

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

(Mark One)

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

For the quarterly period ended June 30, 1994

OR

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

Commission File Number 0-13163

Acxiom Corporation
(Exact name of registrant as specified in its charter)

DELAWARE
(State or other jurisdiction of
incorporation or organization)

71-0581897
(I.R.S. Employer
Identification No.)

301 Industrial Boulevard, Conway, Arkansas 72032
(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 No

The number of shares of Common Stock, par value of \$0.10 per share,
outstanding as of July 15, 1994 was 10,638,131.

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)

	June 30, 1994	March 31, 1994
	-----	-----
Assets		

Current assets:		
Cash and short-term cash investments	\$ 829,000	475,000
Trade accounts receivable, net	33,093,000	28,204,000
Refundable income taxes	110,000	923,000
Other current assets	2,079,000	6,255,000
	-----	-----
Total current assets	36,111,000	35,857,000
	-----	-----
Property and equipment	104,576,000	102,826,000
Less - Accumulated depreciation and amortization	44,972,000	43,129,000
	-----	-----
Property and equipment, net	59,604,000	59,697,000
	-----	-----
Software, net of accumulated amortization	5,073,000	5,113,000
Excess of cost over fair value of net assets acquired	2,802,000	2,716,000
Investment in and advances to joint venture	3,931,000	3,974,000
Other assets	15,542,000	16,021,000
	-----	-----
	\$123,063,000	123,378,000
	=====	=====
Liabilities and Stockholders' Equity		

Current liabilities:		
Current installments of long-term debt	2,960,000	3,046,000
Short-term borrowings	500,000	500,000
Trade accounts payable	6,299,000	3,006,000
Accrued interest	209,000	609,000
Accrued payroll and related expenses	2,772,000	2,073,000
Other accrued expenses	4,056,000	3,315,000
Advances from customers	501,000	346,000
	-----	-----
Total current liabilities	17,297,000	12,895,000
	-----	-----
Long-term debt, excluding current installments	28,037,000	34,992,000
Deferred income taxes	5,734,000	5,734,000
Deferred revenue	144,000	169,000
Redeemable common stock	7,807,000	7,692,000
Stockholders' equity:		
Preferred stock	---	---
Common stock	1,050,000	1,049,000
Additional paid-in capital	25,959,000	25,672,000
Retained earnings	39,963,000	38,562,000
Foreign currency translation adjustment	(428,000)	(818,000)
Treasury stock, at cost	(2,500,000)	(2,569,000)
	-----	-----
Total stockholders' equity	64,044,000	61,896,000
	-----	-----
	\$123,063,000	123,378,000
	=====	=====

See accompanying condensed notes to consolidated financial statements.

ACXIOM CORPORATION AND SUBSIDIARIES
 CONSOLIDATED STATEMENTS OF EARNINGS
 (Unaudited)

	For the Three Months Ended	
	June 30,	
	1994	1993
	-----	-----
Revenue	\$46,881,000	31,771,000
Operating costs and expenses:		
Salaries and benefits	14,821,000	15,862,000
Computer, communications and other equipment	6,916,000	6,416,000
Data Costs	16,505,000	1,191,000
Other operating costs and expenses	4,927,000	5,959,000
Total operating costs and expenses	43,169,000	29,428,000
Income from operations	3,712,000	2,343,000
Other income (expense):		
Interest expense	(672,000)	(552,000)
Other, net	(556,000)	202,000
	(1,228,000)	(350,000)
Earnings before income taxes	2,484,000	1,993,000
Income taxes	968,000	713,000
Net earnings	\$1,516,000	1,280,000
Earnings per share	\$.14	.12
Weighted average shares outstanding	10,975,000	10,898,000

See accompanying condensed notes to consolidated financial statements.

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

	For the Three Months Ended June 30,	
	1994	1993
Cash flows from operating activities:		
Net earnings	\$ 1,516,000	1,280,000
Non-cash operating activities:		
Depreciation and amortization	4,940,000	4,763,000
Loss (gain) on disposal of assets	509,000	35,000
Equity in earnings(loss)of joint venture	43,000	(200,000)
Other, net	187,000	(256,000)
Changes in assets and liabilities:		
Accounts receivable	(4,963,000)	(1,053,000)
Other assets	1,107,000	581,000
Accounts payable and other liabilities	3,663,000	(876,000)
Net cash provided by operating activities	7,002,000	4,274,000
Cash flows from investing activities:		
Sale of assets	4,547,000	86,000
Acquisition and development of software	(335,000)	(239,000)
Capital expenditures	(4,168,000)	(7,943,000)
Net cash provided (used)by investing activities	44,000	(8,096,000)
Cash flows from financing activities:		
Proceeds from current and long-term debt	---	3,194,000
Payments of long-term debt	(7,049,000)	(70,000)
Sale of common stock	357,000	131,000
Net cash provided (used) by financing activities	(6,692,000)	3,255,000
Net increase (decrease) in cash and short-term cash investments	354,000	(567,000)
Cash and short-term cash investments at beginning of period	475,000	1,479,000
Cash and short-term cash investments at end of period	\$ 829,000	912,000
Supplemental cash flow information:		
Cash paid during the period for:		
Interest	\$ 1,072,000	1,007,000
Income taxes	155,000	237,000

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 14 of the Notes to Consolidated Financial Statements filed as a part of Item 14 of Registrant's 1994 Annual report on Form 10-K as filed with the Securities and Exchange Commission on June 29, 1994.

Notes to Consolidated Financial Statements:

1. Accretion on redeemable common stock of \$115,000 for the three months ended June 30, 1994 is reflected as a direct charge to retained earnings.
2. The Company has completed the sale of certain assets of its BSA, Inc. subsidiary for \$500,000 in cash. The sale closed July 15, 1994 effective as of June 1, 1994. The receivable for the purchase price is included in other current assets at June 30, 1994. The effect of the transaction on consolidated net earnings for the three months ended June 30, 1994 was not significant.
3. On March 9, 1994, the chapter 11 bankruptcy trustee for CIS Corporation ("CIS") initiated suit 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 relate to continuing lease, tax and interest charges assessed after the initial lease terms expired and after the Company had exercised its options to purchase the equipment, after which time no lease payments were due under the terms of the lease agreements. The Company intends to defend the case on the merits, based 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 Acxiom which CIS claims were not paid, and (4) remit property taxes to the proper authorities after the Company paid such taxes to CIS. Under current circumstances, no determination can be made as to the ultimate outcome of the litigation or as to the necessity for any provision, in the accompanying financial statements, for any liability that may result from a final adjudication.

The Company is involved in other various 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.

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

Consolidated revenue was \$46,881,000 for the quarter ended June 30, 1994, a 48% increase over revenue of \$31,771,000 in the same quarter a year ago. The increase of \$15,110,000 included an increase of \$13,252,000 under the data management agreement with Allstate Insurance Company, offset by decreases from the Acxiom Mailing Services and BSA, Inc. subsidiaries of \$3,579,000. A substantial portion of the assets of these subsidiaries were recently disposed of by the Company. Excluding these effects, U.S. revenue increased 30% due to greater volume in list and database services and revenue in the United Kingdom decreased 25%. U.K. revenue in the prior year included a large contract which has since been completed.

Operating costs and expenses increased 47% when compared to the comparable period a year ago. Salaries and benefits decreased 7%, computer, communications and other equipment expenses increased 8%, and other operating costs and expenses decreased 17%. Data costs increased \$15,314,000 principally due to the Allstate agreement noted above. Income from operations for the quarter was 8% of revenue compared to 7% a year ago.

Other expense for the quarter included \$500,000 for the estimated cost of disposal of the BSA assets in the United States.

The Company's effective tax rate for the quarter was 39% compared to 36% for the same quarter a year ago and 37% for the fiscal year ended March 31, 1994. The Company expects the effective tax rate to remain in the 37 - 39% range for the fiscal year.

Capital Resources and Liquidity

Working capital at June 30, 1994 totaled \$18,814,000 compared to \$22,962,000 at March 31, 1994. At June 30, 1994 the Company had available credit lines of \$31,000,000 of which \$12,020,000 was outstanding. The Company's debt-to-capital ratio (capital defined as long-term debt plus redeemable common stock plus stockholders' equity) was 28% at June 30, 1994 compared to 33% at March 31, 1994.

Cash provided from operating activities was \$7,002,000 for the three months ended June 30, 1994 compared to \$4,274,000 for the same period a year earlier. In the current period, \$44,000 was provided by investing activities and \$6,692,000 was used by financing activities. The investing activities included \$4,547,000 collected from the sale of assets during the quarter, primarily from the sale of substantially all of the assets of Acxiom Mailing Services offset by capital expenditures of \$4,168,000. Capital expenditures were \$7,943,000 a year ago. Financing activities included payments on long-term debt of \$7,049,000.

While the Company does not have any 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 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 6. Exhibits and Reports on Form 8-K.

(a) None

(b) 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 July 22, 1994

Robert S. Bloom

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