UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

FORM 10-K

(Mark One)

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

For the fiscal year ended March 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(R) 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.)

1 INFORMATION WAY, P.O. BOX 8180, LITTLE ROCK, ARKANSAS	72203-8180
(Address of principal executive offices)	(Zip Code)

(501) 342-1000
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act:

Common Stock, $.10 Par Value
(Title of Class)

Preferred Stock Purchase Rights
(Title of Class)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No _____

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

The aggregate market value of the voting stock held by non-affiliates of the registrant, based upon the closing sale price of the registrant's Common Stock, $.10 par value per share, as of June 7, 1999 as reported on the Nasdaq National Market, was approximately $2,152,430,000. (For purposes of determination of the above stated amount only, all directors, officers and 10% or more shareholders of the registrant are presumed to be affiliates.)

The number of shares of Common Stock, $.10 par value per share, outstanding as of June 7, 1999 was 82,995,032.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of Acxiom Corporation's Annual Report to Shareholders for the fiscal year ended March 31, 1999 ("Annual Report") are incorporated by reference into Parts I and II of this Form 10-K.

Portions of the Proxy Statement for the Annual Meeting of Shareholders ("1999 Proxy Statement") are incorporated by reference into Part III of this Form 10-K.

Forward-Looking Statements or Information

Certain statements in this filing and in other filings by Acxiom with the Securities and Exchange Commission, and in other documents such as press releases, presentations by Acxiom or its management and oral statements, may constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties, and other factors which may cause the actual results, performance, or achievements of Acxiom to be materially different from any future results, performance, or achievements expressed or implied by such forward-looking statements. Such factors are discussed below under the heading "Additional Information Regarding Forward-Looking Statements@ and include, among other things, the possible adoption of legislation or industry regulation concerning certain aspects of Acxiom's business; the removal of data sources and/or marketing lists from Acxiom; the ability of Acxiom to retain customers who are not under long-term contracts with Acxiom; technology challenges; Year 2000 issues; the risk of damage to Acxiom's data centers or interruptions in Acxiom's telecommunications links; acquisition integration; the effects of postal rate increases; and other market factors.

PART I

Item 1. Business

SUMMARY

We are a global leader in providing comprehensive information management solutions using customer, consumer and business data. Our products and services enable our clients to use information to improve business decision-making and effectively manage existing and prospective customer relationships. We believe that we offer our clients the most technologically advanced, accurate and timely solutions available. Our solutions are customized to the specific needs of our clients and the industries in which they operate.

We target organizations that view data as a strategic competitive advantage and an integral component of business decision-making. Historically, our client base has primarily been Fortune 1000 companies in the financial services, insurance, information services, publishing, retail and telecommunications industries. Current clients include AT&T, ADP, Advance Publications, Allstate, Bank of America, Citibank, General Electric, GTE, IBM, Prudential, Sears, Trans Union, and Wal-Mart. More recently, our industry focus has expanded to include the pharmaceuticals/healthcare, e-commerce, Internet, utilities, automotive, technology, packaged goods and media/entertainment industries. Representative clients in these new industries include 3Com, DaimlerChrysler, Procter & Gamble, Searle, Bristol-Myers Squibb, Novell and Netscape.

Our primary development initiative over the past two years has been the Acxiom Data Network(SM) and its related linking technology. The Acxiom Data Network is a web-enabled technology that allows us to cost effectively provide our clients with real-time desktop access to actionable information over the Internet and via private networks. We expect that the ease of use and low cost delivery of the Acxiom Data Network will allow us to extend our scope of services in the existing markets we serve and expand our client base to include the middle market and small office/home office companies seeking customer relationship management solutions.

We have increased revenue from $479 million in fiscal year 1997 to $730 million in fiscal year 1999, representing a compound annual growth rate of 23.4%. Over the same time period our diluted earnings per share has increased from $0.49 to $0.78 (excluding special charges), representing a compound annual growth rate of 26.2%. Also during this time period, our operating profit margin (excluding special charges) has improved from 13.8% in

1997 to 15.8% in 1999. In fiscal year 1999, approximately 53% of total revenue was under long-term contracts with initial terms of three years or longer.

Information Services Industry

We believe the following trends and dynamics in the information services industry will provide us growth opportunities:

- Increasing recognition of data as a competitive resource
- Increasing amount of raw data to manage
- Growth of the Internet and e-commerce
- Evolution of one-to-one marketing
- Growth in technology partnering

Competitive Strengths

We intend to reinforce our position as a leading provider of information management solutions by capitalizing on our competitive strengths which include:

- Ability to build and manage large-scale databases
- Accurate and comprehensive data content
- Industry-leading customer relationship management technology: the Acxiom Data Network
- Comprehensive information management services
- Ability to attract and retain talent

Growth Strategy

Using our competitive strengths, we are pursuing the following strategic initiaves:

- Leverage the Acxiom Data Network
- Further penetrate existing and new client industries
- Expand data content
- Capture cross-selling opportunities
- Pursue international opportunities
- Seek acquisitions and alliances that complement or expand our business

RISK FACTORS

The risks described below could materially and adversely affect our business, financial condition and results of future operations. These risks are not the only ones we face. Our business operations could also be impaired by additional risks and uncertainties that are not presently known to us, or that we currently consider immaterial.

Legislation relating to consumer privacy may affect our ability to collect and use data

There could be a material adverse impact on our direct marketing and data sales business due to the enactment of legislation or industry regulations arising from public concern over consumer privacy issues. Restrictions could be placed upon the collection and use of information that is currently legally available, in which case our cost of collecting some kinds of data might be increased materially. It is also possible that we could be prohibited from collecting or disseminating certain types of data, which could in turn materially adversely affect our ability to meet our clients' requirements.

Data suppliers might withdraw data from us, leading to our inability to provide products and services

We could suffer a material adverse effect if owners of the data we use were to withdraw the data from us. Data providers could withdraw their data from us if there is a competitive reason to do so or if legislation is passed restricting the use of the data. If a substantial number of data providers were to withdraw their data, our ability to provide products and services to our clients could be materially adversely impacted which could result in decreased revenues, net income and earnings per share.

Failure to attract and retain qualified technical personnel could adversely affect our business

Competition for qualified technical and other personnel is intense, and we periodically are required to pay premium wages to attract and retain personnel. There can be no assurance that we will be able to continue to hire and retain sufficient qualified management, technical, sales and other personnel necessary to conduct our operations successfully, particularly if the planned growth occurs.

Short-term contracts affect predictability of our revenues

While approximately 53% of our total revenue is currently derived from long-term client contracts (defined as contracts with initial terms of three years or longer), the remainder is not. With respect to that portion of our business which is not under long-term contract, revenues are less predictable, and we must consequently engage in continual sales efforts to maintain revenue stability and future growth.

We must continue to improve and gain market acceptance of our technology to remain competitive and grow.

Maintaining technological competitiveness in our data products, processing functionality, software systems and services is key to our continued success. Our ability to continually improve our current processes and to develop and introduce new products and services, such as the Acxiom Data Network, is essential in order to maintain our competitive position and meet the increasingly sophisticated requirements of our clients. If we fail to do so, we could lose clients to current or future competitors which could result in decreased revenues, net income and earnings per share. In addition, failure to gain market acceptance of our new products and services, such as the Acxiom Data Network, could adversely affect our growth.

Year 2000 problems could affect our ability to deliver products and services

Many computer systems and instruments were designed to only recognize the last two digits of the calendar year. With the arrival of the Year 2000, these systems may encounter operating problems due to their inability to correctly distinguish years after 1999. We believe that with modifications to existing software and conversions to new software the Year 2000 issue can be mitigated. However, the systems of vendors on whom we rely may not be converted in a timely fashion or a vendor or customer may fail to convert its systems to be Year 2000-ready which could materially adversely impact our ability to deliver products and services to our clients.

Loss of data center capacity or interruption of telecommunication links could adversely affect our business

Our ability to protect our data centers against damage from fire, power loss, telecommunications failure or other disasters is critical to our future. The on-line services we provide are dependent on links to telecommunication providers. We believe we have taken reasonable precautions to protect our data centers and telecommunication links from events that could interrupt our operations. Any damage to our data centers or any failure of our telecommunications links that causes interruptions in our operations could materially adversely affect our ability to meet our clients' requirements, which could result in decreased revenues, income, and earnings per share.

Failure to favorably negotiate or effectively integrate acquisitions could adversely affect our business

Our growth strategy currently includes growth through acquisitions. While we believe we have been reasonably successful in implementing this strategy during the past three years, there is no certainty that future acquisitions will be consummated on acceptable terms or that any acquired assets, data or businesses will be successfully integrated into our operations. Our failure to identify appropriate acquisition candidates, to negotiate favorable terms for future acquisitions, or to integrate them in our operations could result in decreased revenues, net income and earnings per share.

Postal rate increases could lead to reduced volume of business

The direct marketing industry has been negatively impacted from time to time during past years by postal rate increases. Any future increases will, in our opinion, force direct mailers to mail fewer pieces and to target their prospects more carefully. This sort of response by direct mailers could affect us by decreasing the amount of processing services purchased from us, which could result in lower revenues, net income and earnings per share.

RECENT DEVELOPMENTS

On May 28, 1999, Acxiom acquired Computer Graphics of Arizona, Inc. and all of its affiliated companies in a stock-for-stock merger. The acquired companies provide computer-based information management services with a focus on direct marketing as well as other related data-based products. The transaction was accounted for as a pooling-of-interests. On June 21, 1999, Acxiom will file a Current Report on Form 8-K to provide supplemental consolidated financial statements as a result of this transaction.

ACXIOM'S BUSINESS

Overview

We are a global leader in providing comprehensive information management solutions using customer, consumer and business data. Our products and services enable our clients to use information to improve business decision-making and effectively manage existing and prospective customer relationships. We believe that we offer our clients the most technologically advanced, accurate and timely solutions available. Our solutions are customized to the specific needs of our clients and the industries in which they operate.

Information Services Industry

In today's technologically advanced and competitive business environment, companies are using vast amounts of customer, prospect and marketplace information to manage their businesses. As a result, an information services industry has evolved that provides a broad range of products and services. Within this industry, the services and products we provide include data warehousing, database management, real-time information delivery, customer relationship management, data content, and data center and network management. Our products and services enable our clients to use information to improve business decision-making and manage customer relationships. This information can be used to answer our clients' important business questions such as:

- What are the profiles of our existing customers?
- Who are our prospective customers?
- Who are our most profitable customers?
- What do our customers want and when do they want it?
- How do we service our customers?
- How should we price our products and services?
- What distribution channels should we use?
- What new products should we develop?

We believe the trends and dynamics that will provide us growth opportunities include the following:

Increasing recognition of data as a competitive resource. Since the 1970's, businesses have gathered and maintained increasing amounts of customer, product, financial, sales and marketing data in an electronic format in order to better manage their operations. Generally, businesses maintained this data in a number of discrete and often incompatible systems, and therefore, the data was not readily accessible. More recently, advances in information technology have allowed this data to be accessed and processed more cost effectively into useful strategic information and shared more efficiently within an organization. This has caused many companies to invest in managing and maintaining their own internal data and integrating their data with external data sources to improve business decision-making.

The growing importance of using data for business decision-making is illustrated by increased corporate expenditures allocated to building data warehouses, which are central repositories for data that resides within businesses. International Data Corporation projects that the data warehouse market will grow from $13.8 billion to $29.2 billion in 2002. Companies using data as a competitive resource traditionally consisted of Fortune 1000 companies in the financial services, insurance, publishing, information service and retail industries. This group is expanding to include companies in the telecommunications, pharmaceuticals/ healthcare, e-commerce, Internet, utilities, packaged goods, automotive, technology and media/entertainment industries. Advances in technology and reductions in hardware and software costs have also helped expand the universe of users to include middle market and small office/home office companies across multiple industries.

Increasing amount of raw data to manage. The combination of demographic shifts and lifestyle changes, the proliferation of new products and services, and the evolution of multiple marketing channels have made the information management process increasingly complex. Marketing channels now include cable and satellite television, telemarketing, direct mail, direct response, in-store point-of-sale, on-line services and the Internet. The multiplicity of these marketing channels has created more data and compounded the growth and complexity of managing data. Advances in computer and software technology have also unlocked vast amounts of customer data which historically was inaccessible, thereby further increasing the amount of existing data to manage and analyze. Today, it is common for a business to keep several thousand to tens of thousands of characters of information about each customer. This compares to a few hundred characters of information kept ten years ago. As these data resources expand and become more complex, it also becomes increasingly difficult to maintain the quality and integrity of the data.

Growth of the Internet and e-commerce. The emergence of the Internet is dramatically changing how consumers and businesses are purchasing products and services. International Data Corporation estimates that transactions over the Internet will increase from approximately $32 billion worldwide in 1998 to $426 billion worldwide in 2002. As a result of this change, traditional marketing techniques are being challenged. Businesses are being forced to reengineer how they market to and interact with their customers. This paradigm shift is creating an entirely new set of marketing complexities and opportunities, which will require businesses to better understand and utilize customer and market data. Businesses are seeking access to highly sophisticated technology resources in order to manage this new data rich environment and to capitalize on the tremendous growth opportunities associated with this new medium.

Evolution of one-to-one marketing. Advances in information technology combined with the ever increasing amounts of raw data and the changing household and population profiles in the United States have spurred the transition from traditional mass media to targeted one-to-one marketing. One-to-one marketing enables the delivery of a customized message to a defined audience and the measurement of the response to that message. The Internet has rapidly emerged as an ideal one-to-one marketing channel. It allows marketing messages to be customized to specific consumers and allows marketers to make immediate modifications to their messages based on consumer behavior and response. The Internet can also accomplish these objectives far more cost effectively than existing marketing mediums.

Growth in technology partnering. Companies are increasingly looking outside of their own organizations for help in managing the complexities of their information needs. The reasons for doing so include:

- allowing a company to focus on their fundamental business operations
- avoiding the difficulty of hiring and retaining scarce technical personnel
- benefiting from the cost efficiencies of outsourcing
- avoiding the organizational and infrastructure costs of building in-house capability
- benefiting more from the latest technologies

Competitive Strengths

We believe we possess the following competitive strengths which allow us to benefit from these industry trends and offer solutions to the information needs of our clients:

Ability to build and manage large-scale databases. We have extensive experience in developing and managing large-scale databases for some of the world's largest companies including: AT&T, Allstate, Citibank, General Electric, IBM, Procter & Gamble, and Wal-Mart. Our state-of-the-art data centers, computing capacity and operating scale enable us to access and process vast amounts of raw data and cost effectively transform the data into useful information. We house over 50 terabytes of disk storage. A terabyte is approximately one trillion bytes, and is the scale often used when measuring computer storage.

Accurate and comprehensive data content. We believe that we have the most comprehensive and accurate collection of United States consumer, business, property and telephone data available from a single source. Our consumer database contains approximately 17 billion data elements, which we believe covers approximately 95% of all households in the United States. Our business database covers approximately 15 million United States businesses. Our real estate database, which includes most major United States metropolitan areas, covers approximately 70 million properties in 41 states. We believe we have the most comprehensive repository of accurate telephone number information for business and consumer telephone numbers in the United States and Canada. We believe we process more mailing lists than any other company in the United States. Our clients use this data to manage existing customer relationships and to target prospective customers.

Industry-leading customer relationship management technology: the Acxiom Data Network. We believe the Acxiom Data Network is emerging as the leading e-business solution for companies seeking to better manage their customer relationships. Customer relationship management involves studying, identifying, acquiring and retaining customers. Knowledge delivered directly and immediately to a desktop or customer point of contact in real time is critical to the customer relationship management process. The Acxiom Data Network is a web-enabled solution that provides our clients with real-time desktop access to our data via the Internet and also allows them to integrate their existing databases together in ways that have previously been difficult or impossible. Our new linking technology, for which a patent is pending, is a data integration tool that permits up-to-the-minute updating of consumer and business information with our data, thereby creating a new level of data accuracy within the industry.

Comprehensive information management services. We offer our clients comprehensive, integrated information management solutions tailored to their specific needs. We believe our total solution approach is a competitive strength because it allows our clients to use a sole service provider for all of their information management needs.

We provide a complete solution that starts with consulting, integrates data content, applies data management technology and delivers customer relationship management applications to the desktop. Our open system client/server environment allows our clients to use a variety of tools, and provides the greatest flexibility in analyzing data relationships. This open system environment also optimizes our clients' requirements for volume, speed, scalability and functional performance.

Ability to attract and retain talent. We believe our progressive culture allows us to attract and retain top associates, especially those in technology fields where critical technical skills are scarce. Our culture is based on concepts such as leadership, associate development, and continuous improvement. Our business culture rewards customer satisfaction, associate satisfaction and profitability. In addition to our culture, our extensive geographic presence, with over 45 locations in the United States and Europe, including Atlanta, Chicago, London, New York, Phoenix, and San Diego, has enhanced our ability to attract talented associates. We were recently ranked 19th on Fortune magazine's listing of the 100 best companies to work for in America.

Growth Strategy

Using our competitive strengths, we are pursuing a strategy that includes the following initiatives:

Leverage the Acxiom Data Network. Our primary development initiative over the past two years has been the Acxiom Data Network and its related linking technology. The Acxiom Data Network and its related linking technology are proprietary systems that enable us to provide our clients with what we believe to be the industry's most accurate customer, consumer and business information in a real-time manner over the Internet or via private network. The Acxiom Data Network can serve any size business enterprise that desires to manage existing and prospective customer relationships. Our technology to deliver this capability over the Internet was the first offered in the marketplace. Our goal is to establish this technology as the most widely accepted standard for managing and delivering customer, consumer and business data. We expect to market the Acxiom Data Network to Fortune 1000 clients through our existing sales organization. The middle market or small office/home office market will be targeted primarily through our channel partners, who include leading e-commerce and industry specialized software solution providers. We expect to generate revenues from the Acxiom Data Network in two primary ways:

- Our clients can use the Acxiom Data Network as a cost effective channel for accessing our data products. The ease of use and low cost delivery of the Acxiom Data Network will allow us to extend our scope of services in our existing markets and expand our client base to include the large pool of middle market and small office/home office companies seeking customer relationship management solutions. The middle and the small office/home office markets have not historically been cost effective markets for us.

- Our clients can also access the Acxiom Data Network and license our linking technology as a tool to improve the customer data residing on their internal systems on an ongoing basis.

Further penetrate existing and new client industries. Our clients expect information management solutions tailored to the needs of their industry. We have developed specific knowledge for the industries we serve, including the financial services, insurance, information services, publishing, retail, pharmaceuticals/healthcare and telecommunications industries. We expect to continue to expand our presence in these industries as well as to penetrate new industries as their information management needs increase. The telecommunications and utilities industries are examples of industries where information about existing and prospective customers is becoming increasingly important as they move into a deregulated environment. Other industries which we believe are undergoing change that will increase the need for data and information management services include the e-commerce, Internet, automotive, technology, packaged goods and media/entertainment sectors.

Expand data content. We continue to invest substantial resources to maintain the quality and increase the scope of our databases. We enhance our databases by adding new data through multiple sources and increasing the accuracy of the data through our use of our new linking technology. Expanding our data content offerings enables us to grow existing client relationships, capture new clients and enter new industries. Data content also represents an attractive business model for us because we can repackage it into multiple formats or sell it through various distribution channels, including the Acxiom Data Network, at a marginal incremental cost.

Capture cross-selling opportunities. Our established client base is primarily composed of Fortune 1000 companies. These clients use a single product or service or a combination of multiple products and services. Our consultative approach, comprehensive set of services and products and long-standing client relationships combined with the increasing information needs of our clients provide us with a significant opportunity to offer our existing client base new and enhanced services and products.

Pursue international opportunities. We first entered the international marketplace with an acquisition in the United Kingdom in 1986. During the past year, we made additional acquisitions in Spain and France to further develop a European presence. We believe that businesses in Europe are in the early stages of using information to drive their strategic decision-making. We have also recently entered into a strategic alliance through which we will offer our services in Australia and New Zealand. We believe that our existing international presence, combined with the emerging market demand for our information services, represents a large growth opportunity for us.

Seek acquisitions and alliances. We will continue to seek acquisition and alliance opportunities with companies that can complement or expand our business by offering unique data content, strategic services or market presence in a new industry. Since April 1998, we have completed several acquisitions, including our merger with May & Speh. These acquisitions have significantly extended our range of products and services, increased our client base, and expanded our industry coverage. We currently have a number of strategic alliances and actively seek new alliances with channel partners, software developers and data content providers that will strengthen our position in the marketplace.

Lines of Business

We have three primary lines of business: Services, Data Products, and Information Technology Management.

Services

Our Services segment provides solutions which integrate and manage customer, consumer, and business data using our information management skills and technology. We use our core competencies of data integration, data management and data delivery to build customized solutions for our clients. Our primary services include the following:

Service	Description
. Marketing strategy consulting	. Develops strategies to effectively use and transform data into actionable information . Selects data elements that are relevant for a particular client's goals and industry . Lays foundation for data warehouse/database development and marketing campaigns
. Data integration	. Standardizes, converts, cleanses and validates data to ensure accuracy and remove duplicative and unnecessary data . Creates accurate and comprehensive standardized customer profile from disparate data sources . Augments client's data with our proprietary data
. Data warehouse/database management and delivery	. Designs, models and builds data warehouse/database . Provides data warehouse/database maintenance and updates . Delivers information through a variety of channels including the Internet via the Acxiom Data Network
. Customer relationship management applications	

- Provides market planning, analytical and statistical modeling, campaign management, channel implementation, and tracking and reporting applications
- Enables client to manage and monitor customer relationships

- List processing
  - Provides processing tools to increase accuracy, deliverability and efficiency of marketing lists
  - Cleanses and integrates mailing list data
  - Addresses and pre-sorts mailing to maximum postal discounts and minimize handling costs

Data Products

Our data products include both business and consumer data. We believe our products are the industry's most comprehensive and accurate data product offerings that are sold on a stand-alone basis as well as integrated with our customized service offerings.

Our primary products include the following:

InfoBase/TM/--Consumer

Product	Description
InfoBase Enhancement	. Multi-sourced consumer database containing approximately 95% of all U.S. households . Provides relevant demographic, real estate, telephone, socio-economic and lifestyle data for individuals, households and geographic areas . Collects data from multiple data services using approximately 1.5 billion source records

Analytical Products

InfoBase--Consumer	
Product	**Description**
Analytical products	. Employs advanced segmentation and modeling techniques to analyze customer attributes and behavior
InfoBase List	. Multi-sourced consumer list designed to help target prospects
	. Delivers accurate and comprehensive lists based on multiple data categories
InfoBase Telesource/TM/	. Provides over 130 million telephone numbers in the U.S.

InfoBase--Business	
InfoBase Enhancement	. Multi-sourced business database containing data on approximately 15 million businesses
	. Provides data on location, contacts, line of business, size, ownership, property, stability and market potential
Analytical Products	. Provides three standard levels of product analysis: data profile analysis, CHAID (Chi-squared Automatic Interaction Detector) and regression analysis
InfoBase Business List	. Comprehensive business lists tailored to meet specific marketing requirements
	. Uses InfoBase business database to deliver accurate and comprehensive lists, based on multiple data categories
InfoBase Telesource	. Provides data on over 12 million business telephone lines in the U.S.

DataQuick/R/	
Product	**Description**
Real Estate Information	. Provides detailed information on over 70 million properties in the U.S.
	. Information includes: ownership, address, sale and loan data, home and property characteristics, household demographics and trend data by neighborhood

List Brokerage	
List brokerage and management	. Offers clients access to customer lists from consumer products and services firms

Our clients use our data products for a range of management decision-making functions including: identification, verification and segmentation of customers and prospects for direct marketing purposes; campaign management; Internet marketing; point-of-sale marketing; sales force automation; risk management; fraud prevention; and other information driven applications.

We utilize multiple data sources to compile our consumer database, including telephone directories, motor vehicle registrations, drivers licenses, voter registrations, product registration, questionnaires, warranty cards, county real estate property records, purchase transactions, mail-order transactions and postal service information. Our business database is likewise obtained from multiple sources and covers practically every business throughout the United States. Business data is verified by telephone at least once a year or by matching against other sources of the data. Business data sources include: yellow and white pages; annual reports and other SEC information; federal, state and municipal government data; business magazines, newsletters, and newspapers; business registries; the Internet; professional directories; outbound telemarketers; and postal service information. Our real estate database is obtained from county recorders' and assessors' files. We update and maintain our databases frequently in order to provide current information to our clients. Each data source is compiled by us or one of our data partners.

Information Technology Management

Our Information Technology Management segment provides solutions to our clients' information processing needs. Our significant infrastructure and scale enable us to provide these services on a cost effective basis. Our primary services and support functions are available 24 hours a day, seven days a week and include the following:

Service	Description
Data Center Management	. Manages data center and transaction processing on behalf of clients either on-site at client locations or at our facilities . Services include data center operation, hardware installation and support, account management systems, software installation support, customized software programming and licensing of software
Network and Client/Server Management	. Services include technical support, help-desk access and support, back-up recovery, disaster recovery services, operating support and telecommunications support

Acxiom Data Network

The Acxiom Data Network is an on-line access and delivery system that provides authorized clients secure network access to selected data content and information. It enables our clients to have real-time access from their desktops to our consumer and business data products as well as proprietary client data content from databases that we build and manage for our clients.

The Acxiom Data Network allows us and our clients to integrate data directly into customer relationship applications such as:

- detailed customer analysis
- Internet marketing and interactive web pages
- call centers
- direct mail initiatives
- campaign management software
- point-of-sale applications
- sales force automation software

Delivery of information over the Internet or via private network, as opposed to traditional delivery through CD-ROM, floppy discs, tape cartridges and tapes, significantly reduces the turnaround time from days to minutes or seconds and reduces the operating costs associated with extended processing and turnaround.

Acxiom's proprietary linking technology was created to provide a new level of data accuracy. By applying our technology, we are able to properly cleanse data and eliminate redundancies, constantly update to reflect real-time changes, and combine our data with our clients' data.

This affordable access to data content will enable us to more efficiently serve our traditional Fortune 1000 client base and it will also enable us to expand our potential client base to include what we believe to be over 20 million U.S. middle market and small office/home office businesses. We are working with channel partners who are leading e-commerce and industry specialized software solution providers to expand the market presence of the Acxiom Data Network. The use of channel partners opens new markets to us, stimulates product development, and creates new revenue generating capabilities.

Acxiom Data Network Partner Program

We have designed a four-tiered channel partner program to enhance our marketing of the Acxiom Data Network and our data products. This program offers our partners revenue sharing levels that vary with the amount of their sales. The tiers include:

Strategic Partners: Partners who integrate the Acxiom Data Network into their applications and lead with Acxiom data as an integral part of their solution. Strategic partners receive maximum integration, technical and marketing support from us.

Channel Partners: Partners who offer prepackaged software solutions and intend to either fully integrate the Acxiom Data Network into their applications, create an import/export filter for Acxiom data, or have a link to the Acxiom Data Network web site.

Solutions Partners: Partners who build custom applications on a project-by-project basis, integrating various products, tools and technologies including the Acxiom Data Network to provide a customized solution to their customer. Solutions partners usually include system integrators, application developers, and consultants.

Data Marketing Partners: Partners who resell or re-market our data and list products to their customers. This tier typically includes service bureaus, consultants, brokers and agents. Data marketing partners are required to sign a marketing agreement with us. Sales and marketing support varies based on the sales opportunities and revenue levels achieved by the data marketing partner.

Clients

Our clients are primarily in the financial services, insurance, information services, publishing, retail and telecommunications industries. Our ten largest clients represented approximately 41% of our revenues in fiscal 1999. Our largest client, Allstate, represented approximately 11.3% of our revenues over the same period.

We seek to maintain long-term relationships with our clients. Many of our clients typically operate under long-term contracts (defined as contracts with initial terms of at least three years in length). In fiscal 1999, approximately 53% of our revenue was derived from long-term contracts.

Representative clients by the industries we serve include:

Financial Services	Insurance	Information Services
Bank of America	Allstate	ADP
Citibank	Physicians Mutual	IBM
Discover Financial Services	Prudential	Polk
First USA Bank		Trans Union
General Electric		

Publishing	Retail	Telecommunications
Advance Publications	Neiman Marcus	AT&T
	Sears	GTE
Guideposts	Wal-Mart	Vodafone
Meredith		

More recently, our industry focus has expanded to include the pharmaceuticals/healthcare, e-commerce, Internet, utilities, automotive, technology, packaged goods and media/entertainment industries. Representative clients in these new industries include 3Com, DaimlerChrysler, Procter & Gamble, Searle, Bristol-Myers Squibb, Novell and Netscape.

Sales and Marketing

We have two separate sales forces. One is dedicated to our Services and Information Technology Management lines of business and the other is focused on our representatives to concentrate on particular services, technologies and client demands.

Our Services and Information Technology Management sales force is de-centralized and organized by industry. Our largest clients have their own dedicated sales personnel. Sales to these and other large accounts typically involve business unit leaders, group leaders and other members of our senior management. Most major contracts are negotiated with the highest levels of our clients' organizations and therefore necessitate the involvement of our senior executives.

Our Data Products segment sells products rather than services and thus requires a larger sales force. This sales force is organized into four groups. The data sales team sells primarily InfoBase products. The DataQuick sales team sells property data content and on-line access to those products. The list brokerage sales team sells list rental and list management products. The channels sales team focuses on creating sales through business partners and other alternate channels of distribution.

Pricing for Products and Services

We have standard list pricing guidelines for many services such as list processing, national change of address processing, merge/purge processing and other standard processing. Data warehousing/database management services tend to be more custom-designed and are priced individually to each client. We have built extensive pricing guidelines and case studies for pricing based on our experience in building large-scale data warehouses and databases.

Pricing for data warehouses and databases normally includes separate fees for design, initial build, on-going updates, queries and outputs. We also price separately for consulting and statistical analysis services.

We publish standard list prices for many of our data products. These products are priced with volume discounts. Licenses for our entire consumer or business database for one or more years are priced individually.

Information Technology Management services are priced based on the cost of managing and operating the data center, network and client/server systems.

Strategic Alliances

In addition to our traditional sales force activity, we maintain and pursue strategic alliances to further the development and distribution of our best products and services. We partner with firms that can help us service our clients. Current strategic alliances include Bigfoot (e-mail marketing), Trans Union (information services), Exchange Applications (customer relationship management applications software), Ceres (campaign management), and PBL (media/entertainment) in Australia.

Our strategic alliances are structured in several ways. Because each of our partners is unique, it is necessary to create a structure specifically suited to our needs and the needs of our business partners. Examples of various alliance structures in which we participate include:

- joint ventures
- channel partner relationships
- minority interests in small, early-stage companies
- joint marketing alliances
- agreements to pay commissions for business directed to us
- agreements to pay finders fees for new clients directed to us

Competition

The information services industry in which we operate is highly competitive, with no single dominant competitor. Within the industry, there are database marketing service providers, analytical data application vendors, enterprise software providers, systems integrators, consulting firms, list brokerage/list management firms and teleservices companies. Many firms offer a limited number of services within a particular geographic area, and several participants tend to be national or international and offer a broad array of information services. However, we do not know of a competitor that offers our complete line of products and services.

In the Services market, we compete primarily with in-house information technology departments of current clients as well as firms that provide data warehousing and database services, mailing list processing, and consulting services. Competition is based on the quality and reliability of products and services, technological expertise, historical experience, ability to develop customized solutions for clients, processing capabilities and price. Competitors in the data warehousing and database services and mailing list processing sectors include Harte-Hanks, Metromail and Experian (subsidiaries of Great Universal Stores), Dynamark, (a subsidiary of Fair Isaac), Epsilon and KnowledgeBase Marketing (a subsidiary of Young & Rubicam).

In the Data Products market, we compete with two types of firms: data providers and list providers. Competition is based on the quality and comprehensiveness of the information provided, the ability to deliver the information in products and formats that the customer needs and, to a lesser extent, on the pricing of information products and services. Our principal competitors in this market are Abacus Direct, Donnelley Marketing (a pending acquisition by infoUSA), Metromail, R. L. Polk and infoUSA. We also compete with hundreds of smaller firms that provide list brokerage and list management services.

In the Information Technology Management services market, competition is based on the quality and reliability of services, technical expertise, processing capabilities, processing environment and price. Our primary competitors include Affiliated Computer Services, Lockheed Martin, PKS Information Services and the in-house information technology departments of current clients and those of potential clients. In addition, but on a less frequent basis, we compete with IBM, Electronic Data Systems, Computer Sciences Corporation, Perot Systems and MCI/Systemhouse, a subsidiary of MCI Worldcom.

Privacy

We have always taken an active approach with respect to consumer privacy rights. The growth of e-commerce and companies wanting consumer information means that we must work even harder to guarantee that our policies offer individuals the protection to which they are entitled.

Consequently, we are promoting adherance to a common set of strict privacy guidelines for the direct marketing, e-commerce, and data industries as a whole. Industrywide compliance helps address U.S. privacy concerns and the rigorous demands of the European Union to ensure the continued free flow of information.

Our own Fair Information Practices Policy outlines the variety of measures we currently take to protect consumers' privacy rights. Our multi-level security systems, for example, are designed to ensure that only authorized clients can access our data. We go to great lengths to educate clients and associates regarding consumer right-to-privacy issues, guidelines, and laws. Our policy also explains the simple steps that consumers may take to have their names removed from our InfoBase line of marketing products and to learn what non-public information we maintain about them.

Employees

Acxiom employs approximately 5,260 employees (associates) worldwide. With the exception of approximately 45 associates who are engaged in lettershop and fulfillment activities at Acxiom's Skokie, Illinois facility, none of Acxiom's associates are represented by a labor union or are the subject of a collective bargaining agreement. Acxiom has never experienced a work stoppage and believes that its employee relations are good.

Item 2. Properties
- ------- ----------

The following table sets forth the location, ownership and general use of the principal properties of Acxiom.

Location	Held	Use
Acxiom Corporation:		
Conway, Arkansas	Five facilities held in fee; one facility secures a $3,392,000 encumbrance	Customer service facilities and computer equipment space
Little Rock, Arkansas	Lease	Principal executive offices; customer service facilities; and office space
Acxiom CDC, Inc.:		
Chicago, Illinois	Lease	Office and computer equipment space
Acxiom/Direct Media, Inc.:		
Greenwich, Connecticut	Lease	Office space; customer service facility
Acxiom Great Lakes Data Center, Inc.:		
Southfield, Michigan	Lease	Office and computer equipment space
Acxiom Limited:		
(a) London, England	Lease	Office space; customer service facility
(b) Sunderland, England	Held in fee	Office space; computer equipment and warehouse space
Acxiom / May & Speh, Inc.		
(a) Downer's Grove, Illinois	Lease	Office space; customer service facility
(b) Chicago, Illinois	Lease	Office and warehouse space
Acxiom Australia Pty Ltd:		
Sydney, Australia	Lease	Office space
Acxiom SDC, Inc. (d/b/a Buckley Dement, an Acxiom Company):		
Skokie, Illinois	Lease	Office and computer equipment space; warehouse and letter shop space
Computer Graphics of Arizona, Inc.:		
Phoenix, Arizona	Held in fee	Office and customer service space
DataQuick Information Systems		

(d/b/a Acxiom/Data Products Group):		
San Diego, California	Lease	Office space; customer service facility

Acxiom's headquarters recently relocated from Conway, Arkansas to Little Rock, Arkansas. Acxiom also completed the construction of a new customer service facility in Little Rock, Arkansas prior to the end of the first quarter of fiscal year 2000. The Conway facilities consist of office buildings and a data processing center. During fiscal year 2000, construction is expected to begin on two new customer service facilities in Conway and Little Rock, respectively.

Acxiom leases office space in Cincinnati, Ohio and Denver, Colorado in connection with the services Acxiom provides to Polk. In addition, pursuant to the Guideposts data processing agreement, Guideposts provides office and computer equipment space for Acxiom's use at Guideposts' corporate headquarters in Carmel, New York.

In connection with the May & Speh acquisition, Acxiom acquired Strategic Decision Services and SIGMA Marketing, Inc. and, as such, leases office space in Atlanta, Georgia and Rochester, New York, respectively.

As a result of the acquisition of three business units of Deluxe Corporation, Acxiom leases customer service and office space in Bloomington, Minnesota and Memphis, Tennessee.

With the acquisition of Horizon Systems, Inc., Acxiom leases office space in Stamford, Connecticut. In addition, following the acquisition of Computer Graphics of Arizona, Acxiom owns a building consisting of office space and customer services facilities, as well as adjacent property in Phoenix, Arizona.

Acxiom also leases sales office space in Arizona, California, Florida, Georgia, Illinois, Kansas, Maryland, Massachusetts, Missouri, Mississippi, Nevada, New Jersey, New York, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, Texas, Virginia, Washington, Washington, D.C., Wisconsin, Canada, and the United Kingdom.

Acxiom's International Division's corporate and customer service operations in London, England are presently housed in two principal buildings, both of which are leased. Acxiom also owns a facility in Sunderland, England where data processing and fulfillment services operations are housed. In fiscal year 2000, Acxiom expects to move into a larger facility in Sunderland, which will be leased to Acxiom, and the present facility will be sold. The International Division also leases office space in France and Spain.

In general, the offices, customer service and data processing facilities of Acxiom are in good condition. Management believes that its facilities are suitable and adequate to meet the current needs of Acxiom. As such, management believes that, except for the Conway and Little Rock, Arkansas expansions noted above, no substantial additional properties will be required during fiscal year 2000. A portion of the real property owned by Acxiom is pledged to secure notes payable.

Item 3. Legal Proceedings

Not applicable.

Item 4. Submission of Matters to a Vote of Security Holders

Not applicable.

EXECUTIVE OFFICERS OF ACXIOM

Each of Acxiom's executive officers, including position held, age, and year of initial appointment as an executive officer and business experience for the past five years, is listed below:

Name	Position Held	Age	Year Elected
Charles D. Morgan (a)	Chairman of the Board and President (Company Leader)	56	1972
Rodger S. Kline (b)	Chief Operating Officer, Treasurer and Director	56	1975
James T. Womble (c)	Division Leader and Director	56	1975
C. Alex Dietz (d)	Division Leader	56	1979
Paul L. Zaffaroni (e)	Division Leader	52	1990
L. Lee Hodges (f)	Division Leader	52	1998
Jerry C.D. Ellis (g)	Division Leader	49	1991
Jerry C. Jones (h)	Business Development and Legal Leader	43	1999
Robert S. Bloom (i)	Chief Financial Officer	43	1992

(a) Mr. Morgan joined Acxiom in 1972. He has been Chairman of the Board of Directors since 1975, and serves as Acxiom's president (Company Leader). He is also a director of Fairfield Communities, Inc. and the Direct Marketing Association. In addition, he serves as Chairman of the Board of Trustees of Hendrix College. He was employed by IBM Corporation ("IBM") prior to joining Acxiom. Mr. Morgan holds a mechanical engineering degree from the University of Arkansas.

(b) Mr. Kline joined Acxiom in 1973. He has been a director since 1975, and serves as Acxiom's chief operating officer and treasurer. Prior to joining Acxiom, Mr. Kline was employed by IBM. Mr. Kline holds a degree in electrical engineering from the University of Arkansas.

(c) Mr. Womble joined Acxiom in 1974. He has been a director since 1975, and serves as one of Acxiom's division leaders. Mr. Womble is also a director of Sedona Corporation. Prior to joining Acxiom, Mr. Womble was employed by IBM. Mr. Womble holds a degree in civil engineering from the University of Arkansas.

(d) Mr. Dietz joined Acxiom in 1970 and served as a vice president until 1975. Between 1975 and 1979 he was an officer of a commercial bank responsible for data processing matters. Following his return to Acxiom in 1979, Mr. Dietz served as senior level officer of Acxiom and is presently one of Acxiom's division leaders. Mr. Dietz holds a degree in electrical engineering from Tulane University.

(e) Mr. Zaffaroni joined Acxiom in 1990. He serves as one of Acxiom's division leaders. Prior to joining Acxiom, he was employed by IBM for 21 years, most recently serving as regional sales manager. Mr. Zaffaroni holds a degree in marketing from Youngstown State University.

(f) Mr. Hodges joined Acxiom in 1998. He serves as one of Acxiom's division leaders. Prior to joining Acxiom, he was employed for 6 years with Tascor, the outsourcing subsidiary of Norrell Corporation, most recently serving as a senior vice president. Prior to that time, Mr. Hodges served in a number of engineering, sales, marketing and executive positions with IBM for 24 years. Mr. Hodges holds a degree in industrial engineering from The Pennsylvania State University.

(g) Mr. Ellis joined Acxiom in 1991 as managing director of Acxiom's U.K. operations. He serves as one of Acxiom's division leaders. Prior to 1991, Mr. Ellis was employed for 22 years with IBM, serving most recently as assistant to the CEO of IBM's U.K. operations. Prior to that, Mr. Ellis served as branch manager of the IBM U.K. Public Sector division.

(h) Mr. Jones joined Acxiom in 1999. Prior to joining Acxiom, he was employed for nineteen years as an attorney in private practice with the Rose Law Firm, representing a broad range of business interests. Mr. Jones holds a degree in public administration from the University of Arkansas and a law degree from the University of Arkansas School of Law.

(i) Mr. Bloom joined Acxiom in 1992 as chief financial officer. Prior to joining Acxiom, he was employed for six years with Wilson Sporting Goods Co. as chief financial officer of its international division. Prior to his employment with Wilson, Mr. Bloom was employed by Arthur Andersen & Co. for nine years, serving most recently as manager. Mr. Bloom, a Certified Public Accountant, holds a degree in accounting from the University of Illinois.

There are no family relationships among any of Acxiom's executive officers and/or directors.

PART II

Item 5. Market for the Registrant's Common Equity and Related Stockholder Matters

The information required by this Item appears in Acxiom's Annual Report at p. 48, which information is incorporated herein by reference.

Item 6. Selected Financial Data

The information required by this Item appears in Acxiom's Annual Report at p. 20, which information is incorporated herein by reference.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The information required by this Item appears in Acxiom's Annual Report at pp. 21-27, which information is incorporated herein by reference.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

Acxiom's earnings are affected by changes in short-term interest rates as a result of its revolving credit agreement, which bears interest at a floating rate. Acxiom does not use derivative or other financial instruments to mitigate the interest rate risk. Risk can be estimated by measuring the impact of a near-term adverse movement of 10% in short-term market interest rates. If short-term market interest rates average 10% more in fiscal 2000 than in 1999, there would be no material adverse impact on Acxiom's results of operations. Acxiom has no material future earnings or cash flow expenses from changes in interest rates related to its other long-term debt obligations as all of Acxiom's remaining long-term debt obligations have fixed rates. At March 31, 1999, the fair value of Acxiom's fixed rate long-term obligations approximated carrying value.

Although Acxiom conducts business in foreign countries, principally the United Kingdom, foreign currency translation gains and losses are not material to Acxiom's consolidated financial position, results of operations or cash flows. Accordingly, Acxiom is not currently subject to material foreign currency exchange rate risks from the effects that exchange rate movements of foreign currencies would have on Acxiom's future costs or on future cash flows it would receive from its foreign investment. To date, Acxiom has not entered into any foreign currency forward exchange contracts or other derivative financial instruments to hedge the effects of adverse fluctuations in foreign currency exchange rates.

Item 8. Financial Statements and Supplementary Data

The Financial Statements required by this Item appear in Acxiom's Annual Report at pp. 28-45, which information is incorporated herein by reference. The Financial Statement Schedule which constitutes the Supplementary Data required by this Item is attached hereto.

Item 9. Changes In and Disagreements With Accountants on Accounting and Financial Disclosure

Not applicable.

PART III

Item 10. Directors and Executive Officers of the Registrant

Pursuant to general instruction G(3) of the instructions to Form 10-K, information concerning Acxiom's executive officers is included under the caption "Executive Officers of Acxiom" at the end of Part I of this Report. The remaining information required by this Item appears under the caption "Election of Acxiom Directors" in Acxiom's 1999 Proxy Statement and under the caption "Section 16(a) Beneficial Ownership Reporting Compliance" in Acxiom's 1999 Proxy Statement, which information is incorporated herein by reference.

Item 11. Executive Compensation

The information required by this Item appears under the heading "Executive Compensation" in Acxiom's 1999 Proxy Statement, which information is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management

The information required by this Item appears under the heading "Security Ownership of Certain Beneficial Owners and Management of Acxiom" in Acxiom's 1999 Proxy Statement, which information is incorporated herein by reference.

Item 13. Certain Relationships and Transactions

The information required by this Item appears under the heading "Certain Transactions" in Acxiom's 1999 Proxy Statement, which information is incorporated herein by reference.

PART IV

Item 14. Exhibits, Financial Statement Schedule and Reports on Form 8-K

The following documents are filed as a part of this Report:

1. Financial Statements.

The following consolidated financial statements of the registrant and its subsidiaries included on pages 28 through 45 of Acxiom's Annual Report and the Independent Auditors' Report on page 46 thereof are incorporated herein by reference. Page references are to page numbers in the Annual Report.

	Page
Consolidated Balance Sheets as of March 31, 1999 and 1998	28
Consolidated Statements of Operations for the years ended March 31, 1999, 1998 and 1997	29
Consolidated Statements of Stockholders' Equity for the years ended March 31, 1999, 1998 and 1997	30-31
Consolidated Statements of Cash Flows for the years ended March 31, 1999, 1998 and 1997	32
Notes to the Consolidated Financial Statements	33-45
Independent Auditors' Report	46

2. Financial Statement Schedule.

The following additional information for the years 1999, 1998 and 1997 is submitted herewith and appears on the two pages immediately preceding the signature page of this Report on Form 10-K.

Independent Auditors' Report

Schedule II - Valuation and Qualifying Accounts for the years ended March 31, 1999, 1998 and 1997

All other schedules are omitted because they are not applicable or not required or because the required information is included in the consolidated financial statements or notes thereto.

3. Exhibits and Executive Compensation Plans.

The following exhibits are filed with this Report or are incorporated by reference to previously filed material.

Exhibit No.

3(a) Amended and Restated Certificate of Incorporation (previously filed as Exhibit 3(i) to Acxiom's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 1996, Commission File No. 0-13163, and incorporated herein by reference)

3(b)	Amended and Restated Bylaws (previously filed as Exhibit 3(b) to Acxiom's Annual Report on Form 10-K for the fiscal year ended March 31, 1991, Commission File No. 0-13163, and incorporated herein by reference)
4	Rights Agreement dated January 28, 1998 between Acxiom and First Chicago Trust Company of New York, as Rights Agent, including the forms of Rights Certificate and of Election to Exercise, included in Exhibit A to the Rights Agreement and the form of Certificate of Designation and Terms of Participating Preferred Stock of Acxiom, included in Exhibit B to the Rights Agreement (previously filed as Exhibit 4.1 to Acxiom's Current Report on Form 8-K dated February 10, 1998, Commission File No. 0-13163, and incorporated herein by reference)
10(a)	Data Center Management Agreement dated July 27, 1992 between Acxiom and Trans Union Corporation (previously filed as Exhibit A to Schedule 13-D of Trans Union Corporation dated August 31, 1992, Commission File No. 5-36226, and incorporated herein by reference)
10(b)	Agreement to Extend and Amend Data Center Management Agreement and to Amend Registration Rights Agreement dated August 31, 1994 (previously filed as Exhibit 10(b) to Form 10-K for the fiscal year ended March 31, 1995, as amended, Commission File No. 0-13163, and incorporated herein by reference)
10(c)	Data Management Outsourcing Agreement dated April 1, 1999 between Acxiom and Allstate Insurance Company
10(d)	Acxiom Corporation Deferred Compensation Plan (previously filed as Exhibit 10(b) to Acxiom's Annual Report on Form 10-K for the fiscal year ended March 31, 1990, Commission File No. 0-13163, and incorporated herein by reference)
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10(f)	Acxiom Corporation U.K. Share Option Scheme (previously filed as Exhibit 10(f) to Acxiom's Annual Report on Form 10-K for the fiscal year ended March 31, 1997, Commission File No. 0-13163, and incorporated herein by reference)
10(g)	Leadership Compensation Plan
10(h)	Acxiom Corporation Non-Qualified Deferred Compensation Plan (previously filed as Exhibit 10(i) to Acxiom's Annual Report on Form 10-K for the fiscal year ended March 31, 1996, Commission File No. 0-13163, and incorporated herein by reference)
10(i)	Asset Purchase Agreement dated April 1, 1996 between Acxiom and Direct Media/DMI, Inc. (previously filed as Exhibit 2 to Acxiom's Current Report on Form 8-K dated April 30, 1996, Commission File No. 0-13613, and incorporated herein by reference)
13	Portions of Acxiom's Annual Report
21	Subsidiaries of Acxiom
23	Consents of KPMG LLP and PricewaterhouseCoopers LLP
24	Powers of Attorney for Robert S. Bloom, Dr. Ann H. Die, William T. Dillard II, Harry L. Gambill, Rodger S. Kline, Thomas F. (Mack) McLarty, III, Charles D. Morgan, Robert A. Pritzker, and James T. Womble
27	Financial Data Schedule

Listed below are the executive compensation plans and arrangements currently in effect and which are required to be filed as exhibits to this Report:

- Amended and Restated Key Associate Stock Option Plan of Acxiom Corporation
- Acxiom Corporation U.K. Share Option Scheme
- Leadership Compensation Plan
- Acxiom Corporation Deferred Compensation Plan*
- Acxiom Non-Qualified Deferred Compensation Plan

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* To date, only one grant has been made, in 1990.

4. Reports on Form 8-K.

A report will be filed on June 21, 1999, which reported Acxiom's restated consolidated financial statements as a result of Acxiom's merger with Computer Graphics.

Report of Independent Accountants

To the Board of Directors and Stockholders of May & Speh, Inc.

In our opinion, the consolidated statements of operations, of cash flows and of changes in stockholders' equity of May & Speh, Inc. (not presented separately herein) present fairly, in all material respects, its results of operations and its cash flows for the year ended September 30, 1996, in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for the opinion expressed above.

PricewaterhouseCoopers LLP
Chicago, Illinois
November 1, 1996

INDEPENDENT AUDITORS' REPORT

The Board of Directors
Acxiom Corporation

Under date of May 28, 1999, we reported on the consolidated balance sheets of Acxiom Corporation and subsidiaries as of March 31, 1999 and 1998, and the related consolidated statements of operations, stockholders' equity and cash flows for each of the years in the three-year period ended March 31, 1999, which are included in the 1999 annual report to shareholders. These consolidated financial statements and our report thereon are incorporated by reference in the annual report on Form 10-K for the year ended March 31, 1999. In connection with our audits of the aforementioned consolidated financial statements, we also audited the related financial statement schedule of valuation and qualifying accounts. This financial statement schedule is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement schedule based on our audits.

In our opinion, such financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

KPMG LLP

Little Rock, Arkansas
May 28, 1999

Schedule II

ACXIOM CORPORATION AND SUBSIDIARIES

Valuation and Qualifying Accounts

Years ended March 31, 1999, 1998 and 1997

(In thousands)

	Balance at beginning of period	Additions charged to costs and expenses	Other additions (note)	Bad debts written off	Bad debts recovered	Balance at end of period
1999:						
Allowance for doubtful accounts, returns and credits	$ 3,630	2,223	710	2,026	715	5,252
1998:						
Allowance for doubtful accounts, returns and credits	$ 4,692	3,094	224	4,777	397	3,630
1997:						
Allowance for doubtful accounts, returns and credits	$ 2,230	4,462	4,800	7,044	238	4,686

Note - Other additions represent the valuation accounts acquired in connection with business combinations.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this Report to be signed on its behalf by the undersigned.

ACXIOM CORPORATION

Date: June 18, 1999

By: /s/ Catherine L. Hughes

Catherine L. Hughes
Secretary

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the registrant and in the capacities and as of the dates indicated.

Signature		
Robert S. Bloom* / Robert S. Bloom	Chief Financial Officer (Principal accounting officer)	June 18, 1999
Dr. Ann H. Die* / Dr. Ann H. Die	Director	June 18, 1999
William T. Dillard II* / William T. Dillard II	Director	June 18, 1999
Harry C. Gambill* / Harry C. Gambill	Director	June 18, 1999
Rodger S. Kline* / Rodger S. Kline	Chief Operating Officer, Treasurer and Director (Principal financial officer)	June 18, 1999
Thomas F. McLarty, III* / Thomas F. McLarty, III	Director	June 18, 1999
Charles D. Morgan* / Charles D. Morgan	Chairman of the Board and President (Company Leader) (Principal executive officer)	June 18, 1999
Robert A. Pritzker* / Robert A. Pritzker	Director	June 18, 1999
James T. Womble* / James T. Womble	Division Leader and Director	June 18, 1999

*By: /s/ Catherine L. Hughes

Catherine L. Hughes
Attorney-in-Fact

EXHIBIT INDEX

Exhibits to Form 10-K

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24 Powers of Attorney for Robert S. Bloom, Dr. Ann H. Die, William T. Dillard II, Harry L. Gambill, Rodger S. Kline, Thomas F. (Mack) McLarty, III, Charles D. Morgan, Robert A. Pritzker, and James T. Womble

27 Financial Data Schedule

EXHIBIT 10(c)

DATA MANAGEMENT OUTSOURCING AGREEMENT

BETWEEN

ALLSTATE INSURANCE COMPANY

AND

ACXIOM CORPORATION

CONFIDENTIAL DRAFT
DO NOT REDISTRIBUTE

March 19, 1999
Version 5.0.0

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DETAILED TABLE OF CONTENTS

INDEX OF DEFINED TERMS

LIST OF SCHEDULES

DATA MANAGEMENT OUTSOURCING AGREEMENT

This Data Management Outsourcing Agreement ("Agreement"), dated March ___, 1999, is a contract between Allstate Insurance Company ("Allstate"), with business offices at Allstate Plaza, 2775 Sanders Road, Northbrook, Illinois 60062, and Acxiom RM-Tools, Inc.("Acxiom"), a wholly-owned subsidiary of Acxiom Corporation, with business offices at 301 Industrial Boulevard, P.O. Box 2000, Conway, Arkansas 72033-2000, under which Acxiom shall provide, subject to the guarantee of Acxiom Corporation, Allstate and Allstate's Affiliates with certain information-technology services on the terms and conditions set forth below.

For and in consideration of the mutual promises and covenants contained herein, the receipt, sufficiency, and adequacy of which are hereby acknowledged, the Parties, intending to be legally bound, hereby contract and agree as follows:

1. BACKGROUND AND PURPOSE

Allstate and Acxiom are presently parties to that certain Agreement for Professional Services effective as of September 14, 1992 as amended (the "PSA") whereby Allstate engaged Acxiom to provide certain of Allstate's information management functions and manage Allstate's relationships with certain third-party vendors of data. After the execution of the PSA, Allstate and Acxiom entered into that certain agreement effective as of January 31, 1995 (the "RM-Tools Agreement" and, with the PSA, the "Prior Agreements") whereby Acxiom agreed to remarket certain computer software and related services to the insurance industry and Allstate agreed to provide certain computer software and services to Acxiom in support of Acxiom's remarketing effort. Allstate wishes to continue receiving services from Acxiom, and Acxiom wishes to continue providing such services to Allstate and Allstate's Affiliates; accordingly, the parties have negotiated and agreed upon the revised and updated terms and conditions set forth in this Agreement. The Parties mutually acknowledge and agree that this Agreement replaces and supersedes the terms and conditions of the PSA which is hereby terminated as of the Effective Date hereof, provided, however, that such termination (i) shall not apply to any terms or conditions thereof, which by their terms, survive termination of such agreement and (2) shall not terminate any proprietary rights that arose as a result of performance of such contracts. The Parties further agree that the RM-Tools Agreement shall remain in full force and effect until such time as they, negotiating in good faith and as promptly as practicable, shall enter into a new agreement relating to the subject matter of the RM-Tools Agreement.

2. DEFINITIONS

The following words and phrases, when used in this Agreement, shall have the indicated meanings. (Terms capitalized within a particular definition have been defined elsewhere within this Agreement.)

2.1. Acxiom Core Software

"Acxiom Core Software" shall mean the computer programs, documentation, and related items presently owned by Acxiom that are set forth in Schedule 2.1. It is understood and agreed that the Parties shall update Schedule 2.1 by mutual agreement on a quarterly basis.

2.2. Acxiom's Contract Manager

"Acxiom's Contract Manager'" shall mean, initially, the individual who is so designated in Schedule 9.1 hereto.

2.3. Acxiom's Key Personnel

"Acxiom's Key Personnel'" shall mean, initially, those personnel and positions so designated in Schedule 9.1 hereto.

2.4. Acxiom's Personnel

"Acxiom's Personnel'" shall mean any of Acxiom's employees, officers, directors, subcontractors or agents involved in the provision of services to Allstate pursuant to this Agreement.

2.5. Affiliate

"Affiliate" shall mean, as to any Person, any other Person that, directly or indirectly, controls, is controlled by, is under common control with such Person, whether through ownership of voting securities or otherwise. For this purpose, and without limiting the foregoing, (a) any Person or group of persons owning more than fifty percent (50%) of the outstanding voting securities of any other Person shall be deemed to control such other Person and (b) any Person having the right to direct the management and policies of any other person shall be deemed to control such other person.

2.6. Agreement

"Agreement" shall mean this Data Management Outsourcing Agreement between Allstate and Acxiom dated March ___, 1999, as amended from time to time, including all attachments, exhibits, and schedules hereto and Work Orders entered into pursuant to this Agreement.

2.7. Allstate Software

"Allstate Software" shall mean the computer programs, documentation, and related items presently owned by Allstate that are set forth in Schedule 2.7 and any future computer programs, documentation, and related items that are acquired by or developed for Allstate for use in connection with the Services. It is understood and agreed that the Parties shall update Schedule 2.8 by mutual agreement on a quarterly basis

2.8. Allstate's Contract Manager

"Allstate's Contract Manager'" shall mean, initially, the individual who is so designated in Schedule 9.1 hereto.

2.9. Allstate's Data

"Allstate's Data'" shall mean the data provided by Allstate, Acxiom, or a third party for procuring and use by Acxiom in connection with the provision of the Services.

2.10. Allstate's Key Personnel

"Allstate's Key Personnel'" shall mean, initially, those personnel who are so designated in Schedule 9.1 hereto.

2.11. Benchmark Price

"Benchmark Price" shall have the meaning given to it in Section 8.2.2 hereof.

2.12. Confidential Information

"Confidential Information" shall mean:

(a) as to either Party, all technical information, materials, data, reports, programs, documentation, diagrams, ideas, concepts, techniques, processes, inventions, knowledge, know-how, and trade secrets, whether in tangible or intangible form, and whether in written form or readable by machine, developed or acquired by such Party, except for Work Product;

(b) as to either Party, all information and data relating to such Party's practices, customers, products, business, costs, or margins that is not generally known by others in the same line of business;

(c) as to either Party, any information that such Party identifies to the other as confidential by a stamp or other similar notice;

(d) as to either Party, this Agreement:

(e) as to either Party, all other information relating to such Party that a reasonably prudent technician would expect not to be made available to third parties without restriction or payment; and

(f) as to Allstate, all Work Product.

Confidential Information shall not include information that a Party can demonstrate was: (i) at the time of disclosure to such Party, in the public domain or commonly known in either Party's industry; (ii) after disclosure to such Party, published or otherwise a part of the public domain through no fault of such Party; (iii) in the possession of such Party at the time of disclosure to it, if such Party was not then under an obligation of confidentiality with respect thereto; (iv) received after disclosure to such Party from a third party who had a lawful right to disclose such Confidential Information to it; or (v) independently developed by such Party without reference to Confidential Information of the other Party.

2.13. Current Projects

"Current Projects" shall mean those information-technology related development projects that Acxiom is currently performing for Allstate or that are in progress as of the Effective Date and are set forth in Schedule 2.13 hereto.

2.14. Data Acquisition Cost ("DAC")

Data Acquisition Cost ("DAC") shall mean the price charged for data by the primary supplier of such data, including any supplier-imposed surcharges.

2.15. Data Acquisition System ("DAS")

Data Acquisition System ("DAS") shall mean the highly integrated system of software programs and processes developed by Acxiom and Allstate pursuant to the PSA to support Allstate's customer-focused information needs.

2.16. Data Integrity

"Data Integrity" shall mean the objectively measured accuracy and consistency of acquired or purchased data as determined in accordance with the methods described in Schedule 3.7.

2.17. Effective Date

"Effective Date" shall be April 1, 1999, and shall mean the date on which this Agreement becomes effective.

2.18. End-User

"End-User" shall mean any Person authorized by Allstate to request any Services from Acxiom.

2.19. Fee Reduction

"Fee Reduction" shall mean the amount determined pursuant to Section 8.9 hereof that is the price reduction for a Failure, as defined therein.

2.20. Force Majeure Event

"Force Majeure Event" shall mean an act of God, act of governmental body or military authority, fire, explosion, power failure, flood, epidemic, riot or civil disturbance, war, sabotage, accidents, insurrections, blockades, embargoes, storms, labor disputes, or similar event; provided, however, that "Force Majeure Event" expressly excludes the following: any event that Acxiom could reasonably have prevented.

2.21. Indemnitees

"Indemnitees" shall mean, with respect to a Party entitled to indemnification hereunder, such Party and its Affiliates, and their respective officers, directors, employees, agents, successors, and assigns.

2.22. MASL

"MASL," which is the acronym for "minimum acceptable service level," shall mean, as to each task or service for which a MASL is specified in this Agreement, the MASL so specified for such task or service.

2.23. Material Default

"Material Default" shall mean the occurrence of any of the following:

(a) any material failure by Acxiom to provide the Services in accordance with an applicable MASL, if Acxiom fails to use reasonable efforts to correct such failure or if, notwithstanding Acxiom's reasonable efforts, such failure has not been corrected within ten (10) business days after Acxiom has received written notice of such failure from Allstate. (For purposes of this definition, the words "correct" and "corrected" shall include implementation of a work-around or similar temporary measures, provided that Acxiom continues its best efforts to pursue and promptly implement a full and complete cure);

(b) a commission by either Party of a material breach of any obligation to the other Party under Section 9 (Relationship Management) hereof, Section 10 (Proprietary Rights; Ownership of Work Product) hereof or Section 17 (Confidentiality) hereof, provided that such breach, if curable, is not cured within ten (10) business days after such breach;

(c) the existence of any material representation or warranty made in this Agreement by either Party that was materially false when made; provided, however, that if such material misrepresentation is curable and such cure will fully and completely effect a resolution reasonably acceptable to the other Party, there shall not be a Material Default if the misrepresentation is cured within thirty (30) days after the Party that has made the material misrepresentation has been notified by the other Party of the falsity of the representation;

(d) insolvency of a Party; general failure of a Party to pay its debts as they become due; entrance of a Party into receivership or any arrangement or composition with creditors generally; filing of a voluntary or involuntary petition or other action or proceeding for bankruptcy or reorganization or dissolution or winding-up of a Party; a general assignment for the benefit of creditors of a Party; or a seizure or a sale of a material part of a Party's property by or for the benefit of any creditor or governmental agency;

(e) an assignment or attempted assignment in violation of Section 24.3 hereof; or

(f) a failure by either Party to observe and perform any other material obligation, covenant, or condition under this Agreement and, in cases where the breach does not involve a material violation of law relating to or affecting the provision of Services: (i) the failure by the breaching Party to cure such default within thirty (30) days after the breaching Party has received notice of such default; or, (ii) if the failure is not one that could be corrected with use of best efforts within thirty (30) days, the failure by the breaching Party to adopt a plan to cure within thirty (30) days and to cure within sixty (60) days. (For purposes of this definition, the word "cure" shall include implementation of a work-around or similar temporary measures, provided Acxiom continues its best efforts to pursue and promptly implement a full and complete cure).

2.24. Party

"Party" shall mean Allstate or Acxiom; "Parties" shall mean both of them.

2.25. Person

"Person" shall mean any natural person, corporation, limited liability company, partnership, trust, association, or other legal person or entity of any kind, legally constituted.

2.26. Problem

"Problem" shall mean any problem or circumstance that results from any of the following:

(a) a perceived failure by either Party to perform its obligations under this Agreement;

(b) a perceived inadequacy or delay of either Party's performance under this Agreement; or

(c) a request for products, services, or resources where the Parties disagree as to whether such products, services, or resources are within the scope of this Agreement.

2.27. Problem Report

"Problem Report" shall mean a written report executed by both Parties describing a solution to a Problem.

2.28. Services

"Services" shall mean, collectively, all of the services to be performed by Acxiom pursuant to Section 3.3 hereof.

2.29. Software

"Software" shall mean any software developed or procured by Acxiom and used in connection with the provision of the Services to Allstate hereunder. Software shall include all software used in connection with the Services regardless of whether such Software is used by Acxiom, Allstate, or a third party.

2.30. Term

"Term" shall mean the period during which Acxiom shall be obligated to provide the Services, as specified in Section 11.1 hereof.

2.31. Third-Party Data Providers

"Third-Party Data Providers" shall mean those third parties (including Acxiom Corporation or Acxiom itself) from which Acxiom procures data for the benefit of, or to be used by, Allstate. A list of the Third-Party Data Providers as of the Effective Date is contained in Schedule 2.31.

2.32. Total Data Cost Savings ("TDCS")

Total Data Cost Savings ("TDCS") shall mean the difference between the benchmark price and the DAC defined at the Allstate and PP&C user level.

2.33. Work Order

"Work Order" shall mean a request for the performance of work that is not being performed at a particular time but that is within the scope of the Services.

2.34. Work Product

"Work Product" shall mean all information, computer programs, documentation, and developments created for Allstate's use or benefit in connection with this Agreement, by Allstate, by Acxiom, or by any other person engaged by Allstate or Acxiom, and all intermediate and/or partial versions thereof, including (but not limited to) all source code and object code with respect thereto, and all designs, specifications, inventions, discoveries, improvements, ideas, know-how, techniques, materials, program materials, software, flow charts, notes, outlines, lists, data compilations, manuscripts, writings, pictorial materials, schematics, other creations, and the like, whether or not patented or patentable or otherwise protectable by law. Work Product does not and shall not include any Acxiom Core Software.

3. SERVICES

From and after the Effective Date, Acxiom shall provide the Services to Allstate and such of Allstate's divisions, business units, agents, or Affiliates as Allstate shall designate.

3.1. Provision of Services

Commencing at 12:01a.m., local time, on the Effective Date, and at all times thereafter during the Term, except as otherwise expressly stated herein, and subject to the qualifications, limitations, and exclusions expressed elsewhere in this Agreement, Acxiom shall perform (i) all services that Acxiom was performing or was obligated to perform for Allstate immediately prior to the Effective Date under the PSA and (ii) all other services described in this Section 3.

3.2. Current Projects

From the Effective Date, Acxiom shall continue to be responsible for the continuing and uninterrupted development and implementation of all Current Projects as they are being performed immediately prior to the Effective Date for the fees previously agreed upon by the Parties pursuant to the PSA

3.3. Data Acquisition and Related Services

From the Effective Date, Acxiom shall provide data acquisition and related services as set forth in Schedule 3.3 hereto.

3.4. Future Projects

From the Effective Date, Acxiom shall perform such additional projects, relating to the Services ("Projects") in the area of data acquisition, data processing, information management, professional consulting, system design and development, software maintenance, programming, and software acquisition, as Allstate may request and Acxiom may agree from time to time. Projects may be requested orally unless required to be specified in Work Orders pursuant to the procedures set forth in Section 9.5, below; provided, however, that once any oral request has been agreed upon, written documentation evidencing such agreement shall be executed by the Parties as promptly as possible prior to the inception of any work on such Project.

3.5. [Intentionally Left Bank]

3.6. Business Resumption Services

From the Effective Date, Acxiom shall provide business resumption services as set forth in Schedule 3.6 hereto.

3.7. Data Integrity Services

From and after the Effective Date, Acxiom shall provide the data integrity services as set forth in Schedule 3.7 hereto.

4. MASLS

4.1. Specification of MASLs

Schedule 4.1 specifies certain MASLs. The initial MASLs for those Services previously provided under the PSA and not specified in Schedule 4.1 shall be the higher (i.e., the more beneficial to Allstate) of (i) the actual service levels provided immediately prior to the Effective Date or (ii) the MASLs, if any, previously specified for such services under the Prior Agreements. All MASLs shall be subject to adjustment pursuant to this Section 4.

4.2. MASL Measurement and Reporting

Acxiom shall measure and report its performance against the MASLs during each month, by the 10th business day of the following month. Measurements of availability shall exclude scheduled downtime, delays in processing schedules requested by or caused by Allstate, and unscheduled downtime to the extent attributable to Force Majeure Events, or the acts or omissions of Allstate or its employees, agents, third-party contractors, and suppliers. Acxiom shall meet with Allstate's Contract Manager at least quarterly to review Acxiom's actual performance against the MASLs and shall recommend remedial actions to resolve performance deficiencies.

4.3. Improvement in MASLs

MASLs shall be adjusted by written agreement of the Parties from time to time, but not less frequently than at the end of each anniversary of the Effective Date, to be made higher or more stringent so as to reflect changes in technology, changes in Allstate's business and environment, and other changes in circumstances. Acxiom shall use commercially reasonable efforts to improve its performance in relation to the MASLs over the Term, through the implementation of efficiency-enhancing hardware and software technologies.

4.4. Temporary Suspension of MASLs

In the event, and to the extent, that Acxiom fails to meet a specific MASL as a consequence of material errors or omissions of Allstate or its employees, contractors, or agents, such MASL will be temporarily suspended for such reasonable amount of time as is necessary for Acxiom to return to compliance, provided that Acxiom shall use its best efforts to return to compliance. Acxiom shall take such reasonable precautions as it deems necessary to prevent the recurrence of any such event.

5. ACXIOM RESOURCES

5.1. General

Except as provided in Schedule 5.1, Acxiom shall have full and total responsibility for obtaining all Software, hardware, documentation, services, and other resources that it will need in order for it to be able to provide the Services in accordance with the MASLs. Schedule 5.1 is a listing of such resources to be provided by Allstate in connection with the provisions of data interactively. All resources specified in Schedule 5.1 that have been provided by Acxiom prior to the Effective Date shall be transferred to Allstate as of the Effective Date at no additional charge to Allstate.

5.2. Use of Data Acquisition System

DAS will be used to support Allstate's auto and property new business underwriting, auto and property renewal underwriting, existing auto-correct classification processes, claims and any other areas of business upon which the Parties may agree. Any business unit or Affiliate of Allstate or any insurance or financial services entity in which Allstate has ownership interest of 10% or greater may utilize the DAS for comparable risk assessment, administrative and/or claims purposes for the same fees described in this Agreement.

5.3. Use of Data Network

Acxiom shall be required to use, and cause its suppliers to use, the IBM Global network, or such other network as Allstate directs in its sole discretion, (the "Data Network") for all data transmissions relating to the Services. Allstate will be responsible for all charges related to utilizing the Data Network for transmission of information to support DAS. Allstate will coordinate Acxiom's efforts to add new suppliers to the Data Network. Allstate will bear all Data Network transmission costs incurred on Allstate's behalf. Acxiom will not utilize the Data Network connections established for Allstate to transmit data for any other insurance company without the prior written consent of Allstate.

5.4. Non-Exclusivity

Nothing herein shall prevent Allstate from obtaining any type of Services, or any other services, from any other provider during the Term. Notwithstanding the preceding sentence: (1) prior to obtaining Services from another provider during the Term, Allstate shall provide Acxiom the opportunity to submit an offer to continue to provide Services and Allstate shall accept such offer if, in Allstate's reasonable determination, such offer permits Allstate to continue to receive the best Services at the best price, and (2) Allstate shall provide Acxiom the opportunity to submit an offer to provide other services to Allstate and Allstate shall accept such offer if, in Allstate's discretion, such offer permits Allstate to receive the best services at the best price. Nothing herein shall prevent Allstate from providing any Services or any other services to itself or its Affiliates using its own facilities, employees and Affiliates.

6. SECURITY OBLIGATIONS

At all times during the Term, Acxiom shall be fully and solely responsible for ensuring the integrity of Allstate's Data and the security of the storage, processing, compilation, or transmission of all Allstate's Data and of all equipment, storage facilities, and transmission facilities on which or through which Allstate's Data is stored, processed, compiled, or transmitted, including, but not limited to, the prevention and detection of Acxiom employee fraud, abuse, or other inappropriate use or access by any Acxiom employee. In this respect, Acxiom shall perform, among other things, all the tasks and take all the measures described in Schedule 6 and shall take such other initiatives or measures as necessary and appropriate under the circumstances.

7. ALLSTATE-RETAINED AUTHORITY AND OBLIGATIONS

7.1. Allstate Authority

Allstate shall retain all decision-making authority with respect to the overall assessment and direction of the Services, introduction of new products and Projects, and modification or discontinuance of products or Projects. Acxiom shall cooperate with Allstate and provide Allstate with advice, information, and assistance in identifying and defining data management projects outside the scope of the Services and future data management requirements to meet Allstate's business objectives.

7.2. Access to Personnel and Information

Allstate shall reasonably cooperate with Acxiom in all matters relating to Acxiom's performance of the Services. Such cooperation shall include (but not be limited to) reasonable access to Allstate's administrative, technical, and other similar personnel as reasonably required by Acxiom to provide the Services.

8. FINANCIAL TERMS

As the sole and entire consideration for all of the Services to be performed by Acxiom and for all of the other tasks, services, and obligations of Acxiom under this Agreement, Allstate shall pay to Acxiom the amounts set forth in this Section 8.

8.1. Data Acquisition Fees

Unless otherwise specified in a Work Order or in Schedule 8.1 hereto, Allstate will pay to Acxiom the DAC for any data acquired by Acxiom for Allstate in connection with the Services plus an amount equal to three and one-half percent (3.5%) of such DAC; provided however, that the foregoing fees shall not apply to state Motor Vehicle Registration ("MVR") fees and surcharges, for which Allstate shall pay the fees set forth in Schedule 8.1; and provided further that any taxes imposed upon the acquisition or use of such data shall be paid by Allstate, and that Allstate shall not pay Acxiom any service fees or surcharges for Acxiom's handling and payment of such taxes.

8.2. Shared Savings - Data Acquisition Costs

8.2.1. Total Data Cost Savings

Allstate shall pay to Acxiom forty percent (40%) of the TDCS resulting from Acxiom's performance of the Services. TDCS shall be computed as the difference of the Benchmark Price less the DAC for any data acquired by Acxiom for Allstate pursuant to this Agreement.

8.2.2. Determination of Benchmark Price

Acxiom shall be responsible for documenting and tracking the Benchmark Price as follows.

8.2.2.1. For types of data previously obtained directly by Allstate, the Benchmark Price shall be the average price paid by Allstate for such data during the twelve (12) month period prior to Acxiom's taking responsibility for the acquisition of such data.

8.2.2.2. For types of data obtained by Acxiom pursuant to the PSA, the Benchmark Price shall be that Benchmark Price as determined pursuant to the PSA and set forth in Schedule 8.2.2 hereto.

For types of data for which no historical pricing information is available (e.g., new types of data), the parties shall endeavor, in good faith, to agree upon a Benchmark Price. In the event that the parties are unable to mutually agree upon a Benchmark Price, a request for quote will be sent out with volume estimates supplied and the response to such request will be used as the benchmark.

8.2.3. Effect of Supplier Price Changes on TDCS

In the event that a data supplier other than Acxiom increases or decreases the cost of data, part or all of the increased or decreased cost will be passed on to Allstate by Acxiom. According to the circumstances surrounding the price increase or decrease, TDCS may or may not be affected. The following scenarios detail when TDCS will and will not be affected, and how the increase or decrease will be passed on to Allstate.

8.2.3.1. If a supplier price increase is levied against all of such suppliers' customers (e.g., an increase in the `list price' for such data), the Benchmark Price will be increased by the full amount of the price increase.

8.2.3.2. If a supplier price increase is levied only against Acxiom or Allstate, the Benchmark Price will not be adjusted.

8.2.3.3. If a supplier price decrease is applicable to all of such suppliers' customers (e.g., a decrease in `list price' for such data), the Benchmark Price will be decreased by the full amount of such price decrease.

8.2.3.4. If a supplier price decrease is applicable only to Acxiom or Allstate and such decrease is achieved as a result of Acxiom's efforts hereunder, the Benchmark Price will not be adjusted, provided, however that if such decrease is not attributable to Acxiom's efforts hereunder, the Benchmark Price will be decreased by the full amount of such price decrease.

8.3. Shared Savings - Other Costs

As part of its responsibilities to optimize the efficiency and cost-effectiveness of Services, Acxiom shall use its best commercial efforts to reduce Allstate's costs associated with the Services, without reduction in the MASLs and without increasing the overall costs associated with the Services. Allstate will pay to Acxiom forty percent (40%) of the "First Year Savings" directly resulting from each specifically identifiable "Optimization" (e.g., improved technology reducing the number of servers required for Allstate's requirements) that reduces Allstate's direct costs, calculated on the following general terms:

(a) The First Year Savings will be estimated three months after the mutually-agreed "Implementation Date" of the Optimization, and will equal the excess (if any) of: (i) the estimated amount of the direct costs that would have been incurred by Allstate or paid to third-parties, for the first twelve months after the calendar month in which the Implementation Date occurs, had the Optimization not been implemented, over (ii) the estimated amount of the direct costs incurred by Allstate or to be paid to third parties for such twelve-month period.

(b) The Optimization must be specifically identifiable and any First Year Savings must be a direct result of Acxiom's actions. Any cost savings achieved as result of Allstate directing Acxiom to implement a cost-saving or efficiency-optimizing solution, shall not be deemed an Optimization and Allstate shall not pay Acxiom for any resulting savings.

8.4. Data Network Costs

Allstate will bear all Data Network transmission costs incurred on Allstate's behalf. Acxiom shall invoice Allstate for any Data Network transmission costs paid by Acxiom on Allstate's behalf, and such costs shall be payable by Allstate, without any surcharges, service fees, or other additions.

8.5. Audit

Acxiom shall, at Allstate's request, provide Allstate's auditors with the ability to fully audit all relevant portions (as reasonably determined by Allstate) of Acxiom's books and records to verify the calculations provided for in this Section 8. Acxiom shall provide such auditors with reasonable access to such information relating to this Agreement and Acxiom's business as may be necessary to confirm the accuracy of the pricing model and pricing adjustment computations for any given year. Any overcharges, undercharges, or errors in computation discovered in the course of any such audit shall be reflected on the next invoice produced by Acxiom hereunder. In the event that such an audit reveals net overcharges in excess of five percent (5%) of the amount that should have been payable by Allstate hereunder, Acxiom shall (i) reimburse Allstate for all costs associated with such Audit; (ii) refund or credit Allstate (at Allstate's option) the full amount of such overcharges; and, (iii) pay Allstate interest at a rate equal to two (2) percentage points above the floating "prime rate" as published from time to time by <u>The Wall Street Journal</u>.

8.6. Taxes

(a) Allstate shall pay any applicable taxes that may be levied or based upon this Agreement or upon the Services and facilities provided by Acxiom hereunder, including without limitation sales, use, nonresident, value-added, excise, and similar taxes, but excluding taxes levied or imposed upon the income or business privileges of Acxiom.

(b) To the extent Acxiom is required to collect and remit any Allstate Tax, Acxiom shall invoice Allstate, as a separate line item, the amount of any such tax.

(c) Allstate shall have the right to contest the validity and payment of any Allstate Tax allegedly owed under this Section. Acxiom agrees to cooperate with Allstate in all such contests. In the event that Allstate elects to contest the validity or payment of any Allstate Tax, Allstate shall not be required to pay any such tax until the contest is resolved. In no event shall Acxiom be required to pay any Allstate Tax and Allstate shall remit to Acxiom any such payment, as well as the payment of any fees, penalties or late charges related thereto which Acxiom may be required to pay, as a result of any determination in connection with any contest with taxing authorities. Allstate shall pay such amount within twenty-five (25) days of receipt by Allstate of an invoice from Acxiom. Allstate shall not be responsible for any penalties or late charges assessed due to Acxiom's negligence. Allstate reserves the right to intervene in any dispute with a taxing authority as to the taxability of the Software System or services provided to Allstate pursuant to this Agreement.

8.7. Services Benchmarking

With Allstate's direction and cooperation, and as part of the Services, Acxiom shall propose and effect a continuing benchmarking program and methodology acceptable to Allstate that takes into consideration adjustments, if any, for reasonably comparable elements of the Services and that will enable Allstate to compare the fees and MASLs set forth in this Agreement with an annually updated database of peer companies and ensure that said fees and MASLs are aligned with the industry's best rates and practices and appropriate adjustments to meet such industry best rates and practices shall be made annually as a Contract Change. At Allstate's direction, Acxiom shall work with any benchmarking firm Allstate selects.

8.8. Out-of-Scope Services Rate Chart

Allstate shall pay for any "Out-of-Scope services" (i.e., ancillary services that are not a part of Services), on a time-and-materials basis at the rates set forth in the "Rate Chart" attached as Schedule 8.8. Such rate will remain fixed until the second anniversary of the Effective Date. Thereafter, Acxiom may increase such rates only once each year of the Term (and only upon and as of an anniversary of the Effective Date) by an amount not to exceed the lesser of: (i) three percent (3%) of the then-applicable rate; or (ii) the increase, during such year, in the United States Department of Labor, Bureau of Labor Statistics, Employment Cost Index, Total Compensation, Private Industry Workers By Industry and Occupational Group for Professional Specialty and Technical. Allstate shall reimburse Acxiom for reasonable out-of-pocket expenses incurred by Acxiom in the performance of Out-of-Scope services, such as reasonable travel and living expenses, provided such expenses are invoiced with reasonable supporting documentation and authorized in writing by Allstate prior to being incurred. Acxiom shall provide invoicing for Out-of-Scope services with documentation that references Allstate's authorizing documentation, Allstate account number, charges, and description. No invoice with respect to Out-of-Scope services will be paid unless such services were authorized in advance in writing by Allstate's Contract Manager.

8.9. Fee Reductions

This Section 8.9 specifies certain "Fee Reductions." It is understood that these Fee Reductions are intended to reflect, to some extent, the diminished value of Acxiom's Services in such events; such Fee Reductions are not intended to compensate Allstate for any breach or default by Acxiom under this Agreement, nor to constitute penalties, damages, liquidated damages, or other compensation for any such breach or default. Any damages recovered by Allstate for a Material Default shall be reduced by the Fee Reduction previously paid by Acxiom to Allstate and directly related to the Material Default.

Upon the occurrence of any failure to meet any of the following critical MASLs for the event in the applicable month (a "Failure"), Allstate's Contract Manager may impose a Fee Reduction in respect of said month as set forth in this Section 8.9 with respect to Acxiom's actual performance as measured against the MASL.

With respect to the Failures set forth in the tables below: (i) if the particular Failure occurs in any two (2) consecutive months, the Fee Reduction for the second (2nd) of such months with respect to that device or event shall be the applicable Fee Reduction amount set forth below; (ii) if the particular Failure occurs in any three (3) consecutive months, the Fee Reduction for the third (3rd) of such months, and for each succeeding month until the first month when the Failure no longer occurs, shall be three (3) times the applicable Fee Reduction amount set forth below.

MASL	Fee Reduction
MASLs related to delivery of data pursuant to DAS	The total amount of any fee paid to Acxiom in excess of the DAC (plus applicable taxes)
MASL I Acxiom Help Desk	$10 per occurrence exceeding maximum time on help desk
MASL II Reporting	$10 per late report
MASL III Processing Service Levels- Batch	Net revenue after data expense
MASL IV Processing Service Level- Interactive	"
MASL V Integrity of Data	"

Acxiom shall pay all Fee Reductions to Allstate by credit against future invoices back to the Allstate division, business unit, agent or Affiliate whose request generated the Fee Reduction, or, at Allstate's written request, by wire transfer to an account designated by Allstate, on or before the first day of the month after the month in which it receives notice from Allstate of the assessment of said Fee Reduction.

Allstate shall give Acxiom reasonable advance notice of anticipated changes in numbers of End-Users or processing volumes (measured by numbers of data requests, transactions, reports, End-Users or other similar objective and measurable criteria). Fee Reductions will not be imposed in the event the Failure is attributable to: (i) an act or omission of Allstate; (ii) a Force Majeure event; (iii) material changes in hardware or software environments implemented by Allstate or a third party and not approved by Acxiom; or (iv) increases in processing volumes for which Acxiom did not receive reasonable advance written notice.

8.10. Only Payments

The fees set forth in this Section 8 are the only payments to be made by Allstate to Acxiom under this Agreement. Acxiom shall be solely responsible for, and shall indemnify Allstate against, all costs and expenses of Acxiom necessary to meet Acxiom's obligations arising under this Agreement, including (but not limited to) labor expenses, hardware and software costs, and general business expenses (including, but not limited to, travel, meals, and overhead expenses). Except as otherwise expressly stated, Allstate will not pay Acxiom any additional fees, assessments, or reimbursements.

8.11. Invoices

8.11.1. Data Acquisition Costs

Acxiom shall furnish: (a) each Allstate PP&C region, each claims office, and each other user of DAS specified by Allstate with a separate monthly invoice for its proportionate share of DAC, applicable surcharges, taxes, and TDCS, and (b) the Allstate headquarters with a monthly invoice for its proportionate share of DAC, applicable surcharges and TDCS, as well as the share of such charges not otherwise allocated to other DAS users, which shares shall be separately stated on such invoice. Subject to the provisions of Sections 8.11.4 and 8.11.5 hereof, and until such time as the Parties successfully implement an Electronic Data Interchange system, which shall include provision of a consolidated monthly invoice with separate line items by Allstate cost center ("EDI") between them, Allstate shall pay each such invoice no later than 30 business days after receipt. After the successful implementation of EDI, but still subject to the provisions of Sections 8.11.4 and 8.11.5, Allstate shall pay: (x) such invoices related to DAS provided to PP&C regions, claims office and other DAS users not classified by Allstate as part of Allstate's home office not later than 15 business days after receipt, (y) such invoices related to DAS provided to users classified by Allstate as part of Allstate's home office not later than 30 business days after receipt, and (z) interest at the rate of one percent (1%) per month on any undisputed amounts not paid within the time frames referenced in this sentence.

8.11.2. Other Charges

Acxiom shall furnish Allstate with a single monthly invoice setting forth in detail all charges payable by Allstate other than those invoiced pursuant to Section 8.11.1 hereof. Subject to the provisions of Sections 8.11.4 and 8.11.5 hereof, Allstate shall pay each such invoice no later than 30 business days after receipt.

8.11.3. Frequency and Format

All invoices shall be furnished by Acxiom not later than the tenth (10th) day of each calendar month for Services delivered during the immediately preceding calendar month. Invoices shall be provided in formats reasonably requested by Allstate from time to time. Upon request of Allstate, Acxiom shall provide Allstate with a consolidated report showing all invoices furnished to all Allstate units, status of payments of such invoices, and such other invoicing and payment information that is reasonably requested by Allstate.

8.11.4. Disputed Amounts

Allstate may, in good faith, dispute any invoice or any portion thereof and shall be required to pay to Acxiom only the undisputed amounts until the dispute is resolved to Allstate's satisfaction. The failure of Allstate to pay a disputed amount shall not constitute a breach or Material Default by Allstate, provided that Acxiom shall have been given notice of the subject of the dispute in accordance with Section 21 hereof and that the appropriate dispute resolution procedures of this Agreement shall have been initiated by Allstate or Acxiom with respect to the matter.

8.11.5. Set-Off

Allstate may set-off against any and all amounts otherwise to be paid to Acxiom pursuant to any of the provisions of this Agreement: (i) any and all amounts owed by Acxiom to Allstate under the provisions of Section 20 (Indemnification); and (ii) any other amounts claimed in good faith to be owed to Allstate by Acxiom in respect of this Agreement. Within sixty (60) days of any set-off by Allstate, Allstate shall provide to Acxiom a detailed written accounting of such set-off and a written statement of the reasons for such set-off.

8.12. Most-Favored Customer

Notwithstanding the foregoing if Acxiom offers to any new or existing customer, any services substantially the same as those described in this Agreement at a price lower or a discount greater than the price charged to Allstate hereunder, or offers more comprehensive services at the same or a lower price, then Acxiom shall offer such lower price or greater discount to Allstate in lieu of the price thereof that is reflected in the price set forth in this Agreement (or, if the price has already been paid, Acxiom shall pay to Allstate a refund of the difference between the price already paid and the lower price or shall offer to Allstate such additional or more comprehensive services at the lower price (or greater discount). Without limiting the generality of Section 8.11.5, Allstate may offset such overcharge amount against any amounts due to Acxiom under this Agreement or any other contract with Allstate. In any event, any acquisition by Allstate of services or products from Acxiom shall be at the terms, conditions, and prices granted by Acxiom to its most-favored customer receiving substantially the same services or products. Acxiom shall notify Allstate of the occurrence of the lower price or greater discount (or provision of more comprehensive services) as described in this Section 8.12 within thirty (30) days after its implementation of such lower price or greater discount (or provision of more comprehensive services). Acxiom further shall notify Allstate on a periodic basis, no less frequently than annually, if there has been no such occurrence of lower price, greater discount or provision of more compliance servers during such preceding period.

9. RELATIONSHIP MANAGEMENT

9.1. Key Personnel and Contract Manager

9.1.1. Acxiom's Key Personnel and Contract Manager

Upon thirty (30) days' prior written notice, Acxiom may reassign any of Acxiom's Key Personnel including (but not limited to) Key Personnel assigned solely to Allstate, to other job functions within Acxiom; provided however, that such reassigned persons shall not perform any services for State Farm Mutual Insurance Company, Farmers Group, Inc., Nationwide Mutual Insurance Company, American Family Mutual Insurance Company, United Services Automobile Association, SAFECO Corporation, GEICO, American International Group or The Progressive Corporation or any of their respective subsidiaries or affiliates within six (6) months of being reassigned. Acxiom shall promptly replace such reassigned person with another person at lease as well qualified. Acxiom represents that Acxiom's Contract Manager is an experienced manager who is, or will endeavor to become, knowledgeable as to Allstate's activities and any applicable MASLs. Allstate shall have the right to interview, as Allstate deems necessary, and participate in the selection of Acxiom's Key Personnel and Contract Manager, and Acxiom shall not designate any Key Personnel or its Contract Manager without Allstate's prior written consent, which consent shall not be unreasonably withheld. Upon thirty (30) days' prior written notice, Acxiom may reassign the Contract Manager to other job functions within Acxiom; provided however, that such reassigned Contract Manager shall not perform any services for State Farm Mutual Insurance Company, Farmers Group, Inc., Nationwide Mutual Insurance Company, American Family Mutual Insurance Company, United Services Automobile Association, SAFECO Corporation, GEICO, American International Group or The Progressive Corporation or any of their respective subsidiaries or affiliates within six (6) months of being reassigned. Acxiom shall promptly replace such reassigned person with another person at least as well qualified. Acxiom's Contract Manager will act as the primary liaison between Acxiom and Allstate's Contract Manager, will have overall responsibility for directing all of Acxiom's activities hereunder, and will be vested with all necessary authority to fulfill that responsibility.

9.1.2. Allstate's Key Personnel and Contract Manager

Allstate's Key Personnel shall provide advice and assistance to Acxiom in areas requiring particular technical or functional expertise or work experience. If any one of Allstate's Key Personnel is unable to perform the functions or responsibilities assigned to him or her in connection with this Agreement, or if he or she is no longer employed by Allstate, Allstate shall promptly replace such person or reassign the functions or responsibilities to another person. Allstate's Contract Manager shall act as the primary liaison between Allstate and Acxiom's Contract Manager and shall have overall responsibility for directing all of Allstate's activities hereunder and shall be vested with all necessary authority to fulfill that responsibility.

9.1.3. Additional Personnel Requirements

In addition to Acxiom's Key Personnel, Acxiom shall make available such additional personnel as are necessary to properly perform Acxiom's obligations under this Agreement at performance levels at least equal to the MASLs.

9.1.4. Minimum Proficiency Levels

Acxiom's Key Personnel and all other personnel assigned by Acxiom or its subcontractors to perform Acxiom's obligations under this Agreement shall have experience, training, and expertise at least equal to the highest commercial standards applicable to such personnel for their responsibilities in the business in which Acxiom is engaged and shall have sufficient knowledge of the relevant aspects of the Services and shall promptly obtain sufficient knowledge of Allstate's practices and areas of expertise to enable them to properly perform the duties and responsibilities assigned to them in connection with this Agreement. In addition, the Services shall conform to the highest commercial standards applicable to such Services in the business in which Acxiom is engaged.

9.1.5. Training

Acxiom shall provide, and cause its subcontractors to provide, all such training to the employees of Acxiom and its subcontractors as may be necessary for them to perform, on behalf of Acxiom, all of Acxiom's duties under this Agreement.

9.1.6. Unsatisfactory Performance

Notwithstanding Section 9.1.1, if Allstate believes that the performance or conduct of any person employed or retained by Acxiom to perform Acxiom's obligations under this Agreement is unsatisfactory or is not in compliance with the provisions of this Agreement, Allstate shall so notify Acxiom and Acxiom shall promptly address the performance or conduct of such person, or, at Allstate's request, immediately replace such person with another person acceptable to Allstate.

9.2. Allstate's Policies

Acxiom shall ensure that it and all Acxiom Personnel comply with the following Allstate policies and such additional policies as may be provided by Allstate to Acxiom from time to time, and Acxiom shall cooperate with Allstate to facilitate Allstate's compliance with such policies:

9.2.1. Computer Information and Access

Prior to performing any services pursuant to this Agreement, the Acxiom Personnel shall execute Allstate's standard forms concerning access protection and data/software security in the form attached hereto as Schedule 9.2.1. Computer data and software shall be used by Acxiom Personnel only in connection with Acxiom's obligations hereunder. Failure of Acxiom to comply with these rules may result in Allstate restricting offending personnel from access to Allstate computer systems or data, or if such failure is willful, reckless or grossly negligent, immediate termination of this Agreement.

9.2.2. Confidentiality and Intellectual Property

Prior to performing any services pursuant to this Agreement, all Acxiom Personnel shall execute the "Acknowledgment" attached hereto as Schedule 9.2.2 or such other similarly restrictive document in form and substance acceptable to the parties with respect to the protection of confidential information and assignment of intellectual property rights.

9.2.3. Other Policies

When on Allstate's premises, Acxiom shall, and shall cause all Acxiom Personnel to, abide by all Allstate corporate policies that may be established by Allstate from time to time.

9.2.4. Enforcement

Acxiom shall render all reasonable assistance requested by Allstate in the event Allstate is required to enforce any of the foregoing policies, or Acknowledgments with respect to any current or former Acxiom Personnel.

9.3. Regulatory Compliance

Acxiom shall assist Allstate in regulatory compliance and further assist Allstate to the extent Acxiom's actions are attributed to Allstate. Allstate agrees to reimburse Acxiom for all expenses reasonably incurred and approved in advance by Allstate in complying with this Section 9.3.

9.4. Operational Change Procedure

Acxiom may make operational changes in the manner in which it provides the Services, using such processes as the Parties mutually agree upon from time to time. Operational changes shall include, by way of example: Acxiom logging changes according to a documented change-control process; conducting mutually agreed, regular change control meetings; Acxiom notifying Allstate and End-Users, as appropriate, of planned change control activities with sufficient lead times to avoid disruption; and Acxiom scheduling outages during hours that meet Allstate operational needs and minimize disruption.

9.5. Work Order Procedure

9.5.1. When Required

A Work Order shall be required to implement any new Service or Project or to make material modifications to an existing Service or Project if: (i) the estimated cost to Allstate of such new or modified Service or Project exceeds Fifty Thousand Dollars ($50,000.00); or (ii) the terms under which such new or modified Service or Project will be provided by Acxiom are materially at variance with the terms of this Agreement (e.g., special financial terms); or (iii) either party requests that such new or modified Service or Project be specified in a Work Order.

9.5.2. Contents of the Work Order

Each Work Order issued pursuant to the Agreement shall contain the following (to the extent applicable to the services to be performed): a detailed description of the services to be performed; specifications; implementation plans; time schedules; financial terms if different from those set forth herein; MASLs; and acceptance criteria. Work Orders shall be governed by the terms and conditions of this Agreement. All Work Orders shall be agreed to and signed by the Allstate Contract Manager and the Acxiom Contract Manager prior to the start of the Services set forth therein.

10. Proprietary Rights; Ownership of Work Product

Allstate shall be the sole and exclusive owner of all of the Work Product, and of all copyright, patent, trademark, trade secret, and other proprietary rights in the Work Product. Ownership of Work Product will inure to the benefit of Allstate from the date of creation, or of fixation in a tangible medium of expression, as applicable, of such Work Product. Each copyrightable aspect of the Work Product will be considered as though it was a "work made for hire" within the meaning of the Copyright Act of 1976, as amended. If and to the extent that the Work Product, or any part thereof, is found as a matter of law not to be a "work made for hire" within the meaning of the Copyright Act of 1976, as amended, Acxiom hereby assigns and agrees to assign to Allstate exclusively all right, title, and interest in and to the Work Product, and all copies thereof, and the copyright, patent, trademark, trade secret, and all other proprietary rights in the Work Product, without further consideration, free from any claim, lien for balance due, or rights of retention thereto on the part of Acxiom. As set forth in Section 9.2.1 hereof, Acxiom shall obtain similar written undertakings from Acxiom Personnel who will perform the services relating to this Agreement, so as to ensure Allstate's ownership of the Work Product. Acxiom also acknowledges that Allstate does not intend

Acxiom to be a joint author of the Work Product within the meaning of the Copyright Act of 1976, as amended, and that in no event shall any Work Product be deemed to have been developed with the intent that Acxiom be a joint author thereof. Allstate will have unrestricted access to all Acxiom's materials, premises, and computer files containing the Work Product provided, however Allstate shall give reasonable notice prior to exercising such right. Allstate shall grant Acxiom a non-transferable, non-exclusive personal license to use any Work Product solely for the provision of Services to Allstate, and, subject to the terms and conditions of the license agreement attached hereto as Exhibit ____, Acxiom may use the Work Product in connection with the provision of Services to Acxiom's other customers with the prior written consent of Allstate, which may be withheld in Allstate's sole discretion. Acxiom shall promptly and fully disclose and deliver the Work Product to Allstate, in writing if requested by Allstate, and shall execute and deliver any and all lawful patent, copyright, or other applications, assignments, and other documents that Allstate requests for protecting the Work Product, whether in the United States or any other country. Allstate shall have the full and sole power to prosecute such applications and to take all other action concerning the Work Product, and Acxiom shall cooperate fully and in a lawful manner, at the expense of Allstate, in the preparation and prosecution of all such applications and in any legal actions and proceedings concerning the Work Product. Acxiom shall retain all right, title, and interest in all intangible ideas, know-how, and techniques developed by Acxiom that are not Work Product and Acxiom hereby grants to Allstate a perpetual, non-exclusive, royalty free license to use any such ideas, know-how, and techniques that are embedded in the Work Product.

10.1. Rights and Licenses

Acxiom shall be responsible for obtaining from third parties all rights and licenses required to perform the Services. With respect to all technology used and to be used by Acxiom to perform the Services hereunder, Acxiom hereby grants and agrees to grant to Allstate, or cause to be granted by the licensor thereof, without additional charge, such licenses and sublicenses as may be necessary in order for Allstate, and its authorized representatives, to use, or receive the benefit of the use by Acxiom of, such technology in connection with the Services. Further, Acxiom shall exercise its best efforts to obtain from third parties on behalf of Allstate, without additional charge, such licenses, authorizations, or consents as may be necessary for Allstate and its authorized representatives to use any technology necessary for Allstate (or its authorized representative) to continue to perform the Services for Allstate after a Disentanglement.

10.2. Adverse Action

Each of the Parties covenants to perform its responsibilities under this Agreement in a manner that does not infringe, or constitute an infringement or misappropriation of, any patent, trade secret, copyright, or other intellectual property right of any third party, or a violation of the other Party's software license agreements or intellectual property rights disclosed to or known by such Party.

11. TERM

11.1. Initial Term; Renewals

The period during which Acxiom shall be obligated to provide the Services under this Agreement shall commence on the Effective Date and end on the fifth (5th) anniversary of the Effective Date; provided, however, that Allstate may, in its sole discretion, extend the Term for an additional five (5) years by providing written notice delivered to Acxiom at least ninety (90) days before the end of the then-current initial or extended Term. Acxiom shall notify Allstate of the expiration of the Term, and of any renewal thereof, no earlier than twelve (12) months, nor later than six (6) months, before the date on which the Term would expire (if not renewed).

11.2. Extension of Termination Date

Allstate may, at its sole option and discretion, extend the effective date of any expiration or termination of the Term for up to six (6) successive thirty-day (30) periods upon at least fifteen (15) days' prior written notice to Acxiom.

11.3. Early Termination

11.3.1. Partial Termination of Services by Allstate

Allstate shall have the right to terminate any of the Services described in Section 3 upon thirty (30) days' written notice to Acxiom if Allstate determines, in its sole discretion, that it no longer has need for such Services; provided, however, that Allstate may not terminate any Services pursuant to this Section 11.3.1 for the purpose of engaging another vendor to perform such Services except as provided in Section 5.4 hereof.

11.3.2. For Convenience

Allstate shall have the right to terminate any of the Services described in Section 3 for its convenience upon twelve (12) months' written notice to Acxiom. Allstate shall have the right to end the Term for its convenience effective at 11:59 p.m. on the intended date of termination by delivering to Acxiom a written notice of termination at least 12 months before said intended date of termination.

11.3.3. Change in Control of Acxiom

In the event of a change in control of Acxiom resulting from a single transaction or series of related transactions, Allstate shall have the right to end the Term upon ten (10) days' written notice to Acxiom, provided that Allstate shall have delivered such notice to Acxiom not later than 180 days following the effective date of such change in control. Solely for purposes of the preceding sentence, "control" shall mean the legal, beneficial, or equitable ownership, direct or indirect, of more than fifty percent (50%) of the aggregate of all voting or equity interests in Acxiom; "change in control" shall mean any change in the legal, beneficial, or equitable ownership, direct or indirect, such that control of Acxiom is no longer with the same entity as on the Effective Date.

11.4. Termination for Material Default

Section 21 (Dispute Resolution) hereof notwithstanding, the Term may be ended by either Party, by written notice delivered to the other Party, if the other Party commits a Material Default which remains uncured within the time specified in Section 2.24 hereof. Termination shall be effective at 11:59 p.m. on the last day of any applicable cure period, or if no cure period is specified on the date specified in the notice, subject to the provisions of Section 21.6 hereof.

11.5. Termination for Force Majeure Event

If a delay or interruption of performance by a Party resulting from its experiencing a Force Majeure Event exceeds thirty (30) days, then the other party may terminate the Term, effective at 11:59 p.m. on the intended date of termination, by delivering to the non-performing Party written notice of termination specifying the date of termination.

11.6. Effect of Ending of Term

The expiration or termination of the Term, though ending the obligation of Acxiom to provide the Services, will not constitute a termination of the Agreement, which will continue in effect until all other duties and obligations of the Parties have been performed, discharged, or excused.

12. Disentanglement

12.1. Disentanglement Process

Concurrently with the expiration or termination of the Term (or any Services) under any of the provisions of Section 11, the following shall occur (collectively, a "Disentanglement"):

(a) Upon notice of termination or intention not to renew this Agreement, the Parties shall cooperate fully with one another to facilitate a smooth transition of the Services being terminated from Acxiom to Allstate or Allstate's designated replacement provider;

(b) Without limiting the obligations of Acxiom pursuant to Section 10.1 above, Acxiom shall, subject to the terms of any third-party contracts, exercise its best efforts to procure any third-party authorizations necessary to grant Allstate the use and benefit of any third-party contracts (including, but not limited to, software licenses) between Acxiom and third-party contractors then being utilized by Acxiom in enabling it to provide such Services;

(c) Acxiom's obligation to provide the Services under this Agreement shall cease in a manner and over a period of time consistent with the Disentanglement process, but in no event longer than one (1) year, during which period Allstate agrees to pay Acxiom for the Services at the fees which are in effect as of the date of notice of termination;

(d) Acxiom shall, subject to the terms of any applicable software license, transfer, license, or sub-license to Allstate all proprietary and third-party software (including but not limited to Acxiom Core Software) that would be needed in order to allow Allstate to continue to perform for itself, or obtain from other providers, the Services, as the same might exist at the time of Disentanglement; the license fee for the Acxiom Core Software shall be a one-time fee in an amount to be agreed upon by the parties or, in the event the Parties are unable to agree upon the amount of the license fee, a third-party software-consultant jointly selected by the parties shall determine the amount of the license fee and any fees charged by such third-party software-consultant shall be evenly divided between the Parties; and

(e) Acxiom shall deliver to Allstate, at Allstate's request, all documentation and data related to Allstate held by Acxiom or any of Acxiom's Personnel, and Acxiom shall destroy all copies thereof not turned over to Allstate.

12.2. Preparation for Disentanglement

In preparation for the Disentanglement:

(a) Acxiom shall provide to Allstate sufficient information and cooperation to enable Allstate's personnel, or that of its other providers, to fully assume the provision to Allstate of the Services;

(b) Acxiom shall cooperate with Allstate and all of Allstate's other service providers to ensure a smooth transition at the time of Disentanglement, with no interruption of Services, no adverse impact on the provision of Services or Allstate's activities, no interruption of any services provided by third parties, and no adverse impact on the provision of services provided by third parties;

(c) Acxiom shall ensure that the assets used in providing the Services will be maintained, protected, and adequately insured throughout the Term;

(d) Acxiom shall obtain advance consents (including, without limitation, obtaining consent to the time of entering into all new licenses to be used for the benefit of Allstate) from Acxiom's licensors to the conveyance or assignment of licenses to Allstate upon Disentanglement; and

(e) Acxiom shall take such additional actions and perform such additional tasks as may be necessary to ensure a timely Disentanglement in compliance with the provision of this Section, including full performance, on or before the date of expiration or termination of the Term, of Acxiom's obligations under this Section.

13. DEFAULT

13.1. Remedies

13.1.1. Allstate's Remedies

If Acxiom commits an uncured Material Default under this Agreement, Allstate will be entitled to end the Term in accordance with the provisions of Section 11.4 (Termination for Material Default) hereof. Termination shall not constitute a Party's exclusive remedy for such a Material Default, and neither Party shall be deemed to have waived any of its rights accruing hereunder prior to such Material Default or otherwise available at law or in equity. If either Party ends the Term as a result of a claimed, uncorrected Material Default by the other Party and such other Party does not agree that a Material Default was committed, then such other Party shall have the right to avail itself of all remedies available to it under the law or in equity, none of which is exclusive and any or all of which may be pursued.

13.1.2. Acxiom's Remedies

If Allstate commits an uncured Material Default under this Agreement, Acxiom will be entitled to end the Term; provided, however, that if the Material Default concerns Allstate's failure to pay Acxiom the fees specified in Section 8, Acxiom shall first give Allstate notice and an opportunity to cure such Material Default within thirty (30) days after such notice. Termination shall not constitute a Party's exclusive remedy for such a Material Default, and neither Party shall be deemed to have waived any of its rights accruing hereunder prior to such Material Default or otherwise available at law or in equity. If either Party ends the Term as a result of a claimed, uncorrected Material Default by the other Party and such other Party does not agree that a Material Default was committed, then such other Party shall have the right to avail itself of all remedies available to it under the law or in equity, none of which is exclusive and any or all of which may be pursued.

13.1.3. Limitation of Liability

Subject to the express provisions and limitations of this Section 13.1.3, the Parties intend that each Party will be liable to the other Party for all damages (including, but not limited to, cover) incurred as a result of the breaching Party's failure to perform its obligations.

IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR ANY SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOST INCOME OR LOST REVENUE. EXCEPT AS OTHERWISE EXPRESSLY PROVIDED BELOW, EACH PARTY'S AGGREGATE CUMULATIVE LIABILITY HEREUNDER FOR ALL DIRECT DAMAGES ARISING UNDER OR RELATING TO THIS AGREEMENT NOTWITHSTANDING THE FORM (e.g., CONTRACT, TORT, OR OTHERWISE) IN WHICH ANY ACTION IS BROUGHT, SHALL BE LIMITED TO THE GREATER OF: (i) ACXIOM'S NET REVENUE BILLED LESS DIRECT DATA EXPENSE WITH RESPECT TO THE SERVICES PROVIDED HEREUNDER OUT OF WHICH THE LIABILITY AROSE; OR (ii) FIVE MILLION DOLLARS ($5,000,000). THE FOREGOING LIMITATION UPON PROVIDER'S LIABILITY SHALL NOT APPLY TO CLAIMS SUBJECT TO INDEMNIFICATION BY ACXIOM (SECTION 20) OR CLAIMS WITH RESPECT TO A BREACH OF CONFIDENTIALITY (SECTION 17).

13.2. Force Majeure Events

If a Force Majeure Event affects a Party's performance hereunder, the affected obligations, after notification by such Party to the other Party, shall be deemed suspended until the Force Majeure Event has ended and a reasonable period of time for overcoming the effects thereof has passed; provided, however, that if the delay or interruption of performance resulting from a Force Majeure Event exceeds thirty (30) days, then this Agreement may be terminated subject to Section 11.5 (Termination for Force Majeure Event). Both Parties shall use reasonable efforts to minimize delays that occur due to a Force Majeure Event. Notwithstanding the above, Acxiom shall in no event be excused from those obligations not directly affected by a Force Majeure Event, and if the Force Majeure Event is caused by Acxiom's failure to comply with any of its obligations under this Agreement or by Acxiom's negligence or omission, there shall be no relief from any of its obligations under this Agreement.

14. INSURANCE

14.1. General Requirements

Without limiting Acxiom's undertaking to defend, hold harmless, and indemnify Allstate Indemnitees as provided in Section 20 hereof, Acxiom shall purchase and maintain insurance to protect Acxiom from all claims of the type set forth below that arise out of or result from Acxiom's operations, services, and/or performance under this Agreement and for which Acxiom may be liable, whether such operations, services, and/or performance are provided by Acxiom or by any of Acxiom's agents, consultants, suppliers, or subcontractors or by anyone directly employed by any of them, or by anyone for whose acts any of them may be liable.

14.2. Coverages

The insurance required hereunder shall be written for not less than the limits of coverage specified herein, or as required by law in any jurisdiction with authority over Acxiom's operations, services, and/or performance, whichever is greater. Coverage shall be written on an occurrence basis.

(a) Worker's Compensation Insurance offering statutory coverage as required by the laws of the jurisdiction in which the Services are performed.

(b) Employers Liability Insurance with limits of not less than One Million Dollars ($1,000,000.00) for each accident or disease.

(c) Commercial General Liability Insurance with a combined single limit of not less than One Million Dollars ($1,000,000.00) per occurrence for personal injury (including wrongful death), and broad-form property damage liability inclusive of independent contractors, blanket contractual liability for this insured Agreement and product/completed operations coverage maintained for not less than two (2) years following completion and acceptance of the work.

(d) Umbrella or Excess Liability Insurance with limits not less than Five Million Dollars ($5,000,000.00) per occurrence which will provide additional limits for commercial general and automobile liability insurance.

(e) Professional Liability Insurance covering errors and omissions with limits of not less than Five Million Dollars ($5,000,000.00) per occurrence. The policy shall have an extended reporting period of two (2) years. When policies are renewed or replaced, the policy retroactive date must coincide with, or precede, the commencement date of services in connection herewith.

(f) Automobile Liability Insurance with a limit of not less than One Million Dollars ($1,000,000.00) per accident on vehicles owned, leased, or rented by Acxiom and used while performing under this Agreement.

(g) Fidelity Bond coverage with limits of not less than One Million Dollars ($1,000,000.00) per occurrence.

14.3. Miscellaneous Requirements

Acxiom shall comply with the following terms for all insurance coverage required by Section 14.2 hereof:

(a) Acxiom shall provide insurance coverage by insurance companies having policy holder ratings no lower than "A" and financial ratings not lower than "XII" in the Best's Insurance Guide, latest edition in effect as of the date of this Agreement.

(b) Acxiom shall verify and ensure that all of Acxiom's agents, consultants, suppliers, and subcontractors are adequately insured against claims arising out of or relating to their performance related to this Agreement.

(c) The Policies described in clauses (c), (d), and (e) of Section 14.2 shall name Allstate as an additional insured on a primary basis.

(d) The insurance policies listed above shall not be restricted by the country or state in which the Services are being performed. In the case of Services performed outside the United States and when required by law, the insurance must be placed with a company admitted to do business in that country.

(e) The foregoing insurance coverages shall be primary and non-contributing with respect to any other insurance or self-insurance that may be maintained by Allstate and its subsidiaries and affiliates and shall contain a cross-liability or severability-of-interest clause. The fact that Acxiom has obtained the insurance required in this Section 14.2 shall in no manner lessen nor affect Acxiom's other obligations or liabilities set forth in this Agreement. Acxiom shall supply certificates of insurance satisfactory to Allstate and all its subsidiaries and affiliates, demonstrating that all of the insurance required above is in force, that not less than thirty (30) days' written notice will be given to Allstate prior to any cancellation or restrictive modification of the policies, and that the waivers of subrogation are in force. At the request of Allstate or any of its subsidiaries or affiliates, Acxiom shall provide a certified copy of each insurance policy required under this Agreement.

15. REPORTS

15.1. General

Acxiom shall furnish Allstate with information and reports in the form and with the frequency, but in no event less frequently than monthly, that Allstate may reasonably request from time to time including, but not limited to, those reports set forth in Schedule 15 hereto. Acxiom's reports shall include (but not be limited to) information regarding: Acxiom's performance of the Services; cost-management; subcontractor relationships; and End-User satisfaction. Acxiom shall promptly inform Allstate of any deficiencies, omissions, or irregularities in Allstate's requirements or in Acxiom's performance of the Services that may come to Acxiom's attention. Acxiom shall furnish Allstate with all existing and future research and development resources, such as published materials, and industry studies conducted for or by Acxiom, that come to its attention and pertain to the services and that might assist Allstate in setting its policies or requirements under this Agreement.

15.2. Media

Acxiom shall furnish Allstate with all reports in both hard copy and electronic form per Allstate's specifications as reasonably requested by Allstate from time to time.

16. RECORDKEEPING AND AUDIT RIGHTS

16.1. Recordkeeping

Acxiom shall maintain complete and accurate records and books of account with respect to this Agreement utilizing generally accepted accounting principles ("GAAP"), consistently applied and complying in all respects with all applicable laws. Such records and books, and the accounting controls related thereto, shall be sufficient to provide reasonable assurance that:

(a) transactions are recorded so as to permit the preparation of Acxiom's financial statements in accordance with GAAP and to maintain accountability for its assets; and

(b) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

Such records and books of account of Acxiom's business shall be maintained by Acxiom at its principal business office and each of the parties may examine and make extracts of information and copy any part thereof at any reasonable time during normal business hours.

Acxiom shall retain for a period of four (4) years from the end of each calendar year during the Term, or such longer period as may be required by law, all records and information required to verify amounts invoiced under this Agreement for such calendar year. Allstate, or an auditing firm retained by Allstate, shall be granted access to the aforesaid records during normal business hours upon reasonable notice to Acxiom.

16.2. Audit Rights

Allstate, or its authorized representatives, will have the right, at any time, without any notice, to perform an operational audit with respect to Acxiom's performance hereunder including (but not limited to) the Services and any obligation of Acxiom related to security. Acxiom shall grant Allstate and its representatives full and complete access, during normal business hours and upon reasonable notice, to the relevant portion of Acxiom's books and records as they relate to this Agreement, or as they may be required in order for Allstate to ascertain any facts relative to any claim against Acxiom that might become a charge against Allstate or its property. Acxiom shall provide Allstate, or its authorized representatives, such information and assistance as reasonably requested in order to perform such audits. If any such audit reveals a material inadequacy or insufficiency of Acxiom's performance, then the cost of such audit shall be borne by Acxiom. With respect to any audit that relates to sums to be paid hereunder, if any such audit reveals that Acxiom has overcharged Allstate in an amount in excess of five percent (5%) above the fees specified in any Schedule hereto during the period to which the audit relates, then the cost of such audit shall be borne by Acxiom.

16.3. Open Book Policy

Subject to the terms of the Special confidentiality Agreement attached hereto as Exhibit _____. Acxiom shall provide Allstate, on a quarterly basis, full and complete reports of its current financial plans, accounting records, and operational plans related to this Agreement, including (but not limited to) its plans and records regarding the cost and profitability of providing Services to Allstate. Acxiom shall promptly respond to any questions regarding such reports.

17. CONFIDENTIALITY

17.1. Disclosure of Confidential Information

Each Party shall:

(a) use the same care to prevent disclosure of the Confidential Information of the other Party to third parties as it employs to avoid disclosure, publication, or dissemination of its own information of a similar nature, but in no event less than a reasonable standard of care;

(b) use the Confidential Information of the other Party solely for the purpose of performing its obligations under this Agreement;

(c) not acquire any right in or assert any lien against Confidential Information of the other Party; and

(d) promptly return, or provide a copy of, as the requesting Party directs, Confidential Information upon the request of the other Party.

(e) Notwithstanding the foregoing, each Party may disclose Confidential Information of the other Party to its employees, agents, and subcontractors who have: (i) a need to know such Confidential Information in order to perform their duties; and (ii) a legal duty to protect the Confidential Information. A Party receiving Confidential Information of the other Party assumes full responsibility for the acts or omissions of its subcontractors and employees with respect to such Confidential Information.

17.2. Required Disclosure

Either Party may disclose Confidential Information to the extent required by law or by order of a court or governmental agency; provided, however, that the recipient of such Confidential Information shall give the owner of such Confidential Information prompt notice and shall use its best efforts to cooperate with the owner of such Confidential Information if the owner wishes to obtain a protective order or otherwise protect the confidentiality of such Confidential Information. The owner of such Confidential Information reserves the right to obtain a protective order or otherwise protect the confidentiality of such Confidential Information. Further, either party may disclose the terms of this Agreement to the extent required to enforce its terms or the rights of such Party.

17.3. Notification

In the event of any disclosure or loss of Confidential Information, the receiving Party shall immediately notify the disclosing Party.

17.4. Injunctive Relief

Each Party acknowledges that any breach of any provision of this Section 17 by either Party, or its personnel or subcontractors, will cause immediate and irreparable injury to the other Party, and in the event of such breach, the injured Party shall be entitled to injunctive relief, without bond or other security, and to any and all other remedies available at law or in equity.

17.5. Return of Confidential Information

Unless it is expressly authorized by this Agreement to retain the other Party's Confidential Information, a Party shall promptly return or destroy, at the other Party's option and request, the other Party's Confidential Information and all copies thereof, and shall certify to the other Party that it no longer has in its possession or under its control any Confidential Information in any form whatsoever, or any copy thereof.

18. LEGAL COMPLIANCE

Both Acxiom and Allstate shall at all times perform their obligations hereunder in compliance in all material respects with all applicable national, state, and local laws and regulations of all applicable jurisdictions, and in such a manner as not to cause the other to be in material violation of any applicable laws or regulations including (but not limited to) the U.S. Fair Credit Reporting Act, as amended by the Consumer Credit Reporting Reform Act of 1996, 15 U.S.C. 1681, et seq. ("FCRA"), any similar state privacy laws, and any applicable requirements of any national, state, or local authority regulating credit reporting, insurance, health, safety, employment, the environment, or telecommunications. If any such laws and regulations are changed, or new laws or regulations are enacted after the date of Acxiom's execution of this Agreement and Acxiom's cost to perform is thereby directly increased or decreased, the amounts otherwise to be paid to Acxiom pursuant to any of the provisions of this Agreement may be adjusted as the Parties shall mutually agree.

With respect to consumer reports that are purchased by Acxiom at Allstate's request, Allstate hereby certifies that it or its Affiliates will be the end user(s) of such reports and that such reports will be used for the following purposes and for no other purposes: (a) in connection with the underwriting (including rating) of insurance; and/or (b) in connection with the written consent of the consumer. The Parties acknowledge that each of the above purposes constitutes a permissible purpose under the FCRA. Allstate will maintain copies of consumers' written consents and will make such copies available to Acxiom reasonably promptly upon receipt of Acxiom's written request. Allstate agrees that every request for a consumer report will constitute a recertification to Acxiom at the time of ordering such report that: (x) Allstate and/or its Affiliates will be the end user(s) of such report; (y) such report is being requested for a stated permissible purpose; and (z) the report will be used for no purpose other than the stated permissible purpose.

19. Representations and Warranties

19.1. Acxiom's Representations, Warranties, and Covenants

19.1.1. Performance of the Services

Acxiom warrants that all Services provided hereunder will be performed to the best of Acxiom's ability and in a good workmanlike manner and that materials provided by Acxiom hereunder will conform to and perform in accordance with the specifications stated herein and in each Schedule, if applicable, and in all associated documentation. Acxiom shall manage third party vendor relationships, quality of data Acxiom furnishes to Allstate, and costs of data in a manner consistent with the terms and spirit of this Agreement.

19.1.2. Proprietary Rights Infringement

Acxiom covenants that at no time during the Term shall the use of any services, techniques, or products provided or used by Acxiom infringe upon any third party's patent, trademark, copyright, or other proprietary or intellectual-property right, nor make use of any misappropriated trade secrets.

19.1.3. Adherence to Specifications

The Software, including all enhancements, modifications, and new releases thereof, will operate in accordance with the specifications and documentation provided to Allstate. For a period of ninety (90) days from Allstate's written acceptance of any Software installed at Allstate's facilities, Acxiom will correct, without charge to Allstate, any errors which cause the Software to fail to perform in accordance with the relevant specifications. This warranty will not apply to the extent that such error is a result of modifications performed by a party not employed by or under the control of Acxiom. For all Software not installed at Allstate's facilities, Acxiom will correct all malfunctions without charge to Allstate during the Term of this Agreement.

19.1.4. Warranty as to Viruses

Acxiom warrants that the Software (and any portion thereof) does not contain any timer, clock, counter, virus or other limiting design, routine or instructions: (i) which have destructive capabilities; (ii) which cause the Software (or any portion thereof) to become erased, inoperable or otherwise incapable of being used in the full manner for which it was designed and licensed pursuant to this Agreement (including but not limited to any design or routine that would impede copying thereof); (iii) which would render any hardware or software inoperable; or (iv) which would cause data to become altered, damaged or removed. Furthermore, the Software does not contain any limiting design or routine which would cause it to be erased, become inoperable, or otherwise incapable of being used in the full manner for which it was designed and licensed pursuant to this Agreement solely because such Software has been installed or moved to a central processing unit or system which has a serial number, model number, or other identification different from that on which the Software was originally installed.

19.1.5. Warranty of Year 2000 Compliance

Acxiom warrants that the use, processing or occurrence of the date January 1, 2000 or any subsequent date ("Millennial Dates") will not adversely affect the performance of the Software with respect to date-dependent data, computations, output or other functions (including, but not limited to, calculating, comparing, searching, and sequencing) and that the Software will create, store, process and output information related to or including Millennial Dates without error or omissions and at no additional cost to Allstate. At Allstate's request, Acxiom will provide evidence sufficient to demonstrate adequate testing of the Software to meet the foregoing requirements.

19.1.6. Legal and Corporate Authority

Acxiom represents and warrants that: it is a corporation duly formed and in good standing under the laws of Arkansas and is qualified and registered to transact business in all locations where the performance of its obligations hereunder would require such qualification; it has all necessary rights, powers, and authority to enter into and perform this Agreement, and the execution, delivery, and performance of this Agreement by Acxiom have been duly authorized by all necessary corporate action; and the execution and performance of this Agreement by Acxiom will not violate any law, statute, or regulation and will not breach any agreement, covenant, court order, judgment, or decree to which Acxiom is a party or by which it is bound. Acxiom represents and warrants that it has, and covenants that it shall maintain in effect, all licenses and permits necessary for it to provide the Services contemplated by this Agreement. Acxiom represents and warrants that Acxiom owns or leases and covenants that it will own or lease, free and clear of all liens and encumbrances, other than lessors' interests, or security interests of Acxiom's lenders, all right, title, and interest in and to the tangible property and technology and the like that Acxiom intends to use or uses to provide such Services and in and to the related patent, copyright, trademark, and other proprietary rights, or has received appropriate licenses, leases, or other rights from third parties to permit such use.

19.2. Allstate's Representations, Warranties and Covenants

19.2.1. Legal and Corporate Authority

Allstate represents and warrants that: it is a corporation duly formed and in good standing under the laws of Illinois and is qualified and registered to transact business in all locations where the performance of its obligations hereunder would require such qualification; it has all necessary rights, powers, and authority to enter into and perform this Agreement; the execution, delivery, and performance of this Agreement by Allstate have been duly authorized by all necessary corporate action; and the execution and performance of this Agreement by Allstate will not violate any law, statute, or regulation and will not breach any agreement, covenant, court order, judgment, or decree to which Allstate is a party or by which it is bound.

19.2.2. Other

Allstate does not make any representation or warranty with respect to the Services or any component thereof. All hardware, software, networks and other information-technology related assets made available or conveyed by Allstate to Acxiom under this Agreement are made available or conveyed to Acxiom "AS IS, WHERE IS" and there are no warranties of any kind with respect to the condition, capabilities, or other attributes of such items, except as otherwise expressly stated in this Agreement.

19.3. Disclaimer

EXCEPT AS EXPRESSLY STATED IN THIS AGREEMENT, THERE ARE NO EXPRESS WARRANTIES BY EITHER PARTY. THERE ARE NO IMPLIED WARRANTIES OR CONDITIONS, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE.

20. INDEMNIFICATION

20.1. Technology

20.1.1. Indemnity by Acxiom

Acxiom shall defend, indemnify, and hold the Allstate Indemnitees harmless from and shall pay all final damages and costs awarded against any of them arising out of, any claim brought by any third party against any of them for actual or alleged infringement of any patent, trademark, copyright, or similar property right including misappropriation of trade secrets, based upon technology or data used by Acxiom in providing the Services (collectively, "Infringement Claim"); and Acxiom shall defend, indemnify, and hold the Allstate Indemnitees harmless from and against any and all liabilities, losses, costs, damages, and expenses, including reasonable attorney's fees, associated with any such claim or action incurred by any of them in connection with any Infringement Claim that involves technology provided or developed by Acxiom. Acxiom may, in its reasonable discretion, either procure a license to enable Allstate to continue to use such technology or data or develop or obtain a non-infringing substitute acceptable to Allstate. Acxiom will have no obligation with respect to any claim or action to the extent that it is based solely upon: (i) modification of a program or machine by Allstate, any third-party contractor to Allstate, or any agent of Allstate; (ii) data provided by Allstate to Acxiom; (iii) Allstate's combination, operation or use with apparatus, data or programs neither furnished nor approved by Acxiom; (iv) the use by Allstate of any software provided by any third party other than in accordance with relevant software licenses whether or not such license agreements are provided to Acxiom; or (v) the use of software owned by or licensed to Allstate by a party other than Acxiom and supplied by Allstate to Acxiom.

20.1.2. Indemnity by Allstate

Allstate shall defend, indemnify, and hold the Acxiom Indemnitees harmless from and shall pay all final damages and costs awarded against any of them arising out of, any claim brought by any third party against any of them for actual or alleged infringement of any patent, trademark, copyright, or similar property right including misappropriation of trade secrets, based upon software that is proprietary to Allstate. Allstate may, in its reasonable discretion, either procure a license to enable Acxiom to continue to use such technology or develop or obtain a non-infringing substitute. Allstate shall have no obligation with respect to any claim or action to the extent that it is based solely upon: (i) modification of a program or machine by Acxiom, any third-party contractor to Acxiom, or any agent of Acxiom; (ii) Acxiom's combination, operation, or use with apparatus, data, or programs not furnished by Allstate; (iii) the use by Acxiom of any software provided by any third party other than in accordance with relevant software licenses whether or not such licenses are provided to Allstate; or (iv) the use of software owned by or licensed to Acxiom by a party other than Allstate and supplied by Acxiom to Allstate.

20.2. Injury or Property Damage

20.2.1. Indemnity by Acxiom

Without limiting Acxiom's obligations with respect to insurance as provided in Section 14 hereof, Acxiom shall indemnify, defend, and hold the Allstate Indemnitees harmless with respect to any third party claim alleging bodily injury, including death, or damage to tangible personal or real property, to the extent that such injury or damage arises from physical acts or omissions that constitute negligence, willful misconduct, or violations of law by Acxiom or its personnel, agents, or subcontractors.

20.2.2. Indemnity by Allstate

Allstate shall indemnify, defend, and hold the Acxiom Indemnitees harmless with respect to any third party claim alleging bodily injury, including death, or damage to tangible personal or real property, to the extent that such injury or damage arises from physical acts or omissions that constitute negligence, willful misconduct, or violations of law by Allstate or its personnel, agents, or subcontractors.

20.3. Employees

Acxiom shall indemnify, defend and hold harmless the Allstate Indemnitees, from and against any and all liabilities, losses, taxes, withholdings, claims, demands, damages, judgments, and costs and expenses, including reasonable attorneys' fees, based upon claims against any of them that arise out of or in connection with (i) any aspect of the employment relationship or the termination of the employment relationship between Acxiom and Acxiom's employees assigned to provide the Services hereunder, except to the extent such liability is caused by Allstate's acts or omissions; (ii) any action brought by any of Acxiom's Personnel seeking to be treated as Allstate employees and/or claiming entitlement to any of Allstate's employee benefits; (iii) any action seeking to declare Allstate as a joint employer with Acxiom of any of Acxiom's Personnel providing services to Allstate hereunder; (iv) any determination resulting from or pursuant to any arbitration proceeding, court proceeding by a court of competent jurisdiction, administrative proceeding or other similar proceeding that Allstate was the employer of any of Acxiom's Personnel providing services to Allstate hereunder; or (v) theft, fraud, or misappropriation by Acxiom or its Affiliates or their respective officers, employees, agents, subcontractors, or successors, of tangible or intangible property of Allstate.

20.4. Third-Party Matters

20.4.1. Indemnity by Acxiom

Acxiom shall defend, indemnify, and hold the Allstate Indemnitees harmless from and against any and all claims by any third parties, and any and all liabilities, losses, costs, damages, and expenses, including reasonable attorney's fees, based upon or related to third-party services utilized by Acxiom in providing Services.

20.4.2. Mutual Indemnities

Each Party shall defend, indemnify, and hold the other Party's Indemnitees harmless from and against claims by third parties based upon an alleged breach of any agreement between the indemnifying party and such third party.

20.5. Misrepresentation

20.5.1. Indemnity by Acxiom

Acxiom shall indemnify, defend, and hold harmless the Allstate Indemnitees from and against any claim by any third party and any and all loss, liability, damages, costs, and expenses, including reasonable attorney's fees, sustained or incurred by such Indemnitee as a direct result of any misrepresentation by Acxiom in this Agreement or any breach or default by Acxiom with respect to any warranty, promise, agreement, duty, or obligation of Acxiom contained in this Agreement.

20.5.2. Indemnity by Allstate

Allstate shall indemnify, defend, and hold harmless the Acxiom Indemnitees from and against any claim by any third party and any and all loss, liability, damages, costs, and expenses, including reasonable attorney's fees, sustained or incurred by such Indemnitee as a direct result of any misrepresentation by Allstate in this Agreement or any breach or default by Allstate with respect to any warranty, promise, agreement, duty, or obligation of Allstate contained in this Agreement.

20.6. Subrogation

If an indemnifying Party shall be obligated to indemnify an Indemnitee pursuant to this Section 20, the indemnifying Party shall, upon payment of such indemnity in full, be subrogated to all rights of the Indemnitee with respect to the claims and defenses to which such indemnification relates.

20.7. Procedures

If any legal action is commenced against an Indemnitee entitled to indemnification under this Section 20, prompt written notice thereof shall be given to the indemnifying Party. After such notice, if the indemnifying Party shall acknowledge in writing to such Indemnitee that the right of indemnification under this Agreement applies with respect to such claim, then the indemnifying Party shall be entitled, if it so elects, in a written notice delivered to the Indemnitee not fewer than ten (10) days prior to the date on which a response to such claim is due, to take control of the defense and investigation of such claim and to employ and engage attorneys of its sole choice, and reasonably satisfactory to the indemnified Party, to handle and defend same, at the indemnifying Party's expense. The Indemnitee shall cooperate in all reasonable respects with the indemnifying Party and its attorneys in the investigation, trial, and defense of such claim and any appeal arising therefrom; provided, however, that the Indemnitee may, at its own expense, participate, through its attorneys or otherwise, in such investigation, trial, and defense of such claim and any appeal arising therefrom. No settlement of a claim that involves a remedy other than the payment of money by the indemnifying Party shall be entered into by the indemnifying Party without the prior written consent of the Indemnitee, which consent may be given or withheld in the Indemnitee's sole discretion, to the extent that it concerns equitable remedies or the Indemnitee's Confidential Information or proprietary technology. After notice by the indemnifying Party of its election to assume full control of the defense of any such claim, the Indemnitee shall not be liable to the indemnifying Party for any legal expenses incurred thereafter by such indemnifying Party in connection with the defense of that claim. If the indemnifying Party does not assume full control over the defense of a claim subject to such defense as provided in this Section, the indemnifying Party may participate in such defense, at its expense, and the Indemnitee shall have the right to defend the claim in such manner as it may deem appropriate, at the expense of the indemnifying Party.

21. DISPUTE RESOLUTION

21.1. General Intent

The Parties intend that all problems and disputes between the parties of any nature relating to this Agreement or arising from the transactions contemplated hereby will be resolved through the procedures of this Section 21, provided, however, that neither party shall be under any obligation to invoke the procedures of this Section 21 with respect to disputes concerning any alleged breach of Section 17 (Confidentiality) or Section 20 (Indemnification) hereof or any other dispute for which injunctive relief is sought. The procedures in this Section 21 will not replace or supersede any other remedy to which a party is entitled under this Agreement or under applicable law. Moreover, the procedures will not be construed as an agreement to arbitrate or mediate any dispute. It is the intention of the Parties that they continue to perform their respective duties during the pendency of any dispute subject to this Section 21.

21.2. Contract Manager Level

The parties will initially attempt to resolve disputes arising in the ordinary course of the parties performance under this Agreement, at the Contract Manager level by those directly involved.

21.3. Escalation

21.3.1. First Escalation

If, after a reasonable period of time, not to exceed five (5) business days, the Contract Managers have not been able in good faith to resolve any dispute, each party will prepare a written statement outlining the dispute and attempted resolution and will submit the statement to Procurement Governance Officer or such other officer as identified by Allstate and to Acxiom's ASBU Business Unit Leader who will discuss the dispute (either in person or by telephone) and will attempt in good faith to resolve the dispute.

21.3.2. Second Escalation

If, after a reasonable period of time, not to exceed ten (10) business days after receiving the written statement pursuant to Section 21.3.1, the persons described in Section 21.3.1 have not been able in good faith to resolve the dispute, the written statement shall be forwarded to Allstate's Vice President of Procurement Governance and to Acxiom's Group Leader or Acxiom Services Division Leader who will discuss the dispute in person and will attempt in good faith to resolve the dispute.

21.4. Critical Problems

If the dispute or problem is related to a critical problem in which data is corrupted or the Services are being performed in a manner that causes financial liability to Allstate and the Contract Managers are unable to resolve such dispute or problem within forty-eight (48) hours (twenty-four (24) hours if the problem is related to the interactive ordering process) after having received notice of such dispute or problem, then the problem shall be immediately escalated to the executives specified in Section 21.3.2. Notwithstanding the provisions of Section 21.3.2 above, the executives shall use their best efforts to resolve the dispute or problem within forty-eight (48) hours after the escalation to them.

21.5. Legal Action

If either Party believes in good faith that the time frames described in this Section 21 will have a material adverse impact on such party, then this Section 21 shall be deemed to apply no longer to such dispute and the Parties may take any legal action in a court of law or equity to assert or enforce a claim it has against the other Party under this Agreement.

21.6. No Termination or Suspension of Services

Notwithstanding anything to the contrary contained herein, and even if any Problem or other dispute arises between the Parties and regardless of whether or not it requires at any time the use of the dispute resolution procedures described above, in no event nor for any reason shall Acxiom interrupt the provision of Services to Allstate or any obligations related to Disentanglement, disable any hardware used to provide Services, or perform any other action that prevents, slows down, or reduces in any way the provision of Services or Allstate's ability to conduct its activities, unless: (i) authority to do so is granted by Allstate or conferred by a court of competent jurisdiction; (ii) the Term of this Agreement has been terminated or expired pursuant to Section 11 hereof and a Disentanglement satisfactory to Allstate has occurred, or (iii) Allstate has failed to pay Acxiom any undisputed amounts due to be paid under this Agreement, after having received written notice of such failure and the relevant cure period has expired.

22. PUBLICITY

Each Party shall submit to the other all advertising, written sales promotion, press releases, and other publicity matters relating to this Agreement in which the other Party's name or mark is mentioned or language from which the connection of said name or mark may be inferred or implied, and neither Party shall publish or use such advertising, sales promotion, press releases, or publicity matters without the prior written approval of the other Party. However, either Party may include the other Party's name and a mutually agreed factual description of the work performed and the preferential rights granted with respect thereto under this Agreement in employee communications, in its communications with stock analysts and investors; in its list of references, in the experience section of proposals to third parties, in internal business planning documents, in its or its Affiliates' annual report to stockholders, and whenever required by reason of legal, accounting, or regulatory requirements.

23. USE OF AFFILIATES AND SUBCONTRACTORS

Acxiom shall not perform its obligations through its Affiliates or through the use of Acxiom-selected independent contractors, including hardware and software, without the advance written consent of Allstate, which consent may be withheld in Allstate's sole discretion, and Acxiom shall not be relieved of its obligations under this Agreement by use of any such Affiliates or subcontractors; provided that Acxiom may subcontract for goods and services that are incidental to the performance of the Services, do not involve the acquisition of data, and do not involve the expenditure of more than Two Hundred Fifty Thousand Dollars ($250,000) within any ninety (90) day period. Acxiom shall be responsible for supervising the activities and performance of each subcontractor and shall be jointly and severally responsible with each subcontractor for any act or failure to act of such subcontractor. If Allstate determines that the performance or conduct of any Acxiom subcontractor is unsatisfactory, Allstate may notify Acxiom of its determination in writing, indicating the reasons therefor, in which event Acxiom shall promptly take all necessary actions to remedy immediately the performance or conduct of such contractor or to replace such contractor by another third party or by Acxiom personnel.

24. MISCELLANEOUS

24.1. Entire Agreement

This Agreement, including the Schedules and Exhibits hereto, constitutes the entire understanding and agreement between the Parties with respect to the transactions contemplated herein and supersedes all prior or contemporaneous oral or written communications with respect to the subject matter hereof. No usage of trade, or other regular practice or method of dealing between the Parties or others, may be used to modify, interpret, supplement, or alter in any manner the express terms of this Agreement.

24.2. Captions; Section Numbers

Captions, Tables of Contents, Indices of Definitions, and Schedule and Exhibit titles are used herein for convenience only and may not be used in the construction or interpretation of this Agreement. Any reference herein to a particular Section number (e.g., "Section 2"), shall be deemed a reference to all Sections of this Agreement that bear sub-numbers to the number of the referenced Section (e.g., Sections 2.1, 2.1.1, etc.).

24.3. Assignment

Except for subcontracting permitted under the terms of Sections 23 hereof, neither this Agreement, nor any interest therein, nor any of the rights and obligations of Acxiom hereunder, may be directly or indirectly assigned, sold, delegated, or otherwise disposed of by Acxiom, in whole or in part, without the prior written consent of Allstate, which may be withheld in its sole discretion. For purposes of this Section, an "assignment" shall also be deemed to have occurred upon a change in control of Acxiom resulting from a single transaction or series of related transactions, or a restructuring of Acxiom, or transfer or removal of assets from Acxiom or assumption of debt by Acxiom such that as a result of such restructuring, transfer, removal, or assumption Acxiom no longer possesses a net worth equal to or greater than that of Acxiom on the Effective Date. Solely for purposes of the preceding sentence, "control" shall mean the legal, beneficial, or equitable ownership, direct or indirect, of more than fifty percent (50%) of the aggregate of all voting equity interests in Acxiom; "change in control" shall mean any change in the legal, beneficial, or equitable ownership, direct or indirect, such that control of Acxiom is no longer with the same entity as on the Effective Date.

24.4. Notices to a Party

Except as expressly otherwise stated herein, all notices, requests, consents, approvals, or other communications provided for, or given under, this Agreement, shall be in writing, and shall be deemed to have been duly given to a Party if delivered personally, or transmitted by facsimile to such Party at its telecopier number set forth below, or sent by first class mail or overnight courier to such Party at its address set forth below, or at such other telecopier number or address, as the case may be, as shall have been communicated in writing by such Party to the other Party in accordance with this Section. All notices will be deemed given when received in the case of personal delivery or delivery by mail or overnight courier, or when sent in the case of transmission by facsimile with a confirmation, if confirmed by copy sent by overnight courier within one (1) day of sending the facsimile.

Notices to Allstate shall be addressed as follows:

Allstate Insurance Company
Attention: Peggy Cardaman, Contract Manager
2775 Sanders Road, E-6
Northbrook, Illinois 60062-7965

Telecopier No.: 847-402-0578

with a copy to the attention of Allstate's general counsel addressed as follows:

Allstate Insurance Company
Attention: Hugh D. Bohlender, Counsel
2775 Sanders Road, Suite A8
Northbrook, Illinois 60062-6127

Telecopier No.: 847-402-0158

Notices to Acxiom shall be addressed as follows:

Acxiom Corporation
Attention: Karl Babij, Contract Manager
301 Industrial Boulevard
Conway, AR 72033-2000

Telecopier No.: 501-336-3902

with a copy to the attention of Acxiom's general counsel at:

Acxiom Corporation
Attention: Catherine Hughes, General Counsel
301 Industrial Boulevard
Conway, AR 72033-2000

Telecopier No.: 501-336-3723

24.5. Amendments; Waivers

Except as provided expressly herein, this Agreement may not be modified, amended, or in any way altered except by written document duly executed by both of the Parties hereto. No waiver of any provision of this Agreement, nor of any rights or obligations of any Party hereunder, will be effective unless in writing and signed by the Party waiving compliance, and such waiver will be effective only in the specific instance, and for the specific purpose, stated in such writing. No waiver of breach of, or default under, any provision of this Agreement will be deemed a waiver of any other provision, or of any subsequent breach or default of the same provision, of this Agreement.

24.6. Legal Status of Parties

This Agreement will not be construed to constitute either Party as a representative, agent, employee, partner, or joint venturer of the other. Acxiom will be an independent contractor for the performance under this Agreement. Acxiom will not have the authority to enter into any agreement, nor to assume any liability, on behalf of Allstate, nor to bind or commit Allstate in any manner. Acxiom's employees who provide services pursuant to this Agreement or who are located on Allstate's premises shall remain employees of Acxiom, and Acxiom will have sole responsibility for such employees including (but not limited to) responsibility for payment of compensation to such personnel and for injury to them in the course of their employment. Acxiom shall be responsible for all aspects of labor relations with such employees including (but not limited to) their hiring, supervision, evaluation, discipline, firing, wages, benefits, overtime and job and shift assignments, and all other terms and conditions of their employment, and Allstate will have no responsibility therefor. Acxiom shall defend, indemnify, and hold harmless Allstate Indemnitees from and against any and all claims, liabilities, losses, costs, damages, and expenses, including attorney's fees, based upon or related to a claim that Acxiom's or its subcontractors' employees are employees of Allstate.

24.7. Severability

If any provision of this Agreement is determined to be invalid or unenforceable, that provision shall be deemed stricken and the remainder of the Agreement will continue in full force and effect insofar as it remains a workable instrument to accomplish the intent and purposes of the Parties; the Parties shall replace the severed provision with the provision that will come closest to reflecting the intention of the Parties underlying the severed provision but that will be valid, legal, and enforceable.

24.8. Counterparts

This Agreement may be executed in duplicate counterparts. Each such counterpart shall be an original and both together shall constitute but one and the same document. This Agreement shall not be deemed executed unless nor until at least one counterpart bears the signatures of both parties' designated signatories.

24.9. Governing Law

This Agreement and the performance of the Parties hereunder shall be governed and construed in accordance with the substantive laws of the State of Illinois. All actions or proceedings arising out of, or related to, this Agreement shall be brought only in an appropriate federal or state court in Cook County Illinois and the Parties hereby consent to the jurisdiction of such courts over themselves and the subject matter of such actions or proceedings.

24.10. No Third-Party Beneficiaries

This Agreement is an agreement between the Parties, and confers no rights upon any of the Parties' employees, agents, or contractors or upon any other person, partnership, or entity.

24.11. Expenses

Each Party shall pay all expenses paid or incurred by it in connection with the planning, negotiation, and consummation of this Agreement.

The duly authorized representatives of the Parties have executed this Agreement as of the Effective Date.

ALLSTATE INSURANCE COMPANY	ACXIOM CORPORATION
By: ______________________	By: ______________________
George E. Ruebenson	Name: Paul L. Zaffaroni
Vice President, Procurement Governance	Name:: Acxiom Services Division Leader

ACXIOM RM-TOOLS, INC.

BY: ________________________________
Name: Paul L. Zaffaroni
Title: Vice President

EXHIBIT 10(g)

Acxiom Corporation
Leadership Team
Compensation Guidelines

Leadership Compensation Plan - FY2000

Leader Classification	'Not at Risk' Base Salary Ranges	Plan Structure			
		Base	At Risk	LTI	Yrs Granted
Level 5		35%	25%	40%	3
Level 4	Salary ranges determined by market data for individual area of responsibility.	40%	25%	35%	3
Level 3		50%	25%	25%	2
Level 2		60%	20%	20%	1
Level 1		70%	15%	15%	1

NOTE: At Risk Opportunity for the fiscal year is established based on Base Salary as of May 1, 1999.

Business Development / Sales Leadership
Compensation Plan - FY2000

Leader Classification	'Not at Risk' Base Salary Ranges	Plan Structure				
		Base	At Risk		LTI	Yrs Granted
Level 3		40%	40%		20%	2
Level 2	Salary ranges determined by market data for individual determined by area of responsibility.	40%	40%		20%	1
Level 1		50%	30%		20%	1
			Common Fate	Commissions		
			75%	25%		
			50%	50%		
			25%	75%		

NOTE: At Risk Opportunity for the fiscal year is established based on Base Salary as of May 1, 1999.

% Increase Guidelines for Salaries
FY2000

Rating	Within Range	In Excess of Range	Below Range
Low	0%	0%	For ratings of Solid or High, four year market adjustment plans have been put in place to reach market.
Solid	Up to 6%	Up to 2%	
High	Up to 8%	Up to 4%	

GENERAL DESCRIPTION OF THE LEADERSHIP TEAM

COMPENSATION PLAN

FY2000

OBJECTIVE

- The objective of the Leadership Team compensation plan is to implement a pay plan which will reflect the leader's responsibility, provide compensation that is both equitable and competitive, and which will:

- Align the leader's interests with shareholder/investor's interest.

- Motivate leaders to achieve the highest level of performance.

- Retain key leaders by linking leadership team compensation to company performance.

- Attract the best leaders through competitive, growth-oriented plans.

- Enable sharing of growth & success between associates, leaders and shareholders.

PLAN PROVISIONS

ELIGIBILITY OF PARTICIPANTS

- For purposes of the Leadership Team Compensation Plan, eligible associates will include Division leaders, Group leaders, Business Unit leaders, Sales leaders, Business Development leaders, Industry Application Development leaders, Finance and Accounting leaders, Organizational Development leaders, Legal leaders and Corporate Office leaders.

COMPONENTS AND PLAN STRUCTURE

- The components of the Leadership Team Compensation Plan are as follows:

  - Base salary (not at risk)
  - Base salary (at risk)
  - Long-term incentive (stock options)
  - Retention/Recruiting Bonus (Special Situations Only)

- Exhibit 1 of this document reflects the above components for the 5 levels of the Leadership Team Compensation Plan. In addition, it reflects the Business Development / Sales Leadership Plan.

COMPONENTS AND PLAN STRUCTURE CONTINUED

- Each level of the plan has the following:

  - Base salary based on comparable market salary for the equivalent position.

  - Plan structure (reflecting percentage guideline ranges for each plan component to total compensation as well as number of years for which options are granted under the long-term incentive component of the plan)

- Each leader is slotted into one of the five levels based on experience, scope of responsibility and past performance. The individual to whom the leader reports is responsible for managing his respective slotting. Division leaders must approve all level 3 slottings. Additionally, Division leaders must approve all slottings of individuals on the Business Development / Sales Leadership Compensation Plan. The Company leader must approve all slottings of levels 4 and 5.

- Leaders slotted in the Business Development / Sales Leadership Plan must be a senior level business development / sales leader responsible for:

  - developing new business and relationships at senior executive levels of customers and prospects, or

  - providing leadership to two or more sales associates for a Group or Division. Providing leadership means assigning quotas and territories, conducting regular reviews of salesperson's call activity, hiring, terminations, preparing skill development plans, performance reviews, coaching, mentoring and overseeing the overall sales process for the area.

BASE SALARY (NOT AT RISK)

- Guidelines have been established to award base salary increases for salaries that are comparable to market. Leaders who are below market have been put on plans to adjust their salaries to the 75th percentile for senior leaders and to the 50th percentile for all other leaders of comparable companies within 4 years.

- The percentage increase guidelines are revised / validated annually.

- Base salaries for Business Development / Sales leaders will be established and managed using the Level 2 salary ranges.

BASE SALARY (AT RISK)

General

- The base salary at risk (referred to as at risk throughout the remainder of this document) amount for the full fiscal year is determined by the company leadership as shown below and is based on the eligible associate's base salary as of May. No adjustment is made to at risk amounts during the plan year unless the leader moves from one plan level to another or is assigned a different job which warrants a change. In the event there is a change in the at risk, it will be prorated based on the date of the change.

Leader	Approval of At Risk
CLT, Group & Corporate Leaders	Company Leader
All Other Leaders	Division Leaders

- Eligible associates must be employed on the date of the actual payment to receive payment for the quarterly and/or year-end at risk. The at risk for eligible associates who joined the Leadership Team after the beginning of the quarter will be pro-rated based on hire date. Additionally, the year-end at risk amount will be prorated in the same manner.

- Division leaders have the right to withhold a leader's quarterly and/or annual at risk payment if the leader has failed to deliver Year 2000 objectives.

At risk targets

- At risk will be based on the change in EVA attained with an EPS gate. (With the exception of the commission/specific objective component of the Business Development / Sales Leadership plans. See page 5 - Commission/specific objective at risk targets.)

EVA Incentive Principles

- Target Incentive
  Competitive total compensation opportunity

- Expected EVA Improvement
  Performance standard to achieve the company "target EVA" (and to meet the market's expectation of EVA improvement required to support the price of the Company's stock.)

- Sharing of EVA Improvement Above/Below Expected
  Associates and shareholders share risks and rewards

- Incentive Bank
  Cumulative performance and incentive linked

BASE SALARY (AT RISK) CONTINUED

Target Incentives and Expected EVA Improvement

- Achievement of Expected EVA Improvement results in Target Incentive Pool

Sharing of Incremental EVA Results

- Sharing of incremental EVA (above/below "Expected") is constant
  - 50% of every $1 of EVA above expected is added to incentive pool.
  - 50% of every $1 of EVA below expected is subtracted from incentive pool (EVA improvement can be below zero.)

- Associates/leaders share in all risks and rewards (no caps or floors)

Incentive Bank Principles

- Over/Under attainment by Division for current year "deposited" into incentive bank

- Bank balance distributed:
  - up to 33% of the resulting bank balance - (Note - it is the intent of the plan to distribute 33% of the bank balance under normal circumstances. However, the actual % distribution is determined by the Compensation Team of the Company based on funding of the payments from earnings and analyzing the achieved results for the year. The Compensation Team may adjust this % based on special circumstances and may elect to not distribute any of this remaining bank balance and to carry all of it forward into the next year. The Compensation Team may elect to pay all or a portion of the 1/3 distribution in stock options.)

- Remaining bank balance reserved against future performance

- "Negative" bank balance "repaid" before future over attainment incentives are paid

Incentive Funding (EPS Gates)

- Incentive attainment determined based on EVA achievement

- Incentive funding subject to pro rata reduction if EPS Gate is not achieved

- Existing bank balances also subject to forfeiture to satisfy EPS Gate.

BASE SALARY (AT RISK) CONTINUED

Common fate at risk target breakdown

	Corporate Office	Division Leaders	Group Leaders OD/FA Leaders**	Revenue Unit Leaders	Shared Services Unit Leaders
Common Fate	100% Co. EVA	60% Co. EVA	50% Co. EVA	25% Co. EVA	75% Co. EVA
Unit Performance	0%	30% Div EVA	20% Div. EVA	75%*	25% Bus. Plan
		10% A/R	20% Group EVA	(20% Div EVA)*	
			10% A/R	(45% Group EVA)*	
				10% A/R	

* These are the default percentages unless the corporate office approves a different documented plan. Differences should be submitted to the corporate office by the Division leader by June 30 and by October 31 for mid-year revisions.

** Organizational Development and Finance / Accounting leaders' at risk percentages will be 50% Company EVA and 50% Division EVA.

Note: All at risk payments are subject to EPS gate (with the exception of the commissions/specific objective portion of the Business Development/Sales Leadership Plan)

Commission/specific objective at risk targets

- These targets apply only to Business Development / Sales Leadership Plan.

- The commission/specific objective portion of at risk under this plan is based on revenue and/or EVA percentage of quota attainment for the territories assigned to the business development/sales leader. It is the responsibility of the individual's Division and/or Group leader to establish these targets.

- The commission/specific objective portion will be funded by the Unit, Group or Division and is not subject to the EPS gate as is the common fate portion of at risk. Budgets and EVA targets will not be adjusted for additional commission expense due to these plans.

BASE SALARY (AT RISK) CONTINUED

- All commissions are calculated on a YTD, cumulative basis.

- The plan provisions and quota assigned may be changed at any time by the Division leader.

- The Division leader may choose not to accept additional business when resources are not available to process the work. It is the sales leader's responsibility to make certain that the work will be accepted before customer commitments are made.

Divisions and Units (Except Data Products Division):

- The Division, Group and unit EVA is the controllable EVA for a Division and revenue Group/Unit which includes the direct revenue and expenses for the unit(s) less appropriate charges for data center consumption, application software and facilities as determined by the ABM system. Also included will be a charge for the cost of capital including accounts receivable, data center equipment, workstation/LAN and facilities. The target for your Group/Unit EVA will be negotiated with your Division leader.

- Exceptions granted during the current fiscal year will affect next year's EVA targets.

Data Products Division - Groups/Units:

- Product Line EVA targets and attainment must be certified by the Corporate Office.

Shared Services Units:

- The business plan target component for Shared Services is to maintain your expenses at or below your current fiscal year budget.

EPS Gate Target

- The EPS target for fiscal 2000 is $1.00 per share.

- All common fate at risk payments are subject to first achieving Acxiom's EPS targets.

BASE SALARY (AT RISK) CONTINUED

Over/Under Achievement

- Above/below targeted EVA, 50% of all Incremental EVA will be added to / subtracted from the Incentive Banks. Above/Below target funds will be added to / subtracted from the respective incentive banks based on the Division's performance and up to 1/3 of the resulting bank balance may be paid at the end of the fiscal year and the remainder will be banked for future payment (subject to the sustained business performance of the Division and Acxiom Corporation). The Compensation Team will determine the actual payout of the over attainment bank based on business conditions and funding considerations.

- The over/under achievement EVA will be primarily calculated at the Division level. However, the Compensation Team has the authority to make adjustments based on business circumstances. In no cases will the sum of the over attainment banked be greater than the total company's over attainment.

Method of payment:

- It is Acxiom's intention to pay at risk in cash. However, from time to time the Company Leadership Team (CLT), may elect to pay at risk in stock options if conditions of the business justify it. In the event this decision is made, the CLT will make every effort to notify the Leadership Team members within 5 business days of the decision being finalized. If at risk is paid in stock options in lieu of cash, the Black-Scholes model will be used to calculate the option value and number of options.

- Payments will be made quarterly based on attainment of financial objectives up to your target incentive and subject to the EPS funding gate calculation, as follows:

  First Quarter - 1/8th of total opportunity
  Second Quarter - 1/8th of total opportunity
  Third Quarter - 1/8th of total opportunity
  Fourth Quarter - 5/8th of total opportunity (1/8 for the 4th Quarter & 1/2 for the Annual Target)

- All over achievement incentive calculations will be deferred until the year end. Over attainment distributions will be either in Stock Options or cash at the discretion of the Compensation Team.

- All payments will be made within 60 days of the end of the quarter.

- All EVA and EPS gate calculations will be done on a year-to-date basis.

BASE SALARY (AT RISK) CONTINUED

- For the first, second, third and fourth quarters, the objectives are equal to the year-to-date financial targets as of the end of each respective quarter and are subject to the EPS gate calculation. The total Company EVA and EPS quarterly gate targets are shown below.

PRELIMINARY

	EVA (in 000's)	EPS		EVA (in 000's)	EPS
First Quarter	TBD	TBD	Third Quarter	TBD	TBD
Second Quarter	TBD	TBD	Fourth Quarter	TBD	TBD
			TOTALS		$1.00

LONG-TERM INCENTIVE

- For purposes of determination of the long-term incentive (LTI), eligible associates must be employed and be a member of the Leadership Team on the date the Board of Directors reviews the LTI grants for that year (May Board of Directors meeting). These options fall under the Acxiom stock option plan and will be subject to all standard provisions.

- The long-term incentive will be in the form of stock options and other performance vehicles as necessary. The current year vehicle will be stock options.

- Stock options will be awarded under three categories:

  Category A - Fair market value at date of grant
  Category B - 25% above fair market value
  Category C - 50% above fair market value

- Using the Black-Scholes stock options pricing model, the mix of options to be awarded as an approximate percentage of the total long-term incentive are:

  Category A - 50% of total long-term incentive
  Category B - 25% of total long-term incentive
  Category C - 25% of total long-term incentive

- Under the long-term incentive plan, participants will be awarded a grant of stock options on a cycle corresponding to the level of compensation plan to which the leader has been assigned. Multi-year grants are awarded for levels 3 through 5.

- In the event a leader is assigned a level with multi-year grants, they will be awarded the number of years of options necessary to put them on the same cycle as all other leaders on that level.

- Stock options awarded will vest over 6 years, 20% after years 2, 3, 4, 5, & 6 respectively following the date of grant. Stock options may not be exercisable later than fifteen years after their date of grant.

- Stock options may also be granted at the October Board Meeting. The October options include new Leadership Team members as well as adjustments for those moving from one level to another.

- It is the current intent of the Board of Directors to continue this plan (or a similar plan) in future years. The Board of Directors reserves the right to modify or cancel this plan in future years for any reason at its sole discretion.

RETENTION/RECRUITING BONUS

Retention Bonus:

A retention bonus for key senior leaders who we are at risk of losing is being added to the plan this year. Each Retention Bonus Plan for a senior leader must by approved by Charles Morgan and Rodger Kline.

Retention Bonus Plan Provisions:

- In addition to standard at risk plan
- Up to 25% of base salary (determined by Division leader, Rodger Kline and Charles Morgan)
- To be paid at same time as at risk payments
- Not subject to Corporate gate
- Based on achieving predetermined, documented, individual objectives
- Distribution amounts to be determined by Division leader

Recruiting Bonus:

In order to recruit key leaders, it may be necessary to pay a one-time recruiting bonus.

- In addition to standard At Risk plan
- Up to 25% of base salary (determined by Division leader, Rodger Kline and Charles Morgan)
- To be paid upon hiring
- Not subject to Corporate gate

PLAN MODIFICATIONS

Any modification to the standard plan described in this document must be approved in advance by Rodger Kline.

EXHIBIT 13

Selected Financial Data

Years Ended March 31,	1999	1998	1997	1996	1995
Earnings Statement Data:					
Revenue	$729,984	569,020	479,239	331,543	254,115
Net earnings (loss)	$(16,430)	46,055	37,735	26,084	18,243
Basic earnings (loss) per share	$ (.22)	.64	.54	.41	.30
Diluted earnings (loss) per share	$ (.22)	.57	.49	.38	.29

March 31,	1999	1998	1997	1996	1995
Balance Sheet Data:					
Current assets	$293,066	287,870	144,147	81,916	65,358
Current liabilities	$166,034	82,748	52,190	42,542	34,715
Total assets	$879,327	673,150	411,629	240,853	182,148
Long-term debt, excluding current installments	$325,223	254,240	109,371	43,745	33,270
Stockholders' equity	$349,181	301,194	231,828	140,385	105,878

(In thousands, except per share data. Per share data are restated to reflect 2-for-1 stock splits in fiscal 1997 and 1995.)

Management's Discussion and Analysis of Financial Condition and Results of Operations

On May 26, 1998, the Company entered into a merger agreement with May & Speh, Inc. May & Speh, headquartered in Downers Grove, Illinois, provides computer-based information management services with a focus on direct marketing and information technology outsourcing services. The merger, which was completed September 17, 1998, has been accounted for as a pooling-of-interests. Accordingly, the consolidated financial statements have been restated as if the combining companies had been combined for all periods presented. See note 2 to the consolidated financial statements for a more detailed discussion of the merger transaction.

Results of Operations

For the fiscal year ended March 31, 1999, the Company recorded the highest annual revenue, earnings, and earnings per share in its history, excluding the special charges discussed more fully below. Consolidated revenue was a record $730.0 million in 1999, up 28% from 1998. For fiscal 1998, revenue growth was 19% over the previous year.

The following table shows the Company's revenue by business segment for each of the years in the three-year period ended March 31, 1999 (dollars in millions):

	1999	1998	1997	1998 to 1999	1997 to 1998
Services	$419.9	$308.4	$254.8	+36%	+21%
Data Products	186.7	155.2	135.4	+20	+15
I. T. Management	164.5	128.4	109.5	+28	+17
Intercompany eliminations	(41.1)	(23.0)	(20.5)	+79	+12
	$730.0	$569.0	$479.2	+28%	+19%

The Services segment, the Company's largest segment, provides data warehousing, list processing and consulting services to large corporations in a number of industries. Revenue growth for this segment has been strong with fiscal 1999 growing 36% over the previous year after a 21% increase in 1998. This performance has been fueled by a business trend towards data warehousing to implement customer relationship management and one-to-one marketing initiatives for the Company's customers. The Services segment has a particularly strong penetration in the financial services industry, primarily assisting credit card marketers. Financial Services grew 42% in 1999 following a 22% increase in 1998. Included in the insurance industry is Allstate Insurance Company, the Company's largest customer. Allstate revenues of $82.2 million in 1999 increased 10% over the prior year and also increased 10% from 1997 to 1998. Other industries reporting strong year-over-year growth in 1999 included retail, pharmaceutical, technology, telecommunications and media services. These other industries are currently smaller than the Company's revenue from the financial services and insurance industries but the Company believes that each represents a good growth opportunity.

The Data Products segment provides data content primarily in support of their customers' direct marketing activities. One of the channels for the Data Products segment is the customers of the Services segment. For internal reporting purposes, these revenues are included in both segments and then adjusted within the intercompany elimination. As evidenced by the intercompany eliminations in the table above, data revenues from the Services segment's customers grew strongly in 1999 increasing 79% over the prior year after a 12% increase in 1998. The growth in Data Products was somewhat mitigated by slower growth for Direct Media in 1999.

The I. T. Management segment reflects outsourcing services primarily in the areas of data center, client/server and network management. This segment is experiencing strong growth as a result of a trend towards business process outsourcing due to increased complexity and changes in technology. Growth in this segment was fueled by increases of 48% and 35% for May & Speh outsourcing business in 1999 and 1998, respectively.

The following table presents operating expenses for each of the years in the three-year period ended March 31, 1999 (dollars in millions):

	1999	1998	1997	1998 to 1999	1997 to 1998
Salaries and benefits	$272.7	$210.3	$171.3	+30%	+23%
Computer, communications and other equipment	110.3	86.3	76.4	+28	+13
Data costs	106.7	88.3	77.9	+21	+13
Other operating costs and expenses	124.9	100.3	87.3	+25	+15
Special charges	118.7	4.7	-		
	$733.3	$489.9	$412.9	+50%	+19%

Salaries and benefits increased from 1998 to 1999 by 30% and from 1997 to 1998 by 23% principally due to increased headcount to support the growth of the business and merit increases, combined with increases in incentive compensation, new outsourcing business, and the impact of acquisitions during the year.

Computer, communications and other equipment costs increased 28% from 1998 to 1999, after rising 13% from 1997 to 1998. The increases in 1999 and 1998 reflect depreciation on capital expenditures and amortization of software costs expenditures made to accommodate business growth. In 1998, the impact was lessened due to the Trans Union pass-through expenses recorded in 1997.

Data costs grew 21% in 1999 and 13% in 1998. These costs are a direct result of Data Products segment revenue which grew 20% and 15% for 1999 and 1998, respectively, and revenue under the data management contract with Allstate which grew 10% in each year.

Other operating costs and expenses increased by 25% in 1999. Facilities costs increased $5.5 million, primarily due to a new building in Downers Grove. Outside services and temporary help costs increased $8.7 million, primarily to support growth in new I. T. outsourcing contracts. The remainder of the increase was in office supplies, travel and entertainment expenses, and advertising, offset by a decrease in cost of sales for client/server equipment of $3.6 million. In total, the increase in other operating costs and expenses was less than the increase in revenue. Other operating costs and expenses increased 15% in 1998. The increase is primarily attributable to acquisitions, client-server sales noted above, an increase in bad debt expense, and volume-related increases, somewhat reduced by the impact of the sale of the Pro CD retail and direct marketing unit.

In the second and third quarters of fiscal 1999, the Company recorded special charges which totaled $118.7 million. These charges were merger and integration expenses associated with the May & Speh merger and the write down of other impaired assets. The charges consisted of approximately $10.7 million of transaction costs, $8.1 million in associate-related reserves, $48.5 million in contract termination costs, $11.5 million for the write down of software, $29.3 million for the write down of property and equipment, $7.8 million for the write down of goodwill and other assets, and $2.8 million in other accruals. See note 2 to the consolidated financial statements for further information about the special charges. In 1998, May & Speh recorded a $4.7 million special charge primarily for severance costs.

Total spending on capitalized software and research and development expense was $36.3 million in 1999, compared to $35.1 million in 1998 and $23.7 million in 1997. Research and development expense was $17.8 million, $13.7 million, and $13.0 million for 1999, 1998, and 1997, respectively.

Excluding the effect of the special charges on both years, income from operations would have been $115.4 million in 1999, an increase of 38% over the income from operations of $83.8 million in 1998. Income from operations in 1998 would have reflected an increase of 26% over 1997. The operating margin for 1999, 1998, and 1997 would have been 15.8%, 14.7%, and 13.8%, respectively. Operating margins for the Services and I. T. Management segments are generally higher than that of the Data Products segment. For fiscal 1999, operating margins were 21.1%, 8.2%, and 21.2% for the Services, Data Products, and I. T. Management segments, respectively.

Interest expense increased by $7.3 million in 1999 and by $4.3 million in 1998. The increase is due primarily to increased debt levels, including $115 million of convertible debt issued by May & Speh in March, 1998, increases in the Company's revolving credit agreement, and increases in enterprise software license liabilities.

Other, net is primarily composed of interest income on noncurrent receivables and invested cash of $6.4 million in 1999, $2.9 million in 1998 and $1.6 million in 1997. Other, net for 1998 also includes $0.9 million of gain on the disposal of the Pro CD retail and direct marketing business compared with a $2.6 million charge in 1997 due to a write-off from the sale of a facility related to a unit previously disposed of.

The Company's effective tax rate, excluding the special charges, was 37.2%, 37.2%, and 37.7% for 1999, 1998, and 1997, respectively. In each year, the effective rate exceeded the U.S. statutory rate because of state income taxes, partially offset by research and experimentation tax credits. In 1999, the effect of the special charges increased the effective tax rate as certain of the special charges are not deductible for federal or state tax purposes.

The net loss was $16.4 million in 1999 including the special charges noted above. Excluding the effect of the special charges, net earnings would have been $65.5 million. Net earnings were $46.1 million in 1998, or $49.0 million excluding the special charge. Net earnings were $37.7 million in 1997. Basic earnings per share, excluding the special charges, would have been $.86, $.68, and $.54 in 1999, 1998, and 1997, respectively. Diluted earnings per share would have been $.78, $.61, and $.49, respectively.

Capital Resources and Liquidity

Working capital at March 31, 1999 totaled $127.0 million compared to $205.1 million a year previously. At March 31, 1999, the Company had available credit lines of $126.5 million of which $55.4 million was outstanding. The Company's debt-to-capital ratio (capital defined as long-term debt plus stockholders' equity) was 48% at March 31, 1999 compared to 46% at March 31, 1998. Included in long-term debt are two convertible debt facilities totaling $140 million, of which $25.0 million was converted to equity in April, 1999. Assuming both of these facilities will convert to equity, the Company's debt-to-capital ratio would be reduced to 27%. Total stockholders' equity increased 16% to $349.2 million at March 31, 1999.

Cash provided by operating activities was $59.4 million for 1999 compared to $64.4 million in 1998 and $44.0 million in 1997. Excluding the impact of special charges, cash provided by operating activities was $87.7 million, $69.1 million and $44.0 million in 1999, 1998 and 1997, respectively. Earnings before interest, taxes, depreciation, and amortization ("EBITDA"), again excluding the impact of the special charges, increased by 35% in 1999 after increasing 36% in 1998. The resulting operating cash flow was reduced by $123.4 million in 1999, $55.4 million in 1998, and $48.8 million in 1997 due to the net change in operating assets and liabilities. The change primarily reflects higher current and noncurrent receivables, partially offset by higher accounts payable and accrued liabilities resulting from the growth of the business. 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.

Investing activities used $190.1 million in 1999, $86.6 million in 1998, and $108.0 million in 1997. Investing activities in 1999 included $127.7 million in capital expenditures, compared to $67.9 million in 1998 and $65.0 million in 1997. Capital expenditures are principally due to 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. Approximately one-half of the capital expenditures in 1999 were related to customer-specific projects or contractual customer requirements. The Company has also occupied a new building in Downers Grove and is occupying two new buildings in Little Rock, Arkansas in the first quarter of fiscal 2000.

Investing activities during 1999 also include $18.5 million in software development costs, compared to $21.4 million in 1998 and $10.7 million in 1997. The capitalization in 1998 included $8.1 million capitalized by May & Speh on a project that was completed during 1998. Excluding the decrease related to this project at May & Speh, capitalization increased $5.2 million, which was generally due to capitalization of software related to the Acxiom Data Network. The remainder of the software capitalization includes software tools and databases developed for customers in all three segments of the business. Investing activities also reflect cash paid for acquisitions of $46.0 million in 1999, $19.8 million in 1998, and $16.2 million in 1997. These outflows were partially offset in 1998 by $15.3 million received from the sale of assets, including $13.0 million from the sale of the retail and direct marketing assets of Pro CD. Notes 2 and 15 to the consolidated financial statements discuss the acquisitions and dispositions in more detail. Investing activities also reflect the investment of $10.4 million in 1999 and $6.1 million in 1998 by the Company in joint ventures. These investments include approximately $4.0 million invested in each of 1999 and 1998 in Bigfoot International, Inc., an emerging company that provides services and tools for internet e-mail users, and $3.2 million invested in fiscal 1999 in Ceres Integrated Solutions, LLC, a provider of software and analytical services to large retailers. Investing activities also include purchases and sales of marketable securities. These securities were owned by May & Speh prior to the merger. As of March 31, 1999, the Company no longer holds any marketable securities.

Financing activities in 1999 provided $24.9 million, including sales of stock through the Company's stock option and employee stock purchase plans and the exercise of a warrant by Trans Union for the purchase of 4 million shares. This warrant was issued to Trans Union in 1992 in conjunction with the data center management agreement between Trans Union and the Company. Financing activities in 1998 provided $128.0 million, including the issuance of the $115 million convertible debt by May & Speh in March 1998. Financing activities in 1997 included the issuance of $30 million in senior notes and the issuance of $43.0 million of common stock by May & Speh.

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 will occupy both of these two buildings in early fiscal 2000. The Company has also occupied a new building in Downers Grove. During fiscal 2000, the Company expects to begin construction on a new customer service facility in Conway, as well as another customer service facility in Little Rock. The Conway project is expected to be completed in February, 2000 and to cost approximately $12.0 million. The Little Rock building is expected to cost approximately $28.0 million and construction is expected to last from August, 1999 to July, 2001. Financing plans for these two buildings are not yet complete, although 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 software, hardware, and data to customers under extended payment terms or notes receivable collectible over one to eight years. These arrangements also require up-front expenditures of cash, which are repaid over the life of the agreement. The Company has also been, and will likely continue to be, actively pursuing acquisitions. As a result, management expects that it will be necessary to raise additional capital during the next fiscal year. Management believes that capital could be raised by negotiating an increase in the current revolving credit agreement, by incurring other debt on either a secured or unsecured basis, or by the issuance of additional equity securities in either public or private offerings. Management also believes that the Company has significant unused capacity to raise capital which could be used to support future growth. In May of 1999, the Company arranged a $25 million increase in the current revolving credit facility. This temporary increase will expire July 31, 1999.

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 is 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.

Since 1996 the Company has been 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 has established a project office comprised of representatives from each of the operating divisions of the Company. A Company readiness champion and project leader are responsible for the readiness process, which includes 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 includes the dissemination of internal communications and status reports on a regular basis to senior leadership.

The Company believes that it has identified and evaluated its internal Year 2000 issues and that sufficient resources have been devoted to renovating IT and non-IT systems that were not already "Year 2000 ready." 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 any exceptions are being managed. The original timeline was developed to allow the Company to focus on recent 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.

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 is 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 of each phase of the Project. It is important to note that each phase of the Project must be completed before moving to the next phase.

	Current April 1999	Planned December 1998	Planned December 1999
Planning	100%	100%	100%
Remediation	99%	90%	100%
Testing	95%	80%	100%
Certification	94%	75%	100%

With regard to the Company's operational platforms (hardware, operating systems and vendor software) in the Company's primary data center located at the headquarters location, mainframes and servers are currently 95% Year 2000 ready.

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 can be mitigated. But the systems of vendors on which the Company's systems rely may not be converted in a timely fashion, or a vendor or customer may fail to convert its software or may implement 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 is also relying 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 is communicating with customers to determine if customers have 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.

The Company believes that the most likely risks of serious Year 2000 business disruptions are 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 is assessing the readiness of these third parties and preparing contingency plans, there can be no guarantee that the failure of these third parties to modify their systems in advance of December 31, 1999 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 reduce the risks associated with the Year 2000 problem, the Company has established and is currently continuing to develop Year 2000 contingency plans that build upon existing disaster recovery and contingency plans. Examples of the Company's existing contingency plans include alternative power supplies and communication lines. Contingency planning for possible Year 2000 disruptions will continue to be defined, improved and implemented.

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 continued implementation of the Project will reduce the possibility of significant interruptions to the Company's normal business operations.

Seasonality and Inflation

Although the Company cannot accurately determine the amounts attributable thereto, the Company has been affected by inflation through increased costs of compensation and other operating expenses. Generally, the effects of inflation are offset by technological advances, economies of scale and other operational efficiencies. The Company has established a pricing policy for long-term contracts which provides for the effects of expected increases resulting from inflation.

The Company's operations have not proven to be significantly seasonal, although the Company's traditional direct marketing operations experience slightly higher revenues in the Company's second and third quarters. In order to minimize the impact of these fluctuations, the Company continues to move toward long-term strategic partnerships with more predictable revenues. Revenues under long-term contract (defined as three years or longer) were 53%, 55%, and 53% of consolidated revenues for 1999, 1998, and 1997, respectively.

Acquisitions

In fiscal 1997, the Company completed two acquisitions, which became effective in April 1996. The acquisition of Pro CD, Inc. was accounted for as a pooling of interests and the acquisition of Direct Media/DMI, Inc. was accounted for as a purchase. In 1998, the Company completed two additional acquisitions, which were effective October 1, 1997. The acquisitions of MultiNational Concepts, Ltd. and Catalog Marketing Services, Inc., entities which were under common control, and Buckley Dement, L.P. and its affiliated company, KM Lists, Incorporated were both accounted for as purchases. In fiscal 1999, the Company acquired Normadress, SIGMA Marketing Group, Inc., May & Speh, Inc., and three business units from Deluxe Corporation. The May & Speh acquisition was accounted for as a pooling-of-interests and the other acquisitions were treated as purchases. See footnote 2 to the consolidated financial statements for more information regarding these acquisitions. The Company has also made several smaller acquisitions which are not material either individually or in the aggregate. In 1999, these smaller acquisitions included Marketing Technology, in Spain, and Berry Consulting, in the U.K. Subsequent to March 31, 1999, the Company also completed a purchase acquisition of Horizon Systems, Inc. and a merger with Computer Graphics of Arizona which will be accounted for as a pooling-of-interests.

Other Information

In 1999 and 1998 the Company had one major customer who accounted for more than 10% of revenue, and in 1997 the Company had two major customers who accounted for more than 10% of revenue. Allstate Insurance Company accounted for 11.3%, 13.1%, and 14.1% in 1999, 1998, and 1997, respectively, and Trans Union LLC accounted for 11.8% in 1997. The Trans Union data center management agreement and marketing services agreement both expire in 2005. The Allstate agreement has been extended and now expires in 2004.

Acxiom, Ltd., the Company's United Kingdom business, provides services to the United Kingdom market which are similar to the traditional direct marketing industry services the Company provides in the United States. In addition, Acxiom, Ltd. also provides promotional materials handling and response services to its U.K. customers.

Most of the Company's exposure to exchange rate fluctuation is due to translation gains and losses as there are no material transactions which cause exchange rate impact. The U.K. operation generally funds its own operations and capital expenditures, although the Company occasionally advances funds from the U.S. to the U.K. These advances are considered to be long-term investments, and any gain or loss resulting from changes in exchange rates as well as gains or losses resulting from translating the financial statements into U.S. dollars are accumulated in a separate component of stockholders' equity. There are no restrictions on transfers of funds from the U.K.

Efforts are continuing to expand the services of Acxiom to customers in Europe and the Pacific region. Management believes that the market for the Company's services in such locations is largely untapped. To date the Company has had no significant revenues or operations outside of the United States and the United Kingdom. The Company's United Kingdom operations earned profits of $1.9 million in fiscal 1999, $1.5 million in fiscal 1998 and $1.0 million in fiscal 1997, and are expected to continue to show profits in the future.

Effective March 31, 1994, the Company sold substantially all of the assets of its former Acxiom Mailing Services operation to MorCom, Inc. In June 1996, MorCom ceased operations. During 1997, the Company established valuation reserves for the remaining receivables under the sale agreement. The Company also obtained title to and sold a portion of the property related to the mortgage note, receiving proceeds of $949,000. During 1998, the Company sold the two remaining parcels of property which had been used by the Acxiom Mailing Services unit. The aggregate proceeds were $2.3 million resulting in a gain on disposal of $105,000 which is included in other income.

Effective August 22, 1997, the Company sold certain assets of its Pro CD subsidiary to a subsidiary of American Business Information, Inc., which is now known as infoUSA, Inc. This company acquired the retail and direct marketing operations of Pro CD, along with compiled telephone book data for aggregate cash proceeds of $18 million. In conjunction with the sale to infoUSA, the Company also recorded certain valuation and contingency reserves. Included in other income is the gain on disposal related to this transaction of $855,000.

The Accounting Standards Executive Committee (AcSEC) of the American Institute of Certified Public Accountants has issued Statement of Position ("SOP") 98-4, "Deferral of the Effective Date of a Provision of SOP 97-2, "Software Revenue Recognition." SOP 97-2 is effective for fiscal year 1999 and provides guidance on recognizing revenue on software transactions. In software transactions that include multiple elements, SOP 97-2 requires the fee to be allocated to the various elements based on vendor-specific objective evidence of the fair values of the elements, and provides guidance on how to arrive at vendor-specific objective evidence. SOP 98-4 defers until fiscal 2000 the effective date of the provisions of SOP 97-2 that limit what constitutes vendor-specific objective evidence. All other provisions of SOP 97-2 are effective for fiscal year 1999. AcSEC has now issued SOP 98-9 that further defines vendor-specific objective evidence. The Company does not expect that the effect of implementing SOP 98-9 will be material.

AcSEC has also issued SOP 98-5, "Reporting on the Costs of Start-up Activities." SOP 98-5 is effective for fiscal year 2000 and requires that the cost of start-up activities be expensed when incurred. The Company does not expect that the effect of implementing this SOP will be material.

Outlook

Certain statements in this Annual 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 achievements expressed or implied by such forward-looking statements. Representative examples of such factors are discussed in more detail in the Company's Annual Report on Form 10-K and include, among other things, the possible adoption of legislation or industry regulation concerning certain aspects of the Company's business; the removal of data sources and/or marketing lists from the Company; the ability of the Company to retain customers who are not under long-term contracts with the Company; technology challenges; year 2000 issues; the risk of damage to the Company's data centers or interruptions in the Company's telecommunications links; acquisition integration; the effects of postal rate increases; and other market factors. See "Additional Information Regarding Forward-looking Statements" in the Company's Annual Report on Form 10-K.

The Company believes that existing customer industries (direct marketing, financial services, insurance, information and communication services, and media/publishing) all continue to offer good growth potential. In general, there is an increased emphasis on customer relationship management and one-to-one marketing in businesses which the Company believes will increase demand for the Company's data content and services both in the U.S. and worldwide. Also, as e-commerce continues to expand, the Company believes that its data content and services will have increased application in support of these initiatives. The Company continues to explore uses of its data and services beyond marketing applications and has had some success in developing applications in the insurance underwriting area. At the same time, the Company is also focusing on other vertical industries such as retail, pharmaceuticals, telecommunications, high tech, entertainment, packaged goods, and utilities as strong growth opportunities. In addition, the Company also believes there is strong growth potential beyond the Fortune 1000 companies that it has traditionally served into medium-sized businesses and divisions of large corporations, as well as the small office/home office marketplace. As a result of improved delivery systems via the Acxiom Data NetworkSM , announced in February, 1998, these markets are now becoming cost efficient for the Company to deliver portions of its products and services. The Acxiom Data Network will link the customer's data to the Company's enhancement database via the internet from the customer's desktop. It is anticipated that the Acxiom Data Network will expand the marketplace for the Company's data products to customers smaller than the Fortune 1000. The Company also believes that the Acxiom Data Network should dramatically cut costs in maintaining and updating data warehouses for current customers. In addition, the Company has developed relationships with third party database and decision support system providers to promote alternate channels of distribution for the Company's products and services.

The Company believes that operating margins will continue to improve primarily as a result of implementing the Acxiom Data Network, leveraging the Company's data content resources, improving internal processes, and increasing the profitability of the Company's international operations.

The Company currently expects its effective tax rate to be 37-39% for 1999. This estimate is based on current tax law and current estimates of earnings, and is subject to change.

ACXIOM CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

March 31, 1999 and 1998

(Dollars in thousands)

Assets	1999	1998
Current assets:		
Cash and cash equivalents	$ 9,590	115,510
Marketable securities	-	11,794
Trade accounts receivable, net (note 12)	180,767	118,281
Refundable income taxes (note 9)	12,651	7,670
Deferred income taxes (note 9)	30,643	2,868
Other current assets (note 5)	59,415	31,747
Total current assets	293,066	287,870
Property and equipment, net of accumulated depreciation and amortization (notes 4 and 6)	224,841	185,684
Software, net of accumulated amortization of $17,941 in 1999 and $11,642 in 1998 (note 3)	37,400	38,673
Excess of cost over fair value of net assets acquired, net of accumulated amortization of $13,517 in 1999 and $8,585 in 1998 (note 2)	122,483	73,851
Other assets (note 5)	201,537	87,072
	$ 879,327	673,150
Liabilities and Stockholders' Equity		
Current liabilities:		
Current installments of long-term debt (note 6)	23,355	10,466
Trade accounts payable	59,215	21,946
Accrued expenses:		
Merger and integration costs (note 2)	33,181	-
Payroll	17,706	18,293
Other	25,744	20,846
Deferred revenue	6,833	11,197
Total current liabilities	166,034	82,748
Long-term debt, excluding current installments (note 6)	325,223	254,240
Deferred income taxes (note 9)	38,889	34,968
Stockholders' equity (notes 2, 6, 8 and 9):		
Common stock	7,919	7,405
Additional paid-in capital	185,103	121,130
Retained earnings	159,516	175,946
Accumulated other comprehensive income (loss)	(324)	676
Unearned ESOP compensation	-	(1,782)
Treasury stock, at cost	(3,033)	(2,181)
Total stockholders' equity	349,181	301,194
Commitments and contingencies (notes 2, 6, 7, 10, 11 and 14)		
	$ 879,327	673,150

See accompanying notes to consolidated financial statements.

ACXIOM CORPORATION AND SUBSIDIARIES

Consolidated Statements of Operations

Years ended March 31, 1999, 1998 and 1997

(Dollars in thousands, except per share amounts)

	1999	1998	1997
Revenue (notes 2 and 12)	$ 729,984	569,020	479,239
Operating costs and expenses (notes 2, 3, 7, 10 and 11):			
Salaries and benefits	272,737	210,327	171,364
Computer, communications and other equipment	110,254	86,338	76,366
Data costs	106,680	88,246	77,874
Other operating costs and expenses	124,908	100,272	87,283
Special charges (note 2)	118,747	4,700	-
Total operating costs and expenses	733,326	489,883	412,887
Income (loss) from operations	(3,342)	79,137	66,352
Other income (expense):			
Interest expense	(17,393)	(10,044)	(5,746)
Other, net	6,289	4,294	(71)
	(11,104)	(5,750)	(5,817)
Earnings (loss) before income taxes	(14,446)	73,387	60,535
Income taxes (note 9)	1,984	27,332	22,800
Net earnings (loss)	$ (16,430)	46,055	37,735
Earnings (loss) per share:			
Basic	$ (.22)	.64	.54
Diluted	$ (.22)	.57	.49

See accompanying notes to consolidated financial statements.

ACXIOM CORPORATION
AND SUBSIDIARIES

Consolidated Statements of Stockholders' Equity

Years ended March 31, 1999, 1998 and 1997

(Dollars in thousands)

	Common Stock Number Of Shares	Common Stock Amount	Additional Paid-in Capital
Balances at March 31, 1996	64,988,536	$ 6,499	52,180
Pro CD merger (note 2)	3,313,324	331	2,647
Sale of common stock	4,381,362	438	46,828
Tax benefit of stock options exercised (note 9)	-	-	2,232
Issuance of common stock warrants	-	-	1,300
Employee stock awards and shares issued to employee benefit plans, net of treasury shares repurchased	-	-	1,359
ESOP compensation earned	-	-	-
Comprehensive income:			
Foreign currency translation	-	-	-
Net earnings	-	-	-
Total comprehensive income			
Balances at March 31, 1997	72,683,222	7,268	106,546
May & Speh merger (note 2)	72,160	7	115
Sale of common stock	1,235,971	124	9,158
Tax benefit of stock options exercised (note 9)	-	-	2,763
Employee stock awards and shares issued to employee benefit plans, net of treasury shares repurchased	57,529	6	2,548
ESOP compensation earned	-	-	-
Comprehensive income:			
Foreign currency translation	-	-	-
Net earnings	-	-	-
Total comprehensive income			
Balances at March 31, 1998	74,048,882	7,405	121,130
Sale of common stock	4,000,000	400	11,850
Tax benefit of stock options and warrants exercised (note 9)	-	-	36,393
Issuance of warrants (note 2)	-	-	2,676
Employee stock awards and shares issued to employee benefit plans, net of treasury shares repurchased	1,144,198	114	13,054
ESOP compensation earned	-	-	-
Comprehensive loss:			
Foreign currency translation	-	-	-
Net loss	-	-	-
Total comprehensive loss			
Balances at March 31, 1999	79,193,080	$ 7,919	185,103

See accompanying notes to consolidated financial statements.

Comprehensive income (loss)	Retained earnings	Accumulated other comprehensive income (loss)	Unearned ESOP compensation	Treasury stock Number of shares	Treasury stock Amount	Total stockholders' equity (note 7)
	92,614	(863)	(7,722)	(1,242,242)	(2,323)	140,385
	(4,752)	-	-	-	-	(1,774)
		-	-	-	-	47,266
	-	-	-	-	-	2,232
	-	-	-	-	-	1,300
	-	-	-	145,912	(192)	1,167
	-	-	2,376	-	-	2,376
1,141	-	1,141	-	-	-	1,141
37,735	37,735	-	-			37,735
$ 38,876						
	125,597	278	(5,346)	(1,096,330)	(2,515)	231,828
	4,294	-	1,188	-	-	5,604
	-	-	-	-	-	9,282
	-	-	-	-	-	2,763
	-	-	-	259,410	334	2,888
	-	-	2,376	-	-	2,376
398	-	398	-	-	-	398
46,055	46,055	-	-	-	-	46,055
$ 46,453						
	175,946	676	(1,782)	(836,920)	(2,181)	301,194
	-	-	-	-	-	12,250
	-	-	-	-	-	36,393
	-	-	-	-	-	2,676
	-	-	-	104,649	(852)	12,316
	-	-	1,782	-	-	1,782
(1,000)	-	(1,000)	-	-	-	(1,000)
(16,430)	(16,430)	-	-	-	-	(16,430)
$ (17,430)						
	159,516	(324)	-	(732,271)	(3,033)	349,181

ACXIOM CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows

Years ended March 31, 1999, 1998 and 1997

(Dollars in thousands)

	1999	1998	1997
Cash flows from operating activities:			
Net earnings (loss)	$ (16,430)	46,055	37,735
Adjustments to reconcile net earnings (loss) to net cash provided by operating activities:			
Depreciation and amortization	63,886	49,658	35,400
Loss (gain) on disposal or impairment of assets	26	(960)	2,412
Provision for returns and doubtful accounts	2,223	3,094	4,462
Deferred income taxes	(23,854)	12,143	8,163
Tax benefit of stock options and warrants exercised	36,393	2,763	2,232
ESOP compensation	1,782	2,376	2,376
Special charges	118,747	4,700	-
Changes in operating assets and liabilities:			
Accounts receivable	(61,386)	(29,453)	(24,034)
Other assets	(61,195)	(42,258)	(16,107)
Accounts payable and other liabilities	27,555	21,025	(8,649)
Merger and integration costs	(28,385)	(4,700)	-
Net cash provided by operating activities	59,362	64,443	43,990
Cash flows from investing activities:			
Proceeds from the disposition of assets	733	15,340	2,385
Proceeds from sale of marketable securities	11,794	19,021	12,919
Purchases of marketable securities	-	(5,778)	(31,366)
Cash received in merger	-	-	21
Development of software	(18,544)	(21,411)	(10,715)
Capital expenditures	(127,703)	(67,865)	(64,973)
Investments in joint ventures	(10,400)	(6,072)	-
Net cash paid in acquisitions (note 2)	(45,983)	(19,841)	(16,223)
Net cash used in investing activities	(190,103)	(86,606)	(107,952)
Cash flows from financing activities:			
Proceeds from debt	18,939	125,820	39,459
Payments of debt	(18,607)	(10,015)	(20,994)
Sale of common stock	24,566	12,171	48,433
Net cash provided by financing activities	24,898	127,976	66,898

(Continued)

ACXIOM CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows, Continued

Years ended March 31, 1999, 1998 and 1997

(Dollars in thousands)

	1999	1998	1997
Effect of exchange rate changes on cash	$ (77)	2	-
Net increase (decrease) in cash and cash equivalents	(105,920)	105,815	2,936
Cash and cash equivalents at beginning of year	115,510	9,695	10,183
Cash and cash equivalents at end of year	$ 9,590	115,510	13,119
Supplemental cash flow information:			
Cash paid (received) during the year for:			
Interest	$ 15,608	9,303	5,053
Income taxes	(5,574)	12,627	15,131
Noncash financing and investing activities:			
Issuance of warrants	2,676	-	1,300
Enterprise software licenses acquired under software obligation	74,638	10,949	-
Acquisition of property and equipment under capital lease	-	14,939	11,373
Convertible debt issued in acquisition (note 2)	-	-	25,000

See accompanying notes to consolidated financial statements.

ACXIOM CORPORATION AND SUBSIDIARIES

Schedule of Valuation and Qualifying Accounts

Years ended March 31, 1999, 1998 and 1997

(In thousands)

	Balance at beginning of period	Additions charged to costs and expenses	Other additions (note)	Bad debts written off	Bad debts recovered	Balance at end of period
1999:						
Allowance for doubtful accounts, returns and credits	$ 3,630	2,223	710	2,026	715	5,252
1998:						
Allowance for doubtful accounts, returns and credits	$ 4,692	3,094	224	4,777	397	3,630
1997:						
Allowance for doubtful accounts, returns and credits	$ 2,230	4,462	4,800	7,044	238	4,686

Note - Other additions represent the valuation accounts acquired in connection with business combinations.

Summary of Significant Accounting Policies

(a) Description of Business

Acxiom Corporation ("Acxiom" or the "Company") provides information management solutions using customer, consumer and business data, primarily for marketing applications. Business segments of the Company provide list services, data warehousing, consulting, data content, fulfillment services, and outsourcing and facilities management services primarily in the United States (U.S.) and United Kingdom (U.K.).

(b) Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation. Investments in 20% to 50% owned entities are accounted for using the equity method and investments in less than 20% owned entities are accounted for at cost.

(c) Use of Estimates

Management of the Company has made a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare these consolidated financial statements in conformity with generally accepted accounting principles. Actual results could differ from those estimates.

(d) Marketable Securities

Marketable securities are stated at cost which approximates fair market value; gains and losses are recognized in the period realized. The Company has classified its securities as available for sale.

(e) Accounts Receivable

Financial instruments which potentially subject the Company to concentrations of credit risk consist primarily of trade accounts receivable. The Company's receivables are from a large number of customers. Accordingly, the Company's credit risk is affected by general economic conditions. Although the Company has several large individual customers, concentrations of credit risk are limited because of the diversity of the Company's customers.

Trade accounts receivable are presented net of allowances for doubtful accounts and credits of $5.3 million and $3.6 million in 1999 and 1998, respectively.

(f) Property and Equipment

Property and equipment are stated at cost. Depreciation and amortization are calculated on the straight-line method over the estimated useful lives of the assets as follows: buildings and improvements, 5 - 31.5 years; office furniture and equipment, 3 - 12 years; and data processing equipment, 2 - 10 years.

Property held under capitalized lease arrangements is included in property and equipment, and the associated liabilities are included with long-term debt. Property and equipment taken out of service and held for sale is recorded at net realizable value and depreciation is ceased.

(g) Software and Research and Development Costs

Capitalized and purchased software costs are amortized on a straight-line basis over the remaining estimated economic life of the product, or the amortization that would be recorded by using the ratio of gross revenues for a product to total current and anticipated future gross revenues for that product, whichever is greater. Research and development costs incurred prior to establishing technological feasibility of software products are charged to operations as incurred.

(h) Excess of Cost Over Fair Value of Net Assets Acquired

The excess of acquisition costs over the fair values of net assets acquired in business combinations treated as purchase transactions ("goodwill") is being amortized on a straight-line basis over 15 to 40 years from acquisition dates. The Company periodically evaluates the existence of goodwill impairment on the basis of whether the goodwill is fully recoverable from the projected, undiscounted net cash flows of the related business unit. The amount of goodwill impairment, if any, is measured based on projected discounted future operating cash flows using a discount rate reflecting the Company's average cost of funds. The assessment of the recoverability of goodwill will be impacted if estimated future operating cash flows are not achieved.

(i) Revenue Recognition

Revenue from services, including consulting, list processing and data warehousing, and from information technology outsourcing services, including facilities management contracts, are recognized as services are performed. In the case of long-term outsourcing contracts, capital expenditures incurred in connection with the contract are capitalized and amortized over the term of the contract whereby profit is recognized under the contracts at a consistent rate of margin as services are performed under the contract. In certain outsourcing contracts, additional revenue is recognized based upon attaining certain annual margin improvements or cost savings over performance benchmarks as specified in the contracts. Such additional revenue is recognized when it is determinable that such benchmarks have been met.

Revenue from sales and licensing of software and data are recognized when the software and data are delivered, the fee for such data is fixed or determinable, and collectibility of such fee is probable. Software and data file maintenance is recognized over the term of the agreements. In the case of multiple-element software and data arrangements, revenue is allocated to the respective elements based upon their relative fair values. Billed but unearned portions of revenue are deferred.

(j) Income Taxes

The Company and its domestic subsidiaries file a consolidated Federal income tax return. The Company's foreign subsidiaries file separate income tax returns in the countries in which their operations are based.

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

(k) Foreign Currency Translation

The balance sheets of the Company's foreign subsidiaries are translated at year-end rates of exchange, and the statements of earnings are translated at the weighted average exchange rate for the period. Gains or losses resulting from translating foreign currency financial statements are included in accumulated other comprehensive income (loss) in the statement of stockholders' equity.

(l) Earnings Per Share

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

	1999	1998	1997
Basic earnings per share:			
Numerator-net earnings (loss)	$ (16,430)	46,055	37,735
Denominator-weighted average shares outstanding	75,969	72,199	69,279
Earnings (loss) per share	$ (.22)	.64	.54
Diluted earnings per share:			
Numerator:			
Net earnings (loss)	$ (16,430)	46,055	37,735
Interest expense on convertible debt (net of tax effect)	--	465	445
	$ (16,430)	46,520	38,180

	1999	1998	1997
Denominator:			
Weighted average shares outstanding	75,969	72,199	69,279
Effect of common stock options	-	3,593	3,782
Effect of common stock warrant	-	3,015	3,004
Convertible debt	-	2,102	2,000
	75,969	80,909	78,065
Earnings (loss) per share	$ (.22)	.57	.49

All potentially dilutive securities were excluded from the above calculations for the year ended March 31, 1999 because they were antidilutive. The equivalent share effects of common stock options and warrants which were excluded were 5,632. Potentially dilutive shares related to the convertible debt which were excluded were 7,783. Also, interest expense on the convertible debt (net of income tax effect) excluded in computing diluted loss per share was $4,257.

Options to purchase shares of common stock that were outstanding during 1999, 1998 and 1997 but were not included in the computation of diluted earnings (loss) per share because the option exercise price was greater than the average market price of the common shares are shown below (in thousands, except per share amounts):

	1999	1998	1997
Number of shares under option	1,491	2,176	1,432
Range of exercise prices	$24.24 - $54.00	$15.94 - $35.92	$18.61 - $35.00

(m) Impairment of Long-Lived Assets and Long-Lived Assets to Be Disposed Of

Long-lived assets and certain identifiable intangibles are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell.

(n) Cash and Cash Equivalents

The Company considers all highly liquid debt instruments with original maturities of three months or less to be cash equivalents.

(o) Reclassifications

To conform to the 1999 presentation, certain accounts for 1998 and 1997 have been reclassified. The reclassifications had no effect on net earnings for 1998 and 1997.

(2) Acquisitions

Effective January 1, 1999, the Company acquired three database marketing units from Deluxe Corporation ("Deluxe"). The purchase price was $23.6 million, of which $18.0 million was paid in cash at closing and the remainder was paid in April 1999. Deluxe's results of operations are included in the Company's consolidated results of operations beginning January 1, 1999. This acquisition was accounted for as a purchase. The excess of cost over net assets acquired of $21.9 million is being amortized using the straight-line method over 15 years. The pro forma effect of the acquisition is not material to the Company's consolidated results of operations for the periods reported.

On September 17, 1998, the Company issued 20,858,923 shares of its common stock in exchange for all outstanding capital stock of May & Speh, Inc. ("May & Speh"). Additionally, the Company assumed all of the outstanding options granted under May & Speh's stock option plans with the result that 4,289,202 shares of the Company's common stock became subject to issuance upon exercise of such options. This business combination has been 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 May & Speh.

The results of operations previously reported by the separate enterprises and the combined amounts presented in the accompanying consolidated financial statements are summarized below.

	1998	1997
Revenue:		
Acxiom	$ 465,065	402,016
May & Speh	103,955	77,223
Combined	$ 569,020	479,239
Net earnings:		
Acxiom	35,597	27,512
May & Speh	10,458	10,223
Combined	$ 46,055	37,735

Included in the statement of operations for the year ended March 31, 1999 are revenues of $66.6 million and earnings of $9.3 million for May & Speh for the period from April 1, 1998 to September 17, 1998.

Prior to the combination, May & Speh's fiscal year ended September 30. In recording the pooling-of-interests combination, May & Speh's consolidated financial statements as of and for the year ended March 31, 1998 were combined with Acxiom's consolidated financial statements for the same period and May & Speh's consolidated financial statements as of and for the year ended September 30, 1996 were combined with Acxiom's consolidated financial statements as of and for the year ended March 31, 1997. May & Speh's unaudited consolidated results of operations for the six months ended March 31, 1997 included revenue of $42.9 million and net earnings of $4.3 million. An adjustment has been made to retained earnings as of March 31, 1997 to record the net earnings of May & Speh for the six months ended March 31, 1997.

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 charges consisted of approximately $10.7 million of transaction costs to be paid to investment bankers, accountants, and attorneys; $8.1 million in associate-related reserves, principally employment contract termination costs and severance costs; $48.5 million in contract termination costs; $11.5 million for the write down of software; $29.3 million for the write down of property and equipment; $7.8 million for the write down of goodwill and other assets; and $2.8 million in other write downs and accruals.

The transaction costs are fees which were incurred as a direct result of the merger transaction. The associate-related reserves include 1) payments to be made under a previously existing employment agreement with one terminated May & Speh executive in the amount of $3.5 million, 2) payments to be made under previously existing employment agreements with seven May & Speh executives who are remaining with Acxiom, but are entitled to payments totaling $3.6 million due to the termination of their employment agreements, and 3) involuntary termination benefits aggregating $1.0 million to seven May & Speh and Company employees whose positions have been or will be eliminated. One of the seven positions, for which $0.7 million was accrued, was not related to the May & Speh merger, but related to a Company associate whose position was eliminated as a result of the closure of the Company's New Jersey business location. As of March 31, 1999, one of the seven associates has been terminated.

The contract termination costs are costs which have been incurred to terminate duplicative software contracts. The amounts recorded represent cash payments which the Company has made or will make to the software vendors to terminate existing May & Speh agreements.

For all other write downs and costs, the Company performed an analysis as required under Statement of Financial Accounting Standards ("SFAS") No. 121 to determine whether and to what extent any assets were impaired as a result of the merger. The analysis included estimating expected future cash flows from each of the assets which were expected to be held and used by the Company. These expected cash flows were compared to the carrying amount of each asset to determine whether an impairment existed. If an impairment was indicated, the asset was written down to its fair value. Quoted market prices were used to estimate fair value when market prices were available. In cases where quoted prices were not available, the Company estimated fair value using internal valuation sources. In the case of assets to be disposed of, the Company compared the carrying value of the asset to its estimated fair value, and if an impairment was indicated, wrote the asset down to its estimated fair value.

Approximately $110.1 million of the charge was for duplicative assets or costs directly attributable to the May & Speh merger. The remaining $8.6 million related to other impaired assets which were impaired during the year, primarily $5.7 million related to goodwill and shut-down costs associated with the closing of certain business locations in New Jersey, Malaysia, and the Netherlands. Special charges in 1998 relate to employee severance payments made to former May & Speh executives.

The following table shows the balances which were initially accrued as of September 30, 1998, and the changes in those balances during the remainder of the year ended March 31, 1999 (dollars in thousands):

	September 30, 1998	Additions	Payments	March 31, 1999
Transaction costs	$ 9,163	-	9,163	-
Associate-related reserves	6,783	1,375	3,804	4,354
Contract termination costs	40,500	-	13,500	27,000
Other accruals	3,745	-	1,918	1,827
	$ 60,191	1,375	28,385	33,181

The associate-related reserves and contract termination costs will be substantially paid out during fiscal 2000. The other accruals will be paid out over periods ranging up to five years.

Effective May 1, 1998, May & Speh acquired substantially all of the assets of SIGMA Marketing Group, Inc. ("Sigma"), a full-service database marketing company headquartered in Rochester, New York. Under the terms of the agreement, May & Speh paid $15 million at closing for substantially all of Sigma's assets, and will pay the former owners up to an additional $6 million, the substantial portion of which is contingent on certain operating objectives being met. Sigma's former owners were also issued warrants to acquire 276,800 shares of the Company's common stock at a price of $17.50 per share in connection with the transaction. Sigma's results of operations are included in the Company's consolidated results of operations beginning May 1, 1998. This acquisition was accounted for as a purchase. The excess of cost over net assets acquired of $23.2 million is being amortized using the straight-line method over 20 years. The pro forma effect of the acquisition is not material to the Company's consolidated results of operations for the periods reported.

Effective April 1, 1998, the Company purchased the outstanding stock of Normadress, a French company located in Paris. Normadress provides database and direct marketing services to its customers. The purchase price was 20 million French Francs (approximately $3.4 million) in cash and other additional cash consideration of which approximately $900,000 is guaranteed and the remainder is based on the future performance of Normadress. Normadress' results of operations are included in the Company's consolidated results of operations beginning April 1, 1998. This acquisition was accounted for as a purchase. The excess of cost over net assets acquired of $5.7 million is being amortized using the straight-line method over 20 years. The pro forma effect of the acquisition is not material to the Company's consolidated results of operations for the periods reported.

Effective October 1, 1997, the Company acquired 100% ownership of MultiNational Concepts, Ltd. ("MultiNational") and Catalog Marketing Services, Inc. (d/b/a Shop the World by Mail), entities under common control (collectively "STW"). Total consideration was $4.6 million (net of cash acquired) and other cash consideration based on the future performance of STW. MultiNational, headquartered in Hoboken, New Jersey, is an international mailing list and database maintenance provider for consumer catalogers interested in developing foreign markets. Shop the World by Mail, headquartered in Sarasota, Florida, provides cooperative customer acquisition programs, and also produces an international catalog of catalogs whereby end-customers in over 60 countries can order catalogs from around the world.

Also effective October 1, 1997, the Company acquired Buckley Dement, L.P. and its affiliated company, KM Lists, Incorporated (collectively "Buckley Dement"). Buckley Dement, headquartered in Skokie, Illinois, provides list brokerage, list management, promotional mailing and fulfillment, and merchandise order processing to pharmaceutical, health care, and other commercial customers. Total consideration was $14.2 million (net of cash acquired) and other cash consideration based on the future performance of Buckley Dement.

Both the Buckley Dement and STW acquisitions are accounted for as purchases and their operating results are included with the Company's results beginning October 1, 1997. The purchase price for the two acquisitions exceeded the fair value of net assets acquired by $12.6 million and $5.2 million for Buckley Dement and STW, respectively. The resulting excess of cost over net assets acquired is being amortized over 20 years. The pro forma effect of the acquisitions are not material to the Company's consolidated results of operations for the periods reported.

On April 9, 1996, the Company issued 3,313,324 shares of its common stock for all of the outstanding common stock and common stock options of Pro CD, Inc., ("Pro CD"). Headquartered in Danvers, Massachusetts, Pro CD is a publisher of reference software on CD-ROM. The business combination was accounted for as a pooling-of-interests. The stockholders' equity and operations of Pro CD were not material in relation to those of the Company. As such, the Company recorded the combination by restating stockholders' equity as of April 1, 1996, without restating prior years' financial statements to reflect the pooling-of-interests. At April 1, 1996 Pro CD's liabilities exceeded its assets by $1.8 million.

Also in April, 1996, the Company acquired the assets of Direct Media/DMI, Inc. ("DMI") for $25 million and the assumption of certain liabilities of DMI. The $25 million purchase price was payable in three years, and could, at DMI's option, be paid in two million shares of Acxiom common stock in lieu of cash plus accrued interest. Subsequent to March 31, 1999, the holder of the convertible note elected to receive the two million shares of the Company's common stock in lieu of cash. Headquartered in Greenwich, Connecticut, DMI provides list brokerage, management and consulting services to business-to-business and consumer list owners and mailers. At April 1, 1996 the liabilities assumed by the Company exceeded the fair value of the net assets acquired from DMI by approximately $1.0 million. The resulting excess of purchase price over fair value of net assets acquired of $26.0 million is being amortized over 20 years. The acquisition has been accounted for as a purchase, and accordingly, the results of operations of DMI are included in the consolidated results of operations from the date of its acquisition.

Subsequent to March 31, 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 outstanding common stock of Computer Graphics. Computer Graphics, a privately held enterprise headquartered in Phoenix, Arizona, is a computer service business principally serving financial services direct marketers. The acquisition will be accounted for as a pooling-of-interests.

Also subsequent to March 31, 1999, the Company acquired the assets of Horizon Systems, Inc. ("Horizon") for $16.0 million in cash and common stock of the Company and the assumption of certain liabilities of Horizon, and other cash and stock considerations based on the future performance of Horizon.

(3) Software and Research and Development Costs

The Company recorded amortization expense related to internally developed computer software of $8.3 million, $5.9 million and $5.4 million in 1999, 1998 and 1997, respectively. Additionally, research and development costs of $17.8 million, $13.7 million and $13.0 million were charged to operations during 1999, 1998 and 1997, respectively.

(4) Property and Equipment

Property and equipment is summarized as follows (dollars in thousands):

	1999	1998
Land	$ 8,141	8,344
Buildings and improvements	91,025	74,634
Office furniture and equipment	36,461	24,456
Data processing equipment	203,865	193,959
	339,492	301,393
Less accumulated depreciation and amortization	114,651	115,709
	$ 224,841	185,684

(5) Other Assets

Included in other assets are unamortized outsourcing capital expenditure costs in the amount of $28.4 million and $25.0 million as of March 31, 1999 and 1998, respectively. Noncurrent receivables from software license, data, and equipment sales are also included in other assets in the amount of $24.9 million and $20.3 million as of March 31, 1999 and 1998, respectively. The current portion of such receivables is included in other current assets in the amount of $24.6 million and $9.5 million as of March 31, 1999 and 1998, respectively. Certain of the noncurrent receivables have no stated interest rate. In such cases, such receivables have been discounted using an appropriate imputed interest rate based upon the customer, type of agreement, collateral and payment terms. This discount is being recognized into income using the interest method. Also included in other assets are capitalized software license agreements of $103.5 million and $19.8 million as of March 31, 1999 and 1998, respectively.

(6) Long-Term Debt

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

	1999	1998
5.25% convertible subordinated notes due 2003	$ 115,000	115,000
Unsecured revolving credit agreement	55,384	36,445
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 (note 2)	25,000	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%	20,587	22,818
Software license liabilities payable over terms of from five to seven years; effective interest rates at approximately 6%	76,748	10,949
8.5% unsecured term loan; quarterly principal payments of $200 plus interest with the balance due in 2003	9,000	9,800
9.75% Senior notes, due May 1, 2000, payable in annual installments of $2,143 each May 1; interest is payable semi-annually	4,286	6,429
ESOP loan (note 11)	-	1,782
Other capital leases, debt and long-term liabilities	12,573	6,483
Total long-term debt	348,578	264,706
Less current installments	23,355	10,466
Long-term debt, excluding current installments	$ 325,223	254,240

In March 1998, May & Speh completed an offering of $115 million 5.25% convertible subordinated notes due 2003. The notes are convertible at the option of the holder into shares of the Company's common stock at a conversion price of $19.89 per share. The notes also are redeemable, in whole or in part, at the option of the Company at any time on or after April 3, 2001. The total net proceeds to the Company were approximately $110.8 million after deducting underwriting discounts and commissions and estimated offering expenses.

The unsecured revolving credit agreement, which expires January 31, 2003 provides for revolving loans and letters of credit in amounts of up to $125 million. The terms of the credit agreement provide for interest at the prime rate (or, at other alternative market rates at the Company's option). At March 31, 1999, the effective rate was 6.275%. The agreement requires a commitment fee equal to 3/16 of 1% on the average unused portion of the loan. The Company also has another unsecured line of credit amounting to $1.5 million of which none was outstanding at March 31, 1999 or 1998. The other unsecured line expires August 31, 1999 and bears interest at approximately the same rate as the revolving credit agreement.

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 construction loans for the buildings. The aggregate amount of the guarantees at March 31, 1999 was $8.2 million. The total cost of the two building projects is expected to be approximately $19.5 million.

Under the terms of certain of the above borrowings, the Company is required to maintain certain tangible net worth levels and working capital, debt-to-equity and debt service coverage ratios. At March 31, 1999, due to the merger with May & Speh and the special charges booked during the year, the Company was in violation of certain restrictive covenants under the unsecured revolving credit agreement and the 9.75% senior notes. The violations of each of these agreements has been waived by the respective lenders. The violations occurred as a result of the net loss reported by the Company for the quarter ended September 30, 1998. Since these calculations are performed using the latest four quarters' income statements and cash flows, the violation has been waived through the June 30, 1999 quarter. After this date the violations will have been cured since the bulk of the special charges will no longer be included in the 12-month period of the applicable calculations. The aggregate maturities of long-term debt for the five years ending March 31, 2004 are as follows: 2000, $23.4 million; 2001, $27.8 million; 2002, $23.6 million; 2003, $112.2 million; and 2004, $132.3 million.

(7) Leases

The Company leases data processing equipment, office furniture and equipment, land and office space under noncancellable operating leases. Future minimum lease payments under noncancellable operating leases for the five years ending March 31, 2004 are as follows: 2000, $22.9 million; 2001, $18.0 million; 2002, $12.0 million; 2003, $8.9 million; and 2004, $7.2 million.

Total rental expense on operating leases was $24.7 million, $15.2 million and $18.4 million for the years ended March 31, 1999, 1998 and 1997, respectively.

(8) Stockholders' Equity

The Company has authorized 200 million shares of $.10 par value common stock and 1 million shares of $1.00 par value preferred stock. The Board of Directors of the Company may designate the relative rights and preferences of the preferred stock when and if issued. Such rights and preferences could include liquidation preferences, redemption rights, voting rights and dividends and the shares could be issued in multiple series with different rights and preferences. The Company currently has no plans for the issuance of any shares of preferred stock.

On March 29, 1996, May & Speh completed an initial public offering of 3,350,000 shares of its common stock (2,680,000 shares as adjusted for merger with Acxiom) and on April 24, 1996 completed the offering of an additional 1,005,000 shares of common stock (804,000 shares as adjusted) that were subject to an over-allotment granted to the underwriters of the offering. Total net proceeds from the offering were approximately $43.5 million.

On March 30, 1998, May & Speh also completed an offering of 325,000 shares of its common stock (260,000 shares as adjusted). Total net proceeds were approximately $3.5 million.

In connection with its data center management agreement entered into in August, 1992 with Trans Union Corporation, the Company issued a warrant, which expired on August 31, 2000 and entitled Trans Union to acquire up to 4 million additional shares of newly-issued common stock. The exercise price for the warrant stock was $3.06 per share through August 31, 1998 and increased $.25 per share in each of the two years subsequent to August 31, 1998. The warrant was exercised for 4 million shares on August 31, 1998. The Company intends to record $68.0 million as additional sales discounts on its tax return for the difference in the fair value of the stock on the date the warrant was exercised and the fair value of the warrant on the date the warrant was issued (note 9).

The Company has for its U.S. employees a Key Employee Stock Option Plan ("Plan") for which 15.2 million shares of the Company's common stock have been reserved. The Company has for its U.K. employees a U.K. Share Option Scheme ("Scheme") for which 1.6 million shares of the Company's common stock have been reserved. These plans provide that the option price, as determined by the Board of Directors, will be at least the fair market value at the time of the grant. The term of nonqualified options is also determined by the Board of Directors. Incentive options granted under the plans must be exercised within 10 years after the date of the option. At March 31, 1999, 3,427,678 shares and 822,763 shares are available for future grants under the Plan and the Scheme, respectively.

May & Speh had options outstanding under two separate plans at March 31, 1998. Generally, such options vest and become exercisable in five equal annual increments beginning one year after the issue date and expire 10 years after the issue date except in the event of change in control of May & Speh all options become fully vested and exercisable. Pursuant to the merger, the Company assumed all of the currently outstanding options granted under the May & Speh plans with the result that shares of the Company's common stock become subject to issuance upon exercise of such options.

Activity in stock options was as follows:

	Number of shares	Weighted average price per share	Number of shares exercisable
Outstanding at March 31, 1996	9,509,746	$ 7.18	3,467,728
Granted	1,300,811	17.29	
Pro CD acquisition (note 2)	294,132	1.76	
Exercised	(835,369)	2.41	
Terminated	(93,255)	7.29	
Outstanding at March 31, 1997	10,176,065	8.31	3,974,265
May & Speh acquisition (note 2)	217,440	16.89	
Granted	2,143,176	14.88	
Exercised	(977,511)	3.86	
Terminated	(157,190)	11.89	
Outstanding at March 31, 1998	11,401,980	9.63	5,316,861
Granted	1,066,891	27.82	
Exercised	(937,411)	6.95	
Terminated	(115,462)	12.96	
Outstanding at March 31, 1999	11,415,998	12.19	7,913,294

The per share weighted-average fair value of stock options granted during fiscal 1999, 1998 and 1997 was $13.43, $9.91 and $8.61, respectively, on the date of grant using the Black-Scholes option pricing model with the following weighted-average assumptions: Dividend yield of 0% for 1999, 1998 and 1997; risk-free interest rate of 5.44% in 1999, 6.79% in 1998, 6.71% in 1997; expected option life of 10 years for 1999, 1998 and 1997; and expected volatility of 40.48% in 1999, 38.69% in 1998 and 34.85% in 1997.

Following is a summary of stock options outstanding as of March 31, 1999:

	Options outstanding			Options exercisable	
Range of exercise prices	Options outstanding	Weighted average remaining contractual life	Weighted average exercise per share	Options exercisable	Weighted average exercise per share
$ 1.38 - 2.54	1,239,220	6.33 years	$ 2.19	1,148,996	$ 2.23
2.56 - 3.13	1,367,719	4.81 years	2.83	1,190,833	2.79
3.37 - 6.25	2,261,009	5.06 years	5.42	1,616,736	5.29
7.43 - 11.75	1,372,414	6.76 years	10.37	1,146,462	10.44
11.82 - 15.63	1,265,951	7.32 years	13.88	949,646	13.98
15.69 - 18.13	1,350,611	10.67 years	16.55	1,168,925	16.47
18.38 - 24.81	1,849,793	8.21 years	22.54	550,589	22.33
24.84 - 51.97	677,947	13.11 years	33.61	141,107	27.64
52.05 - 54.00	31,344	14.61 years	52.08	-	-
	11,415,998	7.30 years	$ 12.19	7,913,294	$ 9.49

The Company applies the provisions of Accounting Principles Board Opinion No. 25 and related interpretations in accounting for the stock based compensation plans. Accordingly, no compensation cost has been recognized by the Company in the accompanying consolidated statements of operations for any of the fixed stock options granted. Had compensation cost for options granted been determined on the basis of the fair value of the awards at the date of grant, consistent with the methodology prescribed by SFAS No. 123, the Company's net earnings (loss) would have been reduced/increased to the following pro forma amounts for the years ended March 31 (dollars in thousands, except per share amounts):

		1999	1998	1997
Net earnings (loss)	As reported	$ (16,430)	46,055	37,735
	Pro forma	(33,590)	39,625	36,672
Basic earnings (loss) per share	As reported	$ (.22)	.64	.54
	Pro forma	(.44)	.55	.53
Diluted earnings (loss) per share	As reported	$ (.22)	.57	.49

Pro forma	(.44)	.50	.48

Pro forma net earnings (loss) reflect only options granted after fiscal 1995. Therefore, the full impact of calculating compensation cost for stock options under SFAS No. 123 is not reflected in the pro forma net earnings amounts presented above because compensation cost is reflected over the options' vesting period of 8-9 years and compensation cost for options granted prior to April 1, 1995 is not considered.

The Company maintains an employee stock purchase plan which provides for the purchase of shares of common stock at 85% of the market price. There were 129,741, 125,151 and 110,332 shares purchased under the plan during the years ended March 31, 1999, 1998 and 1997, respectively.

(9) Income Taxes

Total income tax expense (benefit) was allocated as follows (dollars in thousands):

	1999	1998	1997
Income from operations	$ 1,984	27,332	22,800
Stockholders' equity, for expenses for tax purposes in excess of amounts recognized for financial reporting purposes:			
Compensation	(9,178)	(2,763)	(2,232)
Sale discounts (note 8)	(27,215)	-	-
	$ (34,409)	24,569	20,568

Income tax expense (benefit) attributable to earnings (loss) from operations consists of (dollars in thousands):

	1999	1998	1997
Current expense:			
Federal	$ 17,534	12,247	13,009
Foreign	1,165	1,206	83
State	7,139	1,736	1,545
	25,838	15,189	14,637
Deferred expense (benefit):			
Federal	(14,780)	9,792	5,979
Foreign	(248)	23	687
State	(8,826)	2,328	1,497
	(23,854)	12,143	8,163
Total tax expense	$ 1,984	27,332	22,800

The actual income tax expense (benefit) attributable to earnings (loss) from operations differs from the expected tax expense (benefit) (computed by applying the U.S. Federal corporate tax rate of 35% to earnings (loss) before income taxes) as follows (dollars in thousands):

	1999	1998	1997
Computed expected tax expense (benefit)	$ (5,056)	25,685	21,187
Increase (reduction) in income taxes resulting from:			
Nondeductible merger and integration expenses	7,836	-	-
State income taxes, net of Federal income tax benefit	(1,096)	2,642	1,977
Research and experimentation credits	(265)	(715)	(683)
Other	565	(280)	319
	$ 1,984	27,332	22,800

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities at March 31, 1999 and 1998 are presented below (dollars in thousands).

	1999	1998
Deferred tax assets:		
Accrued expenses not currently deductible for tax purposes	$ 20,633	2,150
Investments, principally due to differences in basis for tax and financial reporting purposes	328	676
Net operating loss carryforwards	7,986	-
Other	1,696	846
Total deferred tax assets	30,643	3,672
Deferred tax liabilities:		
Property and equipment, principally due to differences in depreciation	(12,887)	(11,099)
Intangible assets, principally due to differences in amortization	(3,624)	(2,212)
Capitalized software and other costs expensed as incurred for tax purposes	(20,501)	(20,618)
Installment sale gains for tax purposes	(1,877)	(1,843)
Total deferred tax liabilities	(38,889)	(35,772)
Net deferred tax liability	$ (8,246)	(32,100)

At March 31, 1999, the Company had available tax benefits associated with state tax operating loss carryforwards of $45.7 million which expire annually in varying amounts to 2014. The deferred tax effect of such carryforwards are included above.

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Based upon the Company's history of substantial profitability and taxable income and its utilization of tax planning strategies, management believes it is more likely than not the Company will realize the benefits of these deductible differences, net of any valuation allowances.

(10) Related Party Transactions

The Company leases certain equipment from a business partially owned by an officer. Rent expense under these leases was approximately $797,000 during the years ended March 31, 1999, 1998 and 1997, respectively. Under the terms of the lease in effect at March 31, 1999 the Company will make monthly lease payments of $66,000 through December, 2001. The Company has agreed to pay the difference, if any, between the sales price of the equipment and 70 percent of the lessor's related loan balance (approximately $5.0 million at March 31, 1999) should the Company elect to exercise its early termination rights or not extend the lease beyond its initial five year term and the lessor sells the equipment as a result thereof.

(11) Retirement Plans

The Company has a retirement savings plan which covers substantially all domestic employees. The Company also offers a supplemental non-qualified deferred compensation plan for certain management employees. The Company matches 50% of the employee's salary deferred contributions under both plans up to 6% annually and may contribute additional amounts to the plans from the Company's earnings at the discretion of the Board of Directors.

Effective October 1, 1988, May & Speh established the May & Speh, Inc. Employee Stock Ownership Plan ("ESOP") for the benefit of substantially all of its employees. May & Speh borrowed $22,500,000 from a bank ("ESOP Loan") and loaned the proceeds to the ESOP for the purpose of providing the ESOP sufficient funds to purchase 9,887,340 shares of May & Speh's common stock at $2.28 per share. The terms of the ESOP agreement required May & Speh to make minimum contributions sufficient to meet the ESOP's debt service obligations. During the year ended March 31, 1999, the ESOP loan was paid in full and the ESOP was merged into the Company's retirement savings plan.

Company contributions for the above plans amounted to approximately $4.8 million, $4.3 million and $3.9 million in 1999, 1998 and 1997, respectively.

(12) Major Customers

In 1999 and 1998, the Company had one major customer who accounted for more than 10% of revenue, and in 1997, the Company had two major customers who accounted for more than 10% of revenue. Allstate Insurance Company ("Allstate") accounted for revenue of $82.2 million (11.3%), $74.7 million (13.1%) and $67.7 million (14.1%) in 1999, 1998 and 1997, respectively, and Trans Union accounted for revenue of $56.6 million (11.8%) in 1997. At March 31, 1999, accounts receivable from Allstate was $12.0 million.

(13) Foreign Operations

Foreign operations are conducted primarily in the United Kingdom. The following table shows financial information by geographic area for the years 1999, 1998 and 1997 (dollars in thousands).

	United States	Foreign	Consolidated
1999:			
Revenue	$ 688,834	41,150	729,984
Long-lived assets	452,891	10,687	463,578
1998:			
Revenue	534,374	34,646	569,020
Long-lived assets	303,569	7,860	311,429
1997:			
Revenue	450,819	28,420	479,239
Long-lived assets	206,216	6,106	212,322

(14) Contingencies

The Company is involved in 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.

(15) Dispositions

Effective August 22, 1997, the Company sold certain assets of its Pro CD subsidiary to a wholly-owned subsidiary of American Business Information, Inc. ("ABI"). ABI is now known as infoUSA, Inc. ABI acquired the retail and direct marketing operations of Pro CD, along with compiled telephone book data for aggregate cash proceeds of $18.0 million, which included consideration for a compiled telephone book data license. The Company also entered into a data license agreement with ABI under which the Company will pay ABI $8.0 million over a two-year period, and a technology and data license agreement under which ABI will pay the Company $8.0 million over a two-year period. In conjunction with the sale to ABI, the Company also recorded certain valuation and contingency reserves. Included in other income for the year ended March 31, 1998 is the gain on disposal related to this transaction of $855,000.

(16) Fair Value of Financial Instruments

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

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

Long-term debt - The interest rate on the revolving credit agreement is adjusted for changes in market rates and therefore the carrying value of the credit agreement approximates fair value. The estimated fair value of other long-term debt was determined based upon the present value of the expected cash flows considering expected maturities and using interest rates currently available to the Company for long-term borrowings with similar terms. At March 31, 1999 the estimated fair value of long-term debt approximates its carrying value.

(17) Segment Information

SFAS No. 131 "Disclosures about Segments of an Enterprise and Related Information" ("SFAS 131") requires reporting segment information consistent with the way management internally disaggregates an entity's operations to assess performance and to allocate resources. As required, the Company adopted the provisions of SFAS 131 in its fiscal 1999 consolidated financial statements and has presented its prior-year segment information to conform to SFAS 131's requirements.

The Company's business segments consist of Services, Data Products, and Information Technology ("I. T.") Management. The Services segment substantially consists of consulting, database and data warehousing and list processing services. The Data Products segment includes all of the Company's data content products. I. T. Management includes information technology outsourcing and facilities management for data center management, network management, client server management and other complementary I. T. services. The Company evaluates performance of the segments based on segment operating income, which excludes special charges. The Company accounts for sales of certain data products as revenue in both the Data Products segment and revenue of the Services segment which billed the customer. The duplicate revenues are eliminated in consolidation.

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

	1999	1998	1997
Services	$ 419,947	308,404	254,758
Data Products	186,706	155,206	135,449
I. T. Management	164,453	128,366	109,497
Intercompany eliminations	(41,122)	(22,956)	(20,465)
Total revenue	$ 729,984	569,020	479,239

	1999	1998	1997
Services	88,818	53,530	44,599
Data Products	15,370	15,664	8,878
I. T. Management	34,820	25,808	27,443
Intercompany eliminations	(20,771)	(11,942)	(11,639)
Corporate and other	(121,579)	(3,923)	(2,929)
Income (loss) from operations	$ (3,342)	79,137	66,352
Services	24,149	17,751	7,660
Data Products	19,214	12,660	8,861
I. T. Management	20,039	16,547	14,046
Corporate and other	484	2,700	4,833
Depreciation and amortization	$ 63,886	49,658	35,400

	March 31,	
	1999	1998
Services	$ 416,737	219,631
Data Products	167,111	130,704
I. T. Management	238,164	172,834
Corporate and other	57,315	149,981
Total assets	$ 879,327	673,150

(18) Selected Quarterly Financial Data (Unaudited)

The table below sets forth selected financial information for each quarter of the last two years (dollars in thousands, except per share amounts):

	1st quarter	2nd quarter	3rd quarter	4th quarter
1999:				
Revenue	$ 158,810	174,358	187,912	208,904
Income (loss) from operations	19,711	(83,694)	25,589	35,052
Net earnings (loss)	11,356	(61,160)	13,759	19,615
Basic earnings (loss) per share	.15	(.82)	.18	.25
Diluted earnings (loss) per share	.14	(.82)	.17	.23
1998:				
Revenue	$ 123,952	135,876	147,043	162,149
Income from operations	14,852	20,072	20,329	23,884
Net earnings	8,186	11,995	11,766	14,108

Basic earnings per share	.11	.17	.16	.19
Diluted earnings per share	.10	.15	.15	.18

Independent Auditors' Report

The Board of Directors and Stockholders
Acxiom Corporation:

We have audited the accompanying consolidated balance sheets of Acxiom Corporation and subsidiaries as of March 31, 1999 and 1998, and the related consolidated statements of operations, stockholders' equity and cash flows for each of the years in the three-year period ended March 31, 1999. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We did not audit the consolidated financial statements of May & Speh, Inc., a wholly-owned subsidiary, which statements reflect total revenues constituting 16 percent of the related consolidated total during the year ended March 31, 1997. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for May & Speh, Inc., is based solely on the report of the other auditors.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits and the report of the other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audits and the report of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Acxiom Corporation and subsidiaries as of March 31, 1999 and 1998, and the results of their operations and their cash flows for each of the years in the three-year period ended March 31, 1999, in conformity with generally accepted accounting principles.

Little Rock, Arkansas
May 28, 1999

EXHIBIT 21

SUBSIDIARIES OF ACXIOM

U.S. SUBSIDIARIES

Name	Incorporated In	Doing Business As
Acxiom Asia, Ltd.	Arkansas	Acxiom Asia, Ltd.
Acxiom CDC, Inc.	Arkansas	Acxiom CDC, Inc.
Acxiom Children's Center, Inc.	Arkansas	Acxiom Children's Center, Inc.
Acxiom / Direct Media, Inc.	Arkansas	Acxiom / Direct Media, Inc.
Acxiom Great Lakes Data Center, Inc.	Arkansas	Acxiom Great Lakes Data Center, Inc.
Acxiom Leasing Corporation	Arkansas	Acxiom Leasing Corporation
Acxiom / May & Speh, Inc.	Delaware	Acxiom / May & Speh, Inc.
Acxiom RM-Tools, Inc.	Arkansas	Acxiom RM-Tools, Inc.
Acxiom RTC, Inc.	Delaware	Acxiom RTC, Inc.
Acxiom SDC, Inc.	Arkansas	Buckley Dement, an Acxiom Company
Acxiom Transportation Services, Inc.	Arkansas	ATS; Conway Aviation, Inc.
BSA, Inc.	New Jersey	MultiNational Concepts, Ltd.; KM Lists Incorporated
Catalog Marketing Services, Inc.	Florida	Shop the World by Mail
Computer Graphics of Arizona, Inc.	Arizona	Computer Graphics of Arizona, Inc.
CG Marketing of Arizona, Inc.	Arizona	CG Marketing of Arizona, Inc.
Acxiom/CG, Inc.	Arizona	Acxiom/CG, Inc.
DQ Investment Corporation*	California	AccuDat
DataQuick Information Systems	California	Acxiom/DataQuick Products Group
Modern Mailers, Inc.*	Delaware	Acxiom Mailing Services
Pro CD, Inc.	Delaware	Data By Acxiom

* Inactive

INTERNATIONAL SUBSIDIARIES

Name	Incorporated In	Doing Business As
Acxiom Limited	United Kingdom	Acxiom Limited
Generator Datamarketing Limited	United Kingdom	Generator Datamarketing Limited
Marketlead Services, Ltd. (Agency company of Acxiom Limited)	United Kingdom	N/A
Southwark Computer Services, Ltd. (Agency company of Acxiom Limited)	United Kingdom	N/A
Normadress SA	France	Normadress
Marketing Technology SA	Spain	Marketing Technology
Acxiom Australia Pty Ltd	Australia	Acxiom Australia Pty Ltd

EXHIBIT 23

The Board of Directors
Acxiom Corporation

We consent to incorporation by reference in the registration statements (No. 333-72009 on Form S-3 and No. 33-17115, No. 33-37609, No. 33-37610, No. 33-42351, No. 33-72310, No. 33-72312, No. 33-63423 and No. 333-03391 on Form S-8) of Acxiom Corporation of our report dated May 28, 1999, relating to the consolidated balance sheets of Acxiom Corporation and subsidiaries as of March 31, 1999 and 1998, and the related consolidated statements of operations, stockholders' equity and cash flows for each of the years in the three-year period ended March 31, 1999 which is incorporated by reference in the March 31, 1999 annual report on Form 10-K of Acxiom Corporation. We also consent to incorporation by reference in the above-mentioned registration statements of our report dated May 28, 1999 relating to the consolidated financial statement schedule, which report appears in the March 31, 1999 annual report on Form 10-K of Acxiom Corporation.

/s/ KPMG LLP

Little Rock, Arkansas
June 18, 1999

Consent of Independent Accountants

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (No. 333-72009) and on Form S-8 (No. 33-17115, No. 33-37609, No. 33-37610, No. 33-42351, No. 33-72310, No. 33-72312, No. 33-63423, No. 333-03391 and 333-63633) of Acxiom Corporation of our report dated November 1, 1996, which appears in this Annual Report on Form 10-K of Acxiom Corporation, relating to the consolidated statements of operations, of stockholders' equity and of cash flows of May & Speh, Inc. for the year ended September 30, 1996 (not presented separately herein).

PricewaterhouseCoopers LLP
Chicago, Illinois
June 18, 1999

EXHIBIT 24

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned officer of Acxiom Corporation, a Delaware corporation (the "Company"), does hereby constitute and appoint Catherine L. Hughes as his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution for him and in his name, place and stead, in his capacity as the principal accounting officer of Acxiom, to sign Acxiom's Annual Report on Form 10-K for the year ended March 31, 1999, together with any amendments thereto, and to file the same, together with any exhibits and all other documents related thereto, with the Securities and Exchange Commission, granting to said attorney-in-fact and agent, full power and authority to do and perform each and any act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as the undersigned might or could do in person, duly ratifying and confirming all that said attorney-in-fact and agent may lawfully do or cause to be done by virtue of the power herein granted.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand this date.

Signature:

/s/ Robert S. Bloom
- -------------------
Robert S. Bloom

Date: June 14, 1999

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned director of Acxiom Corporation, a Delaware corporation (the "Company"), does hereby constitute and appoint Catherine L. Hughes and/or Robert S. Bloom as her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution for her and in her name, place and stead, in her capacity as a director of Acxiom, to sign Acxiom's Annual Report on Form 10-K for the year ended March 31, 1999, together with any amendments thereto, and to file the same, together with any exhibits and all other documents related thereto, with the Securities and Exchange Commission, granting to said attorneys-in-fact and agents, full power and authority to do and perform each and any act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as the undersigned might or could do in person, duly ratifying and confirming all that said attorneys-in-fact and agents may lawfully do or cause to be done by virtue of the power herein granted.

IN WITNESS WHEREOF, the undersigned has hereunto set her hand this date.

Signature:

/s/ Ann H. Die

Dr. Ann H. Die

Date: June 14, 1999

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned director of Acxiom Corporation, a Delaware corporation (the "Company"), does hereby constitute and appoint Catherine L. Hughes and/or Robert S. Bloom as his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution for him and in his name, place and stead, in his capacity as a director of Acxiom, to sign Acxiom's Annual Report on Form 10-K for the year ended March 31, 1999, together with any amendments thereto, and to file the same, together with any exhibits and all other documents related thereto, with the Securities and Exchange Commission, granting to said attorneys-in-fact and agents, full power and authority to do and perform each and any act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as the undersigned might or could do in person, duly ratifying and confirming all that said attorneys-in-fact and agents may lawfully do or cause to be done by virtue of the power herein granted.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand this date.

Signature:

/s/ William T. Dillard II
- ----------------------------------
William T. Dillard II

Date: June 14, 1999

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned director of Acxiom Corporation, a Delaware corporation (the "Company"), does hereby constitute and appoint Catherine L. Hughes and/or Robert S. Bloom as his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution for him and in his name, place and stead, in his capacity as a director of Acxiom, to sign Acxiom's Annual Report on Form 10-K for the year ended March 31, 1999, together with any amendments thereto, and to file the same, together with any exhibits and all other documents related thereto, with the Securities and Exchange Commission, granting to said attorneys-in-fact and agents, full power and authority to do and perform each and any act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as the undersigned might or could do in person, duly ratifying and confirming all that said attorneys-in-fact and agents may lawfully do or cause to be done by virtue of the power herein granted.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand this date.

Signature:

/s/ Harry C. Gambill
- --------------------
Harry C. Gambill

Date: June 14, 1999

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned director and officer of Acxiom Corporation, a Delaware corporation (the "Company"), does hereby constitute and appoint Catherine L. Hughes and/or Robert S. Bloom as his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution for him and in his name, place and stead, in his capacity as a director and principal financial officer of Acxiom, to sign Acxiom's Annual Report on Form 10-K for the year ended March 31, 1999, together with any amendments thereto, and to file the same, together with any exhibits and all other documents related thereto, with the Securities and Exchange Commission, granting to said attorneys-in-fact and agents, full power and authority to do and perform each and any act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as the undersigned might or could do in person, duly ratifying and confirming all that said attorneys-in-fact and agents may lawfully do or cause to be done by virtue of the power herein granted.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand this date.

Signature:

/s/ Rodger S. Kline
- -------------------
Rodger S. Kline

Date: June 14, 1999

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned director of Acxiom Corporation, a Delaware corporation (the "Company"), does hereby constitute and appoint Catherine L. Hughes and/or Robert S. Bloom as his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution for him and in his name, place and stead, in his capacity as a director of Acxiom, to sign Acxiom's Annual Report on Form 10-K for the year ended March 31, 1999, together with any amendments thereto, and to file the same, together with any exhibits and all other documents related thereto, with the Securities and Exchange Commission, granting to said attorneys-in-fact and agent, full power and authority to do and perform each and any act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as the undersigned might or could do in person, duly ratifying and confirming all that said attorneys-in-fact and agents may lawfully do or cause to be done by virtue of the power herein granted.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand this date.

Signature:

/s/ Thomas F. (Mack) McLarty, III
- -------------------------------------
Thomas F. (Mack) McLarty, III

Date: June 14, 1999

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned director and officer of Acxiom Corporation, a Delaware corporation (the "Company"), does hereby constitute and appoint Catherine L. Hughes and/or Robert S. Bloom as his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution for him and in his name, place and stead, in his capacity as a director and principal executive officer of Acxiom, to sign Acxiom's Annual Report on Form 10-K for the year ended March 31, 1999, together with any amendments thereto, and to file the same, together with any exhibits and all other documents related thereto, with the Securities and Exchange Commission, granting to said attorneys-in-fact and agents, full power and authority to do and perform each and any act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as the undersigned might or could do in person, duly ratifying and confirming all that said attorneys-in-fact and agents may lawfully do or cause to be done by virtue of the power herein granted.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand this date.

Signature:

/s/ Charles D. Morgan

Charles D. Morgan

Date: June 14, 1999

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned director of Acxiom Corporation, a Delaware corporation (the "Company"), does hereby constitute and appoint Catherine L. Hughes and/or Robert S. Bloom as his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution for him and in his name, place and stead, in his capacity as a director of Acxiom, to sign Acxiom's Annual Report on Form 10-K for the year ended March 31, 1999, together with any amendments thereto, and to file the same, together with any exhibits and all other documents related thereto, with the Securities and Exchange Commission, granting to said attorneys-in-fact and agents, full power and authority to do and perform each and any act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as the undersigned might or could do in person, duly ratifying and confirming all that said attorneys-in-fact and agents may lawfully do or cause to be done by virtue of the power herein granted.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand this date.

Signature:

/s/ Robert A. Pritzker
- ----------------------
Robert A. Pritzker

Date: June 14, 1999

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned director and officer of Acxiom Corporation, a Delaware corporation (the "Company"), does hereby constitute and appoint Catherine L. Hughes and/or Robert S. Bloom as his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution for him and in his name, place and stead, in his capacity as a director and officer of Acxiom, to sign Acxiom's Annual Report on Form 10-K for the year ended March 31, 1999, together with any amendments thereto, and to file the same, together with any exhibits and all other documents related thereto, with the Securities and Exchange Commission, granting to said attorneys-in-fact and agents, full power and authority to do and perform each and any act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as the undersigned might or could do in person, duly ratifying and confirming all that said attorneys-in-fact and agents may lawfully do or cause to be done by virtue of the power herein granted.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand this date.

Signature:

/s/ James T. Womble
- -------------------
James T. Womble

Date: June 14, 1999

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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 BE REFERENCE TO SUCH FINANCIAL STATEMENTS.

1,000

12-MOS
MAR-31-1999
MAR-31-1999
9,590
0
180,767
5,252
0
293,066
339,492
114,651
879,327
166,034
325,223
0
0
7,919
341,262
879,327
0
729,984
0
733,326
(6,289)
0
17,393
(14,446)
1,984
(16,430)
0
0
0
(16,430)
(.22)
(.22)

5

THIS 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

12-MOS
MAR-31-1998
MAR-31-1998
115,510
11,794
118,281
3,630
0
287,870
301,393
115,709
673,150
82,748
254,240
0
0
7,405
293,789
673,150
0
569,020
0
489,883
(4,294)
0
10,044
73,387
27,332
46,055
0
0
0
46,055
.64
.57

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1,000

12-MOS
MAR-31-1997
MAR-31-1997
13,119
20,334
90,922
4,686
0
144,147
235,365
92,446
411,629
52,190
109,371
0
0
7,268
224,560
411,629
0
479,239
0
412,887
71
0
5,746
60,535
22,800
37,735
0
0
0
37,735
.54
.49