SECURITIES AND EXCHANGE COMMISSION
Washington, DC 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, 1995 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 2000, 301 Industrial Boulevard, Conway, Arkansas	72033-2000
(Address of Principal Executive Offices)	(Zip Code)

(501) 336-1000
(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 January 19, 1996, was 23,641,709.

Form 10-Q

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

Company for which report is filed:

ACXIOM CORPORATION

The 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
CONSOLIDATED BALANCE SHEETS
(Unaudited)

	December 31, 1995	March 31, 1995
Assets		
Current assets:		
Cash and short-term cash investments	$ 1,906,000	3,149,000
Trade accounts receivable, net	48,563,000	37,764,000
Other current assets	3,351,000	2,604,000
Total current assets	53,820,000	43,517,000
Property and equipment	156,912,000	123,321,000
Less - Accumulated depreciation and amortization	70,107,000	55,902,000
Property and equipment, net	86,805,000	67,419,000
Software, net of accumulated amortization	10,404,000	9,693,000
Excess of cost over fair value of net assets acquired	14,367,000	9,638,000
Other assets	22,738,000	17,903,000
	$188,134,000	148,170,000
Liabilities and Stockholders' Equity		
Current liabilities:		
Short-term borrowings	1,174,000	---
Current installments of long-term debt	3,893,000	3,564,000
Trade accounts payable	10,591,000	8,342,000
Accrued interest	174,000	522,000
Accrued payroll and related expenses	4,406,000	5,280,000
Other accrued expenses	5,226,000	7,055,000
Advances from customers	410,000	162,000
Income taxes	3,885,000	39,000
Total current liabilities	29,759,000	24,964,000
Long-term debt, excluding current installments	32,736,000	18,219,000
Deferred income taxes	7,164,000	7,138,000

Deferred revenue	2,304,000	672,000
Stockholders' equity:		
Preferred stock	---	---
Common stock	2,427,000	2,308,000
Additional paid-in capital	52,960,000	46,493,000
Retained earnings	63,774,000	50,776,000
Foreign currency translation adjustment	(628,000)	7,000
Treasury stock, at cost	(2,362,000)	(2,407,000)
Total stockholders' equity	116,171,000	97,177,000
Commitments and contingencies		
	$188,134,000	148,170,000

See accompanying condensed notes to consolidated financial statements.

Form 10-Q

ACXIOM CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EARNINGS
(Unaudited)

	For the Three Months Ended December 31, 1995	1994
Revenue	$ 71,315,000	52,742,000
Operating costs and expenses:		
Salaries and benefits	25,844,000	17,862,000
Computer, communications and other equipment	11,998,000	7,110,000
Data costs	14,930,000	14,583,000
Other operating costs and expenses	9,011,000	5,750,000
Total operating costs and expenses	61,783,000	45,305,000
Income from operations	9,532,000	7,437,000
Other income (expense):		
Interest expense	(239,000)	(619,000)
Other, net	(75,000)	(63,000)
	(314,000)	(682,000)
Earnings before income taxes	9,218,000	6,755,000
Income taxes	3,406,000	2,634,000
Net earnings	$ 5,812,000	4,121,000
Earnings per share	$ .22	.18
Weighted average shares outstanding	26,057,000	23,192,000

See accompanying condensed notes to consolidated financial statements.

ACXIOM CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EARNINGS
(Unaudited)

	For the Nine Months Ended December 31, 1995	For the Nine Months Ended December 31, 1994
Revenue	$192,873,000	147,476,000
Operating costs and expenses:		
Salaries and benefits	71,281,000	48,693,000
Computer, communications and other equipment	27,963,000	21,047,000
Data costs	46,422,000	44,502,000
Other operating costs and expenses	24,816,000	16,731,000
Total operating costs and expenses	170,482,000	130,973,000
Income from operations	22,391,000	16,503,000
Other income (expense):		
Interest expense	(1,177,000)	(1,876,000)
Other, net	(226,000)	(808,000)
	(1,403,000)	(2,684,000)
Earnings before income taxes	20,988,000	13,819,000
Income taxes	7,968,000	5,389,000
Net earnings	$13,020,000	8,430,000
Earnings per share	$ .50	.37
Weighted average shares outstanding	25,966,000	22,564,000

See accompanying condensed notes to consolidated financial statements.

ACXIOM CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	For the Nine Months Ended December 31, 1995	For the Nine Months Ended December 31, 1994
Cash flows from operating activities:		
Net earnings	$ 13,020,000	8,430,000
Non-cash operating activities:		
Depreciation and amortization	14,770,000	14,193,000
Loss on disposal of assets	---	540,000
Equity in operations of joint venture	---	279,000
Other, net	292,000	1,170,000
Changes in assets and liabilities:		
Accounts receivable	(8,167,000)	(9,063,000)
Other assets	(1,336,000)	285,000
Accounts payable and other liabilities	1,486,000	8,101,000
Net cash provided by operating activities	20,065,000	23,935,000
Cash flows from investing activities:		
Sale of assets	351,000	5,638,000
Cash acquired in pooling acquisition	1,624,000	---
Cash paid in purchase acquisition	(5,914,000)	---
Advances to and acquisition of joint venture	---	(7,290,000)
Development of software	(2,984,000)	(736,000)
Capital expenditures	(28,590,000)	(16,380,000)
Net cash used by investing activities	(35,513,000)	(18,768,000)

Cash flows from financing activities:		
Proceeds from debt	18,108,000	---
Payments of debt	(4,708,000)	(13,484,000)
Sale of common stock	2,124,000	12,930,000
Cash dividends paid by acquired company prior to merger	(468,000)	---
Acquisition and retirement of common stock by acquired company prior to merger	(1,010,000)	---
Issuance of common stock by acquired company prior to merger	190,000	---
Net cash provided (used) by financing activities	14,236,000	(554,000)
Effect of exchange rate changes on cash	(31,000)	---
Net increase (decrease) in cash and short-term cash investments	(1,243,000)	4,613,000
Cash and short-term cash investments at beginning of period	3,149,000	475,000
Cash and short-term cash investments at end of period	$ 1,906,000	5,088,000
Cash paid during the period for:		
Interest	$ 1,525,000	2,276,000
Income taxes	4,122,000	2,424,000

See accompanying condensed notes to consolidated financial statements.

ACXIOM CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Certain note information has been omitted because it has not changed significantly from that reflected in Notes 1 through 15 of the Notes to Consolidated Financial Statements filed as a part of Item 14 of Registrant's 1995 annual report on Form 10-K as filed with the Securities and Exchange Commission on June 28, 1995.

Notes to Consolidated Financial Statements:

1. On July 14, 1995, the Company purchased the outstanding stock of Generator Datamarketing Limited (``Generator''). Generator is located in Hertfordshire, near London, and provides data and database marketing software and processing services to its customers. The purchase price was 4,000,000 pounds sterling (approximately $6,460,000). The acquisition has been accounted for as a purchase, and, accordingly, Generator's results of operations are included in the consolidated statements of earnings as of the purchase date. The purchase price exceeded the fair value of the net assets acquired by $5,648,000. The resulting excess of cost over net assets acquired is being amortized using the straight-line method over its estimated economic life of 15 years.

   The pro forma combined results of operations, assuming the acquisition occurred at the beginning of each period presented, are not materially different than the historical results of operations reported. Generator had revenue of $3,122,000 and earnings before income taxes of $215,000 for the year ended December 31, 1994.

2. On August 25, 1995, the Company acquired all of the outstanding capital stock of DataQuick Information Systems (formerly an "S" Corporation) and DQ Investment Corporation (collectively referred to as "DataQuick"). The Company exchanged 984,839 shares of its common stock for all of the outstanding shares of capital stock of DataQuick. Additionally, the Company assumed all of the currently outstanding options granted under DataQuick's stock option plans, with the result that 808,370 shares of the Company's common stock are now subject to issuance upon exercise of such options. The acquisition was in the form of a merger of two wholly owned subsidiaries of the Company in to each of DataQuick Information Systems and DQ Investment Corporation and is accounted for as a pooling of interests.

DataQuick is headquartered in San Diego, California, and provides real property information to support a broad range of applications including marketing, appraisal, real estate, banking, mortgage and insurance. This information is distributed on-line and via CD-ROM, list services, and microfiche.

The stockholders' equity and operations of DataQuick are not material in relation to those of the Company. As such, the Company has recorded the combination by restating stockholders' equity as of April 1, 1995, without restating prior years' statements of earnings to reflect the pooling of interest combination. DataQuick's net assets as of April 1, 1995 totaled $5,773,000. The statements of earnings for the three months and nine months ended December 31, 1995 include the results of DataQuick for the entire period presented.

For the year ended December 31, 1994, DataQuick had revenues and earnings before income taxes of $20,251,000 and $891,000, respectively. Included in the current fiscal year's results are revenue of $8,048,000 and earnings before income taxes of $79,000 for DataQuick for the period from April 1, 1995 to August 25, 1995.

3. On July 25, 1995, a customer of the Company, Highlights for Children, Inc. ("Highlights"), filed a demand for arbitration with the American Arbitration Association. The demand alleges, among other things, breaches of express warranties in connection with a software license agreement for the Company's GS/2000 software product. The demand seeks compensatory damages of approximately $22,000,000 and punitive damages of $44,000,000, plus attorneys' fees and costs.

   The Company believes that the action is substantially without merit. Highlights is and has been using the GS/2000 software in the daily operation of its business for over two years. Highlights accepted the software as operational as of September 1, 1993 and paid the final license fee payment. Acxiom's software license fee and related fees invoices to Highlights for the GS/2000 software totaled approximately $2,000,000. The Company intends to vigorously defend the arbitration claim. Management believes that the ultimate outcome of the arbitration case will result in a final settlement, if any, which would not be material to the financial statements and which would be substantially lower than the amount noted above.

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 these matters will not have a material adverse effect on the Company's consolidated financial position or its expected future consolidated results of operations.

4. The Company's unsecured credit agreement providing for revolving loans in amounts of up to $30,000,000 which was set to expire August 31, 1996, has been extended through August 31, 1998. The Company's other unsecured credit line of $1,000,000 has also been renewed and now expires in June 1996. At December 31, 1995 there was a balance of $17,757,000 outstanding under the Company's revolving credit agreement and a balance of $500,000 outstanding on the short-term credit line.

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

Results of Operations

Consolidated revenue was a record $71,315,000 for the quarter ended December 31, 1995, an increase of 35% over revenue of $52,742,000 for the same quarter in the prior year. The financial services sector grew 42%, primarily due to the DataQuick acquisition, and the direct marketing sector grew 81% as a result of revenue related to the marketing services agreement with Trans Union Corporation. The insurance segment and the information and communication segment were up 13% and 21%, respectively, while the media segment declined 14%.

For the nine months ended December 31, 1995, consolidated revenue was $192,873,000, up 31% from $147,476,000 reported for the prior year. The financial services, insurance, direct marketing, and information and communication services sectors were up 55%, 11%, 51%, and 16%, respectively, while media decreased 3%. The DataQuick and Generator acquisitions added year-to-date revenue of $17,171,000.

Operating costs and expenses increased 36% for the quarter compared to the prior year. Salaries and benefits increased 45%, computer, communications and other equipment expenses increased 69%, data costs increased 2%, and other operating costs and expenses increased 57%. The expense increases were primarily associated with the DataQuick and Generator acquisitions, the new data center management agreement with the Polk Company, which was effective November 1, 1995, and which is discussed in greater detail under "Capital Resources and Liquidity," and the Trans Union marketing services contract. Operating margin for the quarter was 13% compared to 14% a year ago.

For the nine months ended December 31, 1995, operating costs and expenses increased 30% when compared with the same period in the previous year. Salaries and benefits increased 46%, computer, communications and other equipment expenses increased 33%, data costs increased 4%, and other operating costs and expenses increased 48%. Once again, most of the expense increases were associated with the acquisitions and new contracts noted above. Excluding these effects, operating expenses increased 10%. Operating margin for the nine months was 12% of revenue compared to 11% for the same period in the prior year.

Interest expense for the current quarter and the year-to-date period were lower than in the prior year, due to lower average levels of debt, lower interest rates, and capitalization in the current year of approximately $400,000 in interest incurred in construction of new facilities. Other expense in the first quarter of the prior year included $500,000 for the estimated disposal cost of certain BSA assets in the United States.

The Company's effective tax rate was 37% for the current quarter and 38% for the nine months ended December 31, 1995 compared to 39% for the comparable periods in the prior year. The effective tax rate for the year ended March 31, 1995 was 38%. The Company expects the effective tax rate for fiscal 1996 to remain in the 37 - 39% range.

Capital Resources and Liquidity

Working capital at December 31, 1995 was $24,061,000 compared to $18,553,000 at March 31, 1995. At December 31, 1995 the Company had available credit lines of $31,000,000 of which $18,257,000 was outstanding. The Company's debt-to-capital ratio (capital defined as long-term debt plus stockholders' equity) was 22% at December 31, 1995 compared to 16% at March 31, 1995. As discussed in footnote 4 to the consolidated financial statements, the Company's $30,000,000 revolving credit agreement which was set to expire August 31, 1996 has been amended to extend through August 31, 1998.

Cash provided by operating activities was $20,065,000 for the nine months ended December 31, 1995 compared to $23,935,000 for the same period a year earlier. In the current period $35,513,000 was used by investing activities and $14,236,000 was provided by financing activities. Investing activities included capital expenditures of $28,590,000 compared to $16,380,000 for the prior period. Investing activities also included $5,914,000 paid for the acquisition of Generator Datamarketing Limited ("Generator") which is discussed more fully in footnote 1 to the consolidated financial statements. Generator's results of operations are included in the Company's consolidated results for the second and third quarters of the fiscal year. Investing activities in the prior year included $5,638,000 collected from the sale of assets, primarily from the sale of substantially all of the assets of Acxiom Mailing Services, and $7,290,000 paid for the acquisition of the remaining one-half interest in the InfoBase partnership. Financing activities in the current year include the effects of cash dividends and common stock transactions made by DataQuick Information Systems ("DataQuick") prior to its acquisition in a pooling-of-interest transaction on August 25, 1995. For a more detailed description of the DataQuick merger, see footnote 2 to the consolidated financial statements. The statements of earnings and cash flows for the current year include the results of DataQuick for the entire periods presented.

The Company has completed and begun to occupy an expansion of its Conway data center and a new 100,000 square-foot customer service building on its main campus in Conway, Arkansas. The data center expansion cost approximately $4,000,000 and the new customer service building cost approximately $8,000,000. Both projects were funded through current operations and existing credit lines. Management expects total capital expenditures for fiscal year 1996 to be approximately $40,000,000.

On October 4, 1995, the Company announced a letter of intent to form a business alliance with the Polk Company ("Polk"). The Company has assumed management of Polk's data center in Taylor, Michigan and has completed a definitive ten-year agreement effective November 1, 1995. A phased program will transfer Polk's data center operations to the Company's headquarters in Conway. Management estimates the agreement will contribute $15-16 million in initial annual revenue. The Company and Polk are also exploring joint ventures in marketing, product development, data acquisition, and international sales. The exact nature of the partnership in these areas will be determined by future discussions.

As discussed in footnote 3 to the consolidated financial statements, the Company is involved in an arbitration claim which, if resolved against the Company, could result in payment of an amount which could be material to the financial statements. However, management believes the ultimate outcome of this case will result in a settlement, if any, which will not be material to the financial statements.

While the Company does not have any other material contractual commitments for capital expenditures, additional investments in facilities and computer equipment will continue to be necessary to support the anticipated growth of the business. In addition, new outsourcing or facilities management contracts frequently require substantial up-front capital expenditures in order to acquire existing assets. Management believes that the combination of existing working capital, anticipated funds to be generated from future operations and the Company's available credit lines is sufficient to meet the Company's current operating needs as well as to fund the anticipated levels of capital expenditures. If additional funds are required, the Company would use existing credit lines to generate cash, followed by either additional borrowings to be secured by the Company's assets or the issuance of additional equity securities in either public or private offerings. Management believes that the Company has significant capacity to raise capital which could be used to support future growth.

ACXIOM CORPORATION

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

On March 9, 1994, the chapter 11 bankruptcy trustee for CIS Corporation ("CIS") initiated suit against the Company in the United States Bankruptcy Court for the Southern District of New York seeking to recover certain computer equipment, together with alleged past due lease payments, taxes and interest amounting to approximately $2,500,000. The Company had entered into several capital leases with CIS prior to CIS declaring bankruptcy in January 1989. The majority of the amounts sought by CIS related to continuing lease, tax and interest charges assessed after the initial lease terms expired and after the Company had exercised its option to purchase the equipment, after which time no lease payments were due under the terms of the lease agreements. The Company's defense rested upon CIS' failure to (1) deliver title, (2) make scheduled sub-lease payments to the Company, (3) properly record and acknowledge lease payments actually paid by the Company, which CIS claimed were not paid, and (4) remit property taxes to the proper authorities after the Company paid such taxes to CIS. The Company also filed a counterclaim against CIS for compensatory and punitive damages. The dispute was settled and the suit was dismissed with prejudice by order of the court on November 17, 1995, which order became final on or about December 1, 1995. Under the terms of the settlement agreement, the Company paid CIS $332,448.94 and CIS released all of its claims against the Company. CIS further agreed to be responsible for taxes on the equipment up to the date the order was final and agreed to indemnify the Company for any title challenge to the equipment. The Company also dismissed its counterclaim with prejudice and withdrew its proof of claim against CIS in the amount of $37,732.44.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits:

27 Financial Data Schedule

(b) Reports on Form 8-K filed during the third quarter:

None

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 January 29, 1996

/S/ Robert S. Bloom

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

Form 10-Q

EXHIBIT INDEX

Exhibits to Form 10-Q

Exhibit Number	Exhibit
27	Financial Data Schedule

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.

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MAR-31-1996
DEC-31-1995
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