheduled for the next business day after completion of such matters.

3.2 Payment of Purchase Price. At the Closing, Purchaser shall pay to the Seller the Purchase Price as provided in Section 2.

3.3 Deliveries at Closing. On or before the Closing Date, Seller shall deliver to Purchaser the following documents:

3.3.1. A General Warranty Deed (the "Deed"), dated the date of Closing, conveying good and marketable fee simple title to the Property to Purchaser.

3.3.2. The originals if available, of all site plans, surveys, soil and substrata studies, utility schemes, tax bills and receipts for current real estate taxes, and any other documents, files or records covering, affecting or relating to any portion of the Property in Seller's possession, and all keys used in connection therewith.

3.4. Possession. Possession of the Property shall be delivered by Seller to Purchaser on the Closing Date.

4. Prorations. Ad valorem taxes of the then current year shall be pro rated as of the Closing Date. If the Closing shall occur before the tax rate is fixed for the then current year, the apportionment of taxes shall be upon the basis of the tax rate for the preceding year applied to the latest assessed valuation with the proration to be adjusted between the parties based on actual taxes for 1999 at the time such actual taxes are determined. Any such taxes due from and payable by Seller shall be paid by seller in cash at Closing.

5. Title

5.1 Title Insurance Commitment. Seller has furnished to Purchaser, at Seller's sole cost and expense, ALTA owner's title insurance commitment number 99-4367A (the "Commitment"), covering the Property and issued by Beach Abstract & Guaranty Company (the "Title Company"). The title matters identified at Schedule B Section I, items 1 through 7 must be satisfied by Seller on or before the Closing Date (subject, however, to Section 6.3 below with respect to the termination of the lease referenced at item 6). Schedule B, Section II, Special Exception numbers 3 and 6 affect the marketability of the title to the Property and must be corrected by the Seller in a manner which permits the deletion of these exceptions from the final title insurance policy to be issued pursuant to Section 5.2, on or before the Closing Date. In the event Seller is unable to satisfy or correct any such matters or exceptions on or before the Closing Date, Purchaser may, at this option, terminate this Agreement by written notice to Seller on the Closing Date, and the parties hereto shall have no further obligations hereunder, or give Seller additional time to satisfy or correct such matters or exceptions. Schedule B, Section II, Special Exception numbers 1 (subject to the proration set forth in Section 4 above), 2, 4 and 5 are deemed acceptable (the "Permitted Exceptions").

5.2. Title Insurance Policy. Following Closing, Seller agrees to finish to Purchaser at Seller's expense an ALTA owner's title policy, issued by the Title Company covering the Property insuring good and indefeasible fee simple title in Purchaser in the amount of $1,300,000 and containing no exceptions or conditions other than the Permitted Exceptions and any other exceptions waived by the Purchaser pursuant to Section 9.

6. Special conditions.

6.1. Items for Review. As soon as possible after the execution of this Agreement, but in any event within five (5) days after the execution of this Agreement, Seller shall deliver to Purchaser at Seller's sole expense a list of all agreements affecting the ownership, management, or operation of the Property, if any, together with true, correct and complete copies of same to the extent available.

6.2. Inspection Period. Purchaser shall have until July 15, 1999 to review the documents furnished under Section 6.1 and to conduct engineering, environmental and feasibility studies on the Property. This Agreement is subject to Purchaser finding from such studies that the Property and documents are reasonably satisfactory for Purchaser's intended use, and should the Property or any documents not prove reasonably satisfactory for Purchaser's intended use, this Agreement can be canceled at Purchaser's option in which case it shall become null and void, and all parties shall have no further liability one to the other. In connection therewith, Purchaser or its agents or employees shall have the right and privilege during the term of this Agreement of going upon the Property as needed to inspect, test, examine, survey or make test borings, soil bearing tests, environmental audits or other engineering or landscaping tests or surveys or observations or studies which Purchaser deems necessary, the cost of which shall be borne by the Purchaser.

6.3. Lease Termination. Seller shall terminate all leases affecting the Property on or before the Closing Date or the earliest date permitted by the lease agreements in accordance with notices of termination delivered on or before the Closing Date.

6.4. Rezoning. Seller understands that Purchaser intends to develop the Property as a twelve (12) story office building with a multi-story parking garage. Seller and Purchaser shall use their best efforts to obtain rezoning of the Property to the zoning classification of "general business" with a variance to increase the height and/or the permitted floor area ratio from that authorized under Article VI, Zoning Plan for Central Little Rock Urban Renewal Project, of The Zoning Ordinance of the City of Little Rock, Arkansas ("City") to permit such development. Purchaser shall, as soon as possible after the date hereof, execute and file at Purchaser's expense applications for the rezoning of, and a request for a variance for, the Property with the City. Seller agrees to sign all documents necessary for Purchaser to complete and file said applications. Purchaser, with the assistance of Seller, shall diligently and vigorously pursue said applications until final decisions have been made thereon and thereafter until any and all appeals and suits filed in connection with said rezoning and variance have been finally determined, all related costs of which shall be borne by Purchaser.

6.5. Street and Alley Closings. Seller also understands that the Purchaser's development of the Property as an office building will require the closing of Sherman Street between blocks 14 and 15 and the alley located in Block 14. Seller and Purchaser shall use their best efforts to close such street and alleys by filing any necessary applications with the City. Seller agrees to sign all documents necessary for Purchaser to complete and file said applications. Purchaser, with the assistance of Seller, shall diligently and vigorously pursue said applications until final decisions

have been made thereon and thereafter until all appeals and suits filed in connection with said street and alley closings have been finally determined, all related costs of which shall be borne by Purchaser.

7. Broker Commissions. In the event any claims arise for real estate commissions, fees or other compensation in connection with this transaction, the party so incurring such claims shall indemnify and hold harmless the other party from any loss or damage which the other party suffers as a result of such claim.

8. Representations and Warranties. Seller hereby warrants and represents to Purchaser and agrees with Purchaser as follows:

8.1. Seller has, or a wholly owned subsidiary or affiliate of Seller has, and will convey to Purchaser good and marketable fee simple title to the Property.

8.2. No person, firm or corporation or other entity (i) has any right or option to acquire all or any part of the Property, or (ii) is now or hereafter will be entitled to possession of any part of the Property, or (iii) has any other right, title or interest in the Property, except pursuant to the leases or occupancy agreements to be terminated by Seller hereunder.

8.3. The Property is not subject to any citations or violations issued or threatened by the State of Arkansas, Department of Pollution Control and Ecology or of any other city, county, state or federal agency having jurisdiction over the Property and the development thereof.

8.4. Seller, as of the date of this Agreement, has no liabilities or obligations of any kind (except for the leases or occupancy agreements to be terminated by Seller hereunder and the other items reflected on Schedule B of the Commitment), including but not limited to tax claims or liens and mechanics' or materialmen's liens, whether accrued, absolute, contingent or otherwise outstanding against, relating to, or affecting the Property or the operation thereof which will not be paid by Seller at closing. Seller agrees that all obligations incurred in the ownership, operation and maintenance of the Property prior to the Closing Date shall be the sole obligation and responsibility of the Seller.

8.5. There is no existing or pending litigation, claim, or condemnation or sale in lieu thereof, with respect to any part of the Property, nor has any such action, suit, proceeding or claim been threatened or asserted. Seller has no knowledge of any pending improvements, liens, or special assessments to be made against the Property, except as reflected on Schedule B of the Commitment.

8.6. To the best of Seller's knowledge and belief, all water, sewer, gas, electricity, steam, telephone, sanitary and storm drainage facilities and other utilities required by law and the normal operation of the Property are installed across public property or valid easements to the Property line of the Property and are connected pursuant to valid permits.

8.7. Neither the execution nor the delivery of this Agreement by Seller nor Seller's performance of his obligations hereunder will result in a violation or breach of any term or provision or constitute a default or accelerate the performance required under any other agreement or document to which Seller is a party or is otherwise bound or to which the Property or any part thereof is subject.

8.8. All of the representations and warranties of Seller herein are true and correct as of the date hereof and shall be true and correct as of the Closing Date.

9. Termination. In the event the Seller is unable to convey title to the Property in accordance with this Agreement, Purchaser may at its option terminate this Agreement by written notice delivered to Seller on or prior to the scheduled Closing Date (as may be deferred by any postponement in accordance with the terms of this Agreement) or Purchaser may waive such defects. If this Agreement is terminated by Purchaser the parties shall have no further obligation or liabilities one to the other.

10. Default. In the event that Seller should fail to consummate this Agreement for any reason, except Purchaser's default, Purchaser may enforce specific performance of this Agreement.

11. Risk of Loss. Prior to the Closing Date, risk of loss to the Property shall remain with Seller until the Closing has been completed. Thereafter, risk of loss shall be with the Purchaser.

12. Condemnation. If all or any material portion of Property shall be condemned prior to the closing, Purchaser may elect to (i) reduce the purchase price in the amount of the condemnation award, or (ii) receive such condemnation award as may be paid or payable with respect to such condemnation, Purchaser's election under this Section shall be exercised by written notice to Seller within ten (10) days after receipt of written notice from Seller of such taking or of written notice of the amount of the condemnation award payable with respect to such taking, whichever is later.

13. Miscellaneous.

13.1. Assignment Prior to Closing. Purchaser may assign its rights or delegate its duties under this agreement at any time on or before Closing, and, upon execution by the assignee of an assignment agreement pursuant to which said assignee agrees to assume all obligations of Purchaser hereunder, Purchaser shall be released from its obligations hereunder.

13.2. Notices.

13.2.1. All notices, demands, requests or other communications required or permitted under this Agreement shall be in writing and, unless and until otherwise specified in a written notice by any party, shall be sent to the parties at the following respective addresses:

If for Seller: Mr. Dale Aclin
Stephens Inc.
111 Center Street
Little Rock, AR 72201

with a copy to: Mr. David A. Knight
Stephens Inc.
111 Center Street
Little Rock, AR 72201

If for Purchaser: Mr. Jerry C. Jones
Legal Leader
Acxiom Corporation
301 Industrial Blvd.
Conway, AR 72033

with a copy to: Mr. Kevin R. Burns
Rose Law Firm
120 East Fourth Street
Little Rock, AR 72201

13.2.2. Each such notice, demand, request or other communication shall be deemed to have been properly given for all purposes if (i) delivered in person, (ii) mailed by registered or certified mail of the United States Postal Service, return receipt requested, postage prepaid, or (iii) delivered to a nationally recognized overnight courier service for next business day delivery, to its addressee at such party's address as set forth above.

13.2.3. Each such notice, demand or request shall be deemed to have been received by its addressee upon the earlier of (i) actual receipt or refusal by the addressee or (ii) deposit thereof at any main or branch United States post office if sent in accordance with clause (ii) in Section 13.2.2 above, and deposit thereof with the courier if sent pursuant to clause (iii) in Section 13.2.2 above.

13.3. Entire Agreement; Modification. This Agreement contains the entire understanding between Seller and Purchaser with respect to the subject matter hereof. All prior or contemporaneous agreements, understandings, representations, and statements, oral or written, are merged into this Agreement. Neither this Agreement nor any of its provisions may be waived, modified, amended, discharged, or terminated except by an instrument in writing signed by the party against which the enforcement of such waiver, modification, amendment, discharge or termination is sought, and then only to the extent set forth in such instrument.

13.4. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Arkansas.

13.5. Headings. Descriptive headings are for convenience only and shall not control or affect the meaning or construction of any provisions of this Agreement.

13.6. Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the signatories and their successors and permitted assigns.

13.7. Counterparts; Facsimile Signatures. This Agreement may be executed in several counterparts, each constituting a duplicate original, but all such counterparts shall constitute one and the same instrument. This Agreement may be executed by facsimile signature by the parties hereto, and such facsimile signatures shall have the same force and effect as if manually signed.

13.8. Severability. If any provision contained in this Agreement shall be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained in this Agreement.

13.9. Further Assurances. Each party agrees to perform such other acts and to execute, acknowledge and/or deliver after the date hereof such other instruments (including without limitation correctional deeds), documents and other materials as the other party may reasonably request in order to consummate the transactions contemplated in this Agreement and to vest title to the Property in Purchaser.

13.10. Survival. All provisions of this Agreement shall survive the Closing.

13.11. Time. Time is, and shall be, of the essence with respect to this Agreement.

The date of this Agreement shall be deemed to be the later of the date this Agreement is executed by Seller or Purchaser.

SELLER:

Stephens Group, Inc. an Arkansas corporation

By: /s/ David A. Knight

Title: Vice President
Dated: June 16, 1999

PURCHASER:

Acxiom Corporation, a Delaware corporation

By: /s/ Jerry C. Jones

Title: Business Development & Legal Leader
Dated: June 13, 1999

FIRST AMENDMENT TO
PURCHASE AND SALE AGREEMENT
BLOCKS 14 AND 15,
POPE'S ADDITION TO THE CITY OF LITTLE ROCK

This First Amendment to Purchase and Sale Agreement ("Amendment") is executed as of July 9, 1999, by and between Stephens Group, Inc., an Arkansas corporation ("Seller"), and Acxiom Corporation, a Delaware corporation ("Purchaser").

A. The Purchase and Sale Agreement dated as of April 13, 1999 (the "Purchase Agreement") between Seller and Purchaser for the purchase and sale of certain real property located in the City of Little Rock, Pulaski County, Arkansas, as more particularly described therein, is hereby amended by substituting August 15, 1999 for July 15, 1999 in the first sentence of Section 3.1 as the Closing Date. Unless specifically addressed and amended by this Amendment, all terms and provisions of the Purchase Agreement shall remain in full force and effect.

B. Terms not otherwise defined herein shall have the meanings set forth in the Purchase Agreement.

IN WITNESS WHEREOF, the undersigned have executed this Amendment as of the date first written above.

STEPHENS GROUP, INC.,
an Arkansas corporation

By: /s/ David A. Knight

David A. Knight, Vice President

ACXIOM CORPORATION,
a Delaware corporation

By: /s/ Jerry C. Jones

Jerry C. Jones, Legal Leader

SECOND AMENDMENT TO
PURCHASE AND SALE AGREEMENT
BLOCKS 14 AND 15,
POPE'S ADDITION TO THE CITY OF LITTLE ROCK

This Second Amendment to Purchase and Sale Agreement ("Amendment") is executed as of August 11, 1999, by and between Stephens Group, Inc., an Arkansas corporation ("Seller"), and Acxiom Corporation, a Delaware corporation ("Purchaser").

A. The Purchase and Sale Agreement dated as of April 13, 1999, as amended by the First Amendment to Purchase and Sale Agreement dated as of July 9, 1999 (collectively, the "Purchase Agreement") between Seller and Purchaser for the purchase and sale of certain real property located in the City of Little Rock, Pulaski County, Arkansas, as more particularly described therein, is hereby amended by deleting Section 3.1 in its entirety and replacing it with the following:

> 3.1 Date and Place. The closing ("Closing") of the transactions contemplated by this Agreement shall take place in Little Rock, Arkansas at the office of Rose Law Firm, a Professional Association, 120 East Fourth Street, Little Rock, Arkansas, (or such other place as may be mutually acceptable to Seller and Purchaser), on or before October 15, 1999 (on such date as may be mutually agreeable to Seller and Purchaser, and as may be extended as provided herein or by mutual consent, the "Closing Date"). Purchaser shall have the option to extend the Closing Date for up to an additional forty-five (45) days by notifying Seller in writing five (5) days prior to the Closing Date. In addition, if there are title, inspection, or environmental objections which have not yet been cured on or before the Closing Date, then Purchaser or Seller may extend the Closing Date until on or before ten (10) days after such objections have been resolved; provided, however, if the closing has not occurred on or before December 15, 1999, this Agreement shall be terminated. Should the matters provided in Sections 5 or 6 not be completed on or before the Closing Date, then the Closing shall be rescheduled for the next business day after completion of such matters.

B. Unless specifically addressed and amended by this Amendment, all terms and provisions of the Purchase Agreement shall remain in full force and effect.

C. Terms not otherwise defined herein shall have the meanings set forth in the Purchase Agreement.

In Witness Whereof, the undersigned have executed this Amendment as of the date first written above.

Stephens Group, Inc.,
an Arkansas corporation

By: /s/ David A. Knight

David A. Knight, Vice President

Acxiom Corporation,
a Delaware corporation

By: /s/ Jerry C. Jones

Jerry C. Jones, Legal Leader

FIRST AMENDMENT TO
PURCHASE AND SALE AGREEMENT
BLOCKS 14 AND 15,
POPE'S ADDITION TO THE CITY OF LITTLE ROCK

This First Amendment to Purchase and Sale Agreement ("Amendment") is executed as of November 15, 1999, by and between Stephens Group, Inc., an Arkansas corporation ("Seller"), and Acxiom Corporation, a Delaware corporation ("Purchaser").

A. The Purchase and Sale Agreement dated as of October 15, 1999 (the "Purchase Agreement") between Seller and Purchaser for the purchase and sale of certain real property located in the City of Little Rock, Pulaski County, Arkansas, as more particularly described therein, is hereby amended by substituting January 14, 2000 for November 15, 1999 in the first sentence of Section 3.1 as the Closing Date. Unless specifically addressed and amended by this Amendment, all terms and provisions of the Purchase Agreement shall remain in full force and effect.

B. Terms not otherwise defined herein shall have the meanings set forth in the Purchase Agreement.

In Witness Whereof, the undersigned have executed this Amendment as of the date first written above.

Stephens Group, Inc.,
an Arkansas corporation

By: /s/ David A. Knight

David A. Knight, Vice President

Acxiom Corporation,
a Delaware corporation

By: /s/ Jerry C. Jones

Jerry C. Jones, Legal Leader

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THE SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE CONSOLIDATED BALANCE SHEETS AND CONSOLIDATED STATEMENTS OF EARNINGS AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

1,000

9-MOS
MAR-31-2000
DEC-31-1999
17,929
0
214,557
6,700
0
345,721
361,835
123,384
1,034,528
161,391
308,375
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0
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517,217
1,034,528
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702,649
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586,131
(3,098)
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17,977
101,639
38,112
63,527
0
0
0
63,527
.75
.71

5

THE SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE CONSOLIDATED BALANCE SHEETS AND CONSOLIDATED STATEMENTS OF EARNINGS AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

1,000

9-MOS
MAR-31-1999
DEC-31-1998
5,694
0
183,403
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251,248
321,852
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754,823
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538,452
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(5,871)
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(43,474)
(8,701)
(34,773)
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