

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 8-K

***CURRENT REPORT PURSUANT
TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934***

Date of report (Date of earliest event reported): **August 5, 2006**

ACXIOM CORPORATION

(Exact Name of Registrant as Specified in Its Charter)

DELAWARE

(State or Other Jurisdiction of Incorporation)

0-13163

(Commission File Number)

71-0581897

(IRS Employer Identification No.)

1 Information Way, P.O. Box 8180, Little Rock, Arkansas

(Address of Principal Executive Offices)

72203-8180

(Zip Code)

501-342-1000

(Registrant's Telephone Number, Including Area Code)

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement.

ValueAct Agreement. On August 5, 2006, Acxiom Corporation (“Acxiom” or the “Company”) entered into a definitive agreement (the “Agreement”) with VA Partners, LLC, ValueAct Capital Master Fund, L.P., ValueAct Capital Management, L.P., and ValueAct Capital Management, LLC (together the “ValueAct Group”), all of whom are stockholders of Acxiom. The ValueAct Group collectively owns in the aggregate 10,325,355 shares, or approximately 11.7% of the outstanding Common Stock of the Company.

Pursuant to the terms of the Agreement, the ValueAct Group agreed to withdraw its nominees to the Acxiom Board of Directors, to terminate the proxy solicitation it had previously commenced in opposition to the slate of nominees proposed by the Acxiom Board of Directors, and to vote the shares of Acxiom common stock beneficially owned by it in favor of the Acxiom Board’s nominees for directors, being Charles D. Morgan, William J. Henderson, Ann Die Hasselmo and Michael J. Durham, at the 2006 Annual Meeting of Stockholders.

Pursuant to the terms of the Agreement, the Acxiom Board of Directors agreed to increase the size of the Acxiom Board from 9 to 11 members, and appointed Jeffrey W. Ubben, an affiliate of the ValueAct Group, to fill one of the two new positions on the Board in the class whose term expires in calendar year 2008. Under the Agreement, Mr. Ubben has also been appointed to the Corporate Governance Committee and the newly created Finance Committee of the Board. Further, the Board of Directors agreed to appoint, at the first meeting of the Board following the 2006 Annual Meeting of Stockholders, an independent individual to be designated by the ValueAct Group who is not an employee, principal or affiliate of the ValueAct Group and who is reasonably acceptable to Acxiom (the “Future Nominee”), to fill the other vacancy on the Acxiom Board of Directors in the class whose term will expire in calendar year 2008.

Pursuant to the terms of the Agreement, the ValueAct Group also agreed that through the 2007 Annual Meeting of Stockholders of the Company, ValueAct and its affiliates will not act in concert with any person to, directly or indirectly, solicit or participate in any solicitation of proxies or similar authorizations with respect to Acxiom voting securities or seek to advise or influence in any manner any person with respect to the voting of any Acxiom voting securities. The ValueAct Group also agreed that until the first year anniversary of the Agreement, it will not sell or trade, whether directly or indirectly, any securities of Acxiom, including without limitation, any derivative securities of Acxiom or related thereto, except with the prior written consent of the Executive Committee of the Acxiom Board of Directors. The ValueAct Group further agreed that for so long as Mr. Ubben is a member of the Acxiom Board, the ValueAct Group will not acquire, whether directly or indirectly, any securities of Acxiom, including without limitation, any derivative securities of Acxiom or related thereto, except with the prior written consent of the Executive Committee of the Acxiom Board of Directors.

The foregoing description of the Agreement is qualified in its entirety by reference to the full text of the Agreement, which is attached to this Report as Exhibit 10.1 and incorporated herein by reference.

Item 5.02 Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers.

Pursuant to the Agreement with the ValueAct Group described under Item 1.01 above, effective as of August 5, 2006, the Acxiom Board of Directors increased the authorized size of the Acxiom Board from 9 to 11 members. Effective as of August 5, 2006, the date of the ValueAct Agreement, the Acxiom Board

of Directors consists of 10 members, one of whom is Jeffrey W. Ubben. Under the Agreement with the ValueAct Group, the 11th Board member is expected to be appointed at the first Acxiom Board meeting held after the 2006 Annual Meeting of Stockholders.

Effective as of August 5, 2006, Mr. Ubben will serve as a director until the 2008 Annual Meeting of Stockholders. The Board of Directors also appointed Mr. Ubben to the Corporate Governance Committee and the newly created Finance Committee of the Board of Directors, also effective as of August 5, 2006.

Pursuant to the Company's bylaws and Delaware law, each class of the Board of Directors should remain as close in size to the other classes as possible. In order to maintain this proportion among the three classes of the Company's Board of Directors and to accommodate the appointment of Mr. Ubben and the Future Nominee as members of the class of directors whose terms expire in calendar year 2008, on August 6, 2006 Mr. Durham became a director in the class whose term expires at the 2006 Annual Meeting of Stockholders by means of his resignation as a director in the class whose term expires in calendar year 2008 and his re-appointment by the Board as a director whose term expires at the 2006 Annual Meeting of Stockholders. Mr. Durham continues to serve as a member of the Audit Committee and the newly created Finance Committee of the Board of Directors.

Item 8.01 Other Events.

On August 7, 2006 the Company issued a press release announcing the following items:

- (1) that the Company has entered into the Agreement with the ValueAct Group noted in Item 1.01 above;
- (2) that the date of the 2006 Annual Meeting of Stockholders will be September 27, 2006, and that the record date for stockholders entitled to notice of and vote at the Annual Meeting is August 8, 2006. The 2006 Annual Meeting of Stockholders is scheduled to be held in New York City; and
- (3) that the Board of Directors has authorized a modified "Dutch Auction" tender offer to purchase up to 11,111,111 shares of its common stock at a price per share not greater than \$27.00 per share nor less than \$25.00 per share, to be funded by new revolving credit and term loan facilities expected to be entered into prior to the expiration date of the tender offer. The tender offer is expected to begin on or about August 7, 2006 and to expire on or about September 12, 2006, unless extended. The full details of the terms and conditions of the tender offer will be set forth in an Offer to Purchase and related Letter of Transmittal (collectively, the "Offer"), together with other related materials, which will be attached as exhibits to the Schedule TO to be filed by the Company with the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, at the commencement of the tender offer.

A copy of the press release is furnished herewith as Exhibit 99.1 and is incorporated by reference herein.

The information contained in the press release shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such a filing.

Assuming the Company purchases 11,111,111 Shares pursuant to the Offer described above at the maximum price of \$27.00 per share, the aggregate purchase price, including all related fees and expenses, is expected to be approximately \$306,000,000. The Company expects to fund the purchase of shares tendered in the Offer and the payment of related fees and expenses from borrowings under the credit facilities described below. The Offer is subject to the receipt of such financing by the Company.

On August 6, 2006, the Company entered into a commitment for \$800,000,000 in a multi-currency \$200,000,000 Revolving Credit Facility and a \$600,000,000 Term Loan Facility (collectively, the "Credit Facilities"). The terms of the Company's commitment for the Credit Facilities are set forth in documents filed with the Securities and Exchange Commission ("SEC") as exhibits to the Company's Schedule TO filed pursuant to the Securities Exchange Act of 1934, as amended, and are available through the SEC's web site at www.sec.gov.

The availability of loans and, in the case of the Revolving Credit Facility and the Term Loan Facility, under each of those facilities, is subject to customary conditions, including the absence of any defaults thereunder and the accuracy of our representations and warranties contained therein.

The Credit Facilities are expected to include representations and warranties, covenants and events of default, including requirements that the Company observe and maintain covenants including leverage and fixed charge coverage ratios, limitations on liens, subsidiary indebtedness and consolidations, mergers and sales of all or a substantial part of its consolidated assets.

Outstanding balances under the Credit Facilities are expected to bear interest, at the Company's option, at a rate per annum equal to LIBOR or the alternative base rate, plus an applicable spread. The Company estimates the Term Loan Facility will be priced at LIBOR plus 2.00%. The Company anticipates that the Revolving Credit Facility will be initially priced at LIBOR plus 1.50%. The Company expects that the applicable spread on the Revolving Credit Facility will be subject to change and may move up or down in accordance with a leverage-based pricing grid.

Fees on letters of credit under the Revolving Credit Facility are anticipated to accrue at a per annum rate equal to the applicable LIBOR margin then in effect plus a per annum fee payable to the issuers of such letters of credit at rates to be agreed upon with such issuers.

In addition, the Company expects to pay a commitment fee on the average daily unused amount of the Revolving Credit Facility calculated initially at a rate equal to 0.30% subject to change in accordance with the leveraged based pricing grid.

Assuming that the Company purchases 11,111,111 Shares pursuant to the Offer at the maximum price of \$27.00 per share, the Company expects that it will borrow the required amount available under the Term Loan Facility. The remaining proceeds of the \$600,000,000 Term Loan Facility will be used for general corporate purposes and to repay certain indebtedness. The Company anticipates that amounts borrowed under the Revolving Credit Facility and the Term Loan Facility will be refinanced or repaid from funds generated internally by the Company or other sources, which may include the proceeds of the sale of securities. No decisions have been made concerning any refinancings, and any decisions will be made by management based on the Company's review from time to time of the advisability of selling particular securities as well as on interest rates and other prevailing economic conditions.

The foregoing summary of certain terms of the commitment for the Credit Facilities does not purport to be a complete description of all the terms of the commitment, and is qualified in its entirety by reference to the specific terms of the commitment, which is attached as an exhibit to the Company's Schedule TO as filed with the Securities and Exchange Commission.

All statements in this Current Report on Form 8-K that are not based on historical fact are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 and the provisions of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (which Sections were adopted as part of the Private Securities Litigation Reform Act of 1995). While management has based any forward-looking statements contained herein on its current expectations, the information on which such expectations were based may change. These forward-looking statements rely on a number of assumptions concerning future events and are subject to a number of risks, uncertainties, and other factors, many of which are outside of the Company's

control, that could cause actual results to materially differ from such statements. Such risks, uncertainties, and other factors include, but are not necessarily limited to, those set forth under the caption "Forward-looking Statements" in our most recently filed Quarterly Report on Form 10-Q. In addition, we operate in a highly competitive and rapidly changing environment, and new risks may arise. Accordingly, investors should not place any reliance on forward-looking statements as a prediction of actual results. We disclaim any intention to, and undertake no obligation to, update or revise any forward-looking statement.

The information on this Current Report on Form 8-K is for informational purposes only and is not an offer to buy, or the solicitation of an offer to sell, any shares. The full details of the tender offer, including complete instructions on how to tender shares, along with the letter of transmittal and related materials, are expected to be mailed to stockholders promptly following commencement of the offer. Stockholders should carefully read the offer to purchase, the letter of transmittal and other related materials when they are available because they will contain important information. Stockholders may obtain free copies, when available, of the tender offer statement and other filed documents relating thereto that will be filed by the Company with the U.S. Securities and Exchange Commission at the Commission's website at www.sec.gov. When available, stockholders also may obtain a copy of these documents, free of charge, from the Company's information agent to be appointed in connection with the offer. Stockholders are urged to read these materials carefully prior to making any decision with respect to the tender offer.

Item 9.01 Financial Statements and Exhibits

(c) Exhibits

The following exhibits are filed herewith:

Exhibit Number	Description
10.1	Agreement by and among the Company, on the one hand, and VA Partners, LLC, ValueAct Capital Master Fund, L.P., ValueAct Capital Management, L.P., and ValueAct Capital Management, LLC, on the other hand, dated August 5, 2006
99.1	Press Release of the Company dated August 7, 2006

SIGNATURE

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

Dated: August 7, 2006

ACXIOM CORPORATION

By: /s/ Jerry C. Jones
Name: Jerry C. Jones
Title: Business Development/Legal Leader

EXHIBIT INDEX

Exhibit Number	Description
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99.1	Press Release of the Company dated August 7, 2006

AGREEMENT

This Agreement (this “Agreement”) is made and entered into as of August 5, 2006, by and among Acxiom Corporation (the “Company” or “Acxiom”), on the one hand, and VA Partners, LLC, ValueAct Capital Master Fund, L.P., ValueAct Capital Management, L.P., ValueAct Capital Management, LLC (collectively, the “ValueAct Group”), on the other hand.

RECITALS

- A. The ValueAct Group beneficially owns in the aggregate 10,325,355 shares of outstanding Acxiom Common Stock and has initiated a proxy solicitation (the “Proxy Solicitation”) to elect three individuals to the Acxiom Board of Directors (the “Acxiom Board”);
- B. The parties have agreed that the ValueAct Group shall withdraw its nominees to the Acxiom Board and terminate the Proxy Solicitation;
- C. Acxiom has informed the ValueAct Group that Acxiom intends to commence a \$300 million dutch auction self tender offer promptly following the execution of this Agreement;
- D. The Acxiom Board has determined that it is in the best interests of the stockholders of the Company to appoint one representative of the ValueAct Group and one ValueAct Group independent nominee to the Acxiom Board; and
- E. The Company and the ValueAct Group desire, in connection with the appointment of two members to the Acxiom Board, to make certain covenants and agreements with one another pursuant to this Agreement;

NOW THEREFORE, in consideration of the covenants and premises set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows;

- 1. The ValueAct Group hereby withdraws its nomination of Messrs. Jeffrey Ubben, Michael Lawrie and Louis Andreozzi, withdraws and terminates the Proxy Solicitation and shall promptly file with the SEC a request to withdraw the preliminary Schedule 14A filed by the ValueAct Group.
- 2. Consistent with the matters contemplated in paragraphs 3 and 4 below, effective as of the date of this Agreement the Acxiom Board has increased the size of the membership of the entire Acxiom Board from 9 to 11. For the time period that Mr. Ubben remains a member of the Acxiom Board and subject to contractual obligations in effect prior to the date of this Agreement; the size of the membership of the Acxiom Board shall not exceed a total of 11 members.

3. The Acxiom Board has appointed Mr. Ubben to serve on the Acxiom Board in the class whose term ends at the annual meeting of stockholders to be held in calendar 2008 and to serve on the Corporate Governance and Finance Committees of the Acxiom Board, subject to the execution of this Agreement.
4. Prior to the first Acxiom Board meeting (the "First 2006 Board Meeting") subsequent to Acxiom's 2006 Annual Meeting of Stockholders (the "2006 Annual Meeting"), the ValueAct Group shall identify one independent individual who is not an employee, principal or affiliate of the ValueAct Group to serve as a director of Acxiom. Provided that such person is reasonably acceptable to the Acxiom Board, the Acxiom Board shall appoint such person at the First 2006 Board Meeting to be a member of the Acxiom Board in the class whose term ends at the annual meeting of stockholders to be held in calendar 2008.
5. At the 2006 Annual Meeting, including any adjournment or postponement thereof, the ValueAct Group agrees to appear and vote all shares of Acxiom Common Stock beneficially owned by the ValueAct Group in favor of the election to the Acxiom Board of Charles Morgan, Ann Die Hasselmo and Bill Henderson and Michael J. Durham, the Acxiom Board's nominees (the "Acxiom Slate").
6. From the date hereof through the 2006 Annual Meeting, the ValueAct Group shall not directly or indirectly engage in any activities in opposition to the election of the Acxiom Slate at the 2006 Annual Meeting.
7. The ValueAct Group agrees that until the first year anniversary of this Agreement that it shall not sell or trade, whether directly or indirectly any securities of Acxiom, including without limitation, any derivative securities of Acxiom or related thereto, except with the prior written consent of the Executive Committee of the Acxiom Board. The ValueAct Group agrees that for so long as Mr. Ubben is a member of the Acxiom Board, the ValueAct Group will not acquire, whether directly or indirectly, any securities of Acxiom, including without limitation, any derivative securities of Acxiom or related thereto, except with the prior written consent of the Executive Committee of the Acxiom Board.
8. From the date hereof through the 2007 Annual Meeting of Stockholders, the ValueAct Group agrees that it shall not, nor shall any member of the ValueAct Group permit any ValueAct Group controlled affiliate to act in concert with any person to, directly or indirectly, solicit or participate in any solicitation of proxies, written consents or similar authorizations with respect to any Acxiom voting securities or seek to advise or influence in any manner any person with respect to the voting of any Acxiom voting securities.
9. The ValueAct Group agrees that it will cause its controlled affiliates to comply with the terms of this Agreement.
10. Promptly following the execution of this Agreement, the Company and the ValueAct Group shall jointly issue a mutually agreeable press release announcing the terms of this Agreement.

[The remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

ACXIOM CORPORATION

By: _____ /s/ Jerry C. Jones
Name: Jerry C. Jones
Title: Vice President

VA PARTNERS, LLC

By: _____ /s/ George F. Hamel, Jr.
Name: George F. Hamel, Jr.
Title: Managing Member

VALUEACT CAPITAL MASTER FUND, L.P.

By: _____ /s/ George F. Hamel, Jr.
Name: George F. Hamel, Jr.
Title: Managing Member

VALUEACT CAPITAL MANAGEMENT, L.P.

By: _____ /s/ George F. Hamel, Jr.
Name: George F. Hamel, Jr.
Title: Managing Member

VALUEACT CAPITAL MANAGEMENT, LLC

By: _____ /s/ George F. Hamel, Jr.
Name: George F. Hamel, Jr.
Title: Managing Member

[SIGNATURE PAGE TO STOCKHOLDER AGREEMENT]

For more information, contact:

Dale Ingram
Public Relations Leader
Acxiom Corporation
(501) 342-4346

Katharine Raymond
Investor Relations Coordinator
Acxiom Corporation
(501) 342-1321
EACXM

Acxiom and ValueAct Capital Reach Agreement

ValueAct Capital Terminates Proxy Solicitation; Managing Partner to Join Acxiom Board

LITTLE ROCK, Ark. and SAN FRANCISCO, Calif.—August 7, 2006—Acxiom Corporation (Nasdaq: ACXM) and ValueAct Capital® today announced that they have reached an agreement under which ValueAct Capital Managing Partner Jeffrey W. Ubben will join the Acxiom Board. The agreement ends ValueAct Capital’s attempt to elect its three-person alternative slate, which included Mr. Ubben, to the Acxiom Board of Directors. Under the terms of the agreement:

- ValueAct Capital will vote its shares in favor of the Acxiom slate of board nominees — chairman and company leader Charles D. Morgan, Ann Die Hasselmo, William J. Henderson and Michael J. Durham – and is terminating its proxy solicitation.
- ValueAct Capital Managing Partner Jeffrey W. Ubben has been appointed to the Acxiom board of directors for a two-year term, effective immediately. Ubben will become a member of the board’s corporate governance committee and the newly created finance committee.
- A second, ValueAct Capital selected, independent candidate for the Acxiom board will be nominated for a two-year term, increasing the size of the Company’s board of directors to 11. Ubben and the second candidate will be eligible for election to three-year terms in 2008.

Acxiom today also announced:

- A modified “Dutch auction” self-tender offer in which Acxiom will seek to repurchase \$300 million in Acxiom shares in a range of \$25 to \$27. Information on this initiative can be obtained by accessing the website of the United States Securities and Exchange Commission at <http://www.sec.gov>.
- Its annual shareholders meeting will be held Wednesday, September 27, in New York. The record date will be Tuesday, August 8.

“Jeff Ubben and I agree that the best way for us to achieve our shared objective – delivering significant long-term value for all Acxiom shareholders – is to work together,” Morgan said. “I

am pleased Jeff is joining the Acxiom board and am confident his contributions in the boardroom will help us accelerate the momentum I believe that has clearly been building in our business.”

“ValueAct Capital has been invested in Acxiom since 2003, and today is the company’s largest shareholder, because we understand the value the company delivers and its competitive advantage in the marketplace and are committed to helping it deliver even greater value,” Ubben said. “I am pleased to join the Acxiom board and look forward to working actively and constructively with Charles, the other members of the board and the senior leadership team to help deliver significant long-term value to all Acxiom shareholders.”

Morgan said he and Ubben agreed that Acxiom’s \$300 million Dutch auction self tender offer is the right decision for the Company and its shareholders.

“Acxiom has been engaged in a substantial open-market share repurchase program for several years, and we view the modified Dutch auction as a good way to accelerate repurchases of our stock and return capital to our shareholders,” Morgan said.

About Acxiom

Acxiom Corporation (Nasdaq: ACXM) integrates data, services and technology to create and deliver customer and information management solutions for many of the largest, most respected companies in the world. The core components of Acxiom’s innovative solutions are Customer Data Integration (CDI) technology, data, database services, IT outsourcing, consulting and analytics, and privacy leadership. Founded in 1969, Acxiom is headquartered in Little Rock, Arkansas, with locations throughout the United States and Europe, and in Australia and China. For more information on Acxiom, visit www.acxiom.com.

About ValueAct Capital

VALUEACT CAPITAL[®], with approximately \$3.7 billion in investments, seeks to make active strategic-block value investments in a limited number of public companies. The Principals have demonstrated expertise in sourcing investments in companies they believe to be fundamentally undervalued, and then working with management and/or the company’s board to implement strategies that generate superior returns on invested capital. **VALUEACT CAPITAL** concentrates primarily on acquiring significant ownership stakes in publicly traded companies, and a select number of control investments, through both open-market purchases and negotiated transactions.