

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

FORM 10-K

(Mark One)

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

For the fiscal year ended March 31, 2008

OR

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 0-13163

ACXIOM CORPORATION  
(Exact name of registrant as specified in its charter)

DELAWARE  
(State or other jurisdiction of incorporation  
or organization)

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

601 EAST THIRD STREET, LITTLE ROCK, ARKANSAS  
(Address of principal executive offices)

72201  
(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 if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act.

Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

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. [ ]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes [ ] No

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 the last business day of the registrant's most recently completed second fiscal quarter as reported on the NASDAQ National Market was approximately \$1,215,153,594. (For purposes of determination of the above stated amount only, all directors, executive 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 May 28, 2008, was 77,421,968.

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Portions of Acxiom's Proxy Statement for the 2008 Annual Meeting of Shareholders ("2008 Proxy Statement") are incorporated by reference into Part III of this Form 10-K.

#### EXPLANATORY NOTE

On May 14, 2008, Acxiom Corporation ("Acxiom" or the "Company") announced it would restate its audited consolidated financial statements for each of the years ended March 31, 2007 and 2006, and the Company's unaudited financial statements for each of the quarterly periods ended December 31, 2007, September 30, 2007, June 30, 2007, March 31, 2007, December 31, 2006, September 30, 2006 and June 30, 2006, and the Company's selected financial data for the years ended March 31, 2005 and 2004 (collectively, the "Relevant Periods"). The restatement is necessary to correct an error in the Company's accounting for accrued revenue and to correct an error in classification of additions to deferred costs on the cash flow statement.

This Annual Report on Form 10-K for the year ended March 31, 2008 includes the Company's consolidated financial statements as of and for the year ended March 31, 2008, the Company's restated consolidated financial statements for each of the years ended March 31, 2007 and 2006, and the Company's restated amounts for the other Relevant Periods. The Company has not amended and does not intend to amend its Annual Reports on Form 10-K or Quarterly Reports on Form 10-Q for the Relevant Periods to reflect the restatement, and the financial statements and related financial information contained in such reports should no longer be relied upon.

Historically, and for all the Relevant Periods, the Company has recorded accrued revenue for certain information services contracts based on a calculated estimate of relative value of performance that had occurred but had not yet been recognized as revenue. On May 14, 2008, the Company determined that the calculation that had been used for several years did not adequately support the accrual of revenue in accordance with the Securities and Exchange Commission's Staff Accounting Bulletin No. 104. Therefore, the Company concluded that the calculated estimates for the Relevant Periods cannot be relied upon, and the Company is unable to objectively support recording accrued revenue for these information services transactions. Accordingly, the Company is restating in this Annual Report on Form 10-K its consolidated financial statements for the Relevant Periods to remove the recorded accrued revenue amounts and record the related income tax effect. During the course of the Company's review of the accounting treatment for accrued revenue described above, the Company also determined that it needed to reclassify additions to deferred costs as an operating cash flow activity instead of an investing activity, which it had done in prior period financial statements. This reclassification impacted each of the Relevant Periods. Accordingly, the Company is restating in this Annual Report on Form 10-K its consolidated financial statements for the Relevant Periods to reflect the reclassification of additions to deferred costs as an operating cash flow activity.

The restatement is more fully described in note 19 to the Company's consolidated financial statements included in this Annual Report on Form 10-K.

The Company's management has determined that the restatement described above was the result of material weaknesses in the Company's internal control over financial reporting. Accordingly, management's assessment of the effectiveness of the Company's internal control over financial reporting in the Company's Annual Report on Form 10-K and Form 10-K/A for the year ended March 31, 2007 should no longer be relied upon. See further discussion of the material weaknesses and the related remediation efforts in "Item 9A. Controls and Procedures."

All amounts referenced in this Annual Report on Form 10-K for the Relevant Periods and for comparisons including a Relevant Period reflect the balances and amounts on a restated basis as described above.

## PART I

### AVAILABILITY OF SEC FILINGS AND CORPORATE GOVERNANCE INFORMATION

Our website address is [www.acxiom.com](http://www.acxiom.com), where copies may be obtained, free of charge, of documents which we have filed with the Securities and Exchange Commission. Included among those documents are our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act. Copies may also be obtained through the SEC's EDGAR site, or by sending a written request for copies to Acxiom Investor Relations, 601 East Third Street, Little Rock, AR 72201. Copies of all of our SEC filings were available on our website during the past fiscal year covered by this Form 10-K. In addition, at the "Corporate Governance" section of our website, we have posted copies of our Corporate Governance Principles, the charters for the Audit, Compensation, Finance, and Governance/Nominating Committees of the Board of Directors, the codes of ethics applicable to directors, financial personnel and all employees, and other information relating to the governance of the Company.

### CAUTIONARY STATEMENTS RELEVANT TO FORWARD-LOOKING INFORMATION

This Annual Report on Form 10-K, including, without limitation, the items set forth on pages F-3 - F-24 in Management's Discussion and Analysis of Financial Condition and Results of Operations, contains and may incorporate by reference certain statements that may be deemed to be "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, as amended (as amended, the "PSLRA"), and that are intended to enjoy the protection of the safe harbor for forward-looking statements provided by the PSLRA. 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, growth opportunities, economic conditions, and other similar forecasts and statements of expectation. Forward-looking statements are often identified by words or phrases such as "anticipate," "estimate," "plan," "expect," "believe," "intend," "foresee," and similar words or phrases. These forward-looking statements are not guarantees of future performance and are subject to a number of factors and uncertainties that could cause the Company's actual results and experiences to differ materially from the anticipated results and expectations expressed in the forward-looking statements.

The factors and uncertainties that could cause actual results to differ materially from those expressed in, or implied by, forward-looking statements include but are not limited to the following:

- the risk factors described in Part I, "Item 1A. Risk Factors" and elsewhere in this report and those described from time to time in our future reports filed with the Securities and Exchange Commission;
- the possibility that in the event a change of control of the Company is sought that certain clients may attempt to invoke provisions in their contracts resulting in a decline in revenue and profit;
- the possibility that the integration of acquired businesses may not be as successful as planned;
- the possibility that the fair value of certain of our assets may not be equal to the carrying value of those assets now or in future time periods;
- the possibility that sales cycles may lengthen;
- the possibility that we won't be able to properly motivate our sales force or other associates;
- the possibility that we may not be able to attract and retain qualified technical and leadership associates, or that we may lose key associates to other organizations;
- the possibility that we won't be able to continue to receive credit upon satisfactory terms and conditions;
- the possibility that competent, competitive products, technologies or services will be introduced into the marketplace by other companies;
- the possibility that there will be changes in consumer or business information industries and markets that negatively impact the Company;

- the possibility that we won't be able to protect proprietary information and technology or to obtain necessary licenses on commercially reasonable terms;
- the possibility that there will be changes in the legislative, accounting, regulatory and consumer environments affecting our business, including but not limited to litigation, legislation, regulations and customs relating to our ability to collect, manage, aggregate and use data;
- the possibility that data suppliers might withdraw data from us, leading to our inability to provide certain products and services;
- the possibility that we may enter into short-term contracts which would affect the predictability of our revenues;
- the possibility that the amount of ad hoc, volume-based and project work will not be as expected;
- the possibility that we may experience a loss of data center capacity or interruption of telecommunication links or power sources;
- the possibility that we may experience failures or breaches of our network and data security systems, leading to potential adverse publicity, negative customer reaction, or liability to third parties;
- the possibility that our clients may cancel or modify their agreements with us;
- the possibility that we will not successfully complete customer contract requirements on time or meet the service levels specified in the contracts, which may result in contract penalties or lost revenue;
- the possibility that we experience processing errors which result in credits to customers, re-performance of services or payment of damages to customers;

With respect to the provision of products or services outside our primary base of operations in the United States, all of the above factors apply, along with the difficulty of doing business in numerous sovereign jurisdictions due to differences in scale, competition, culture, laws and regulations.

Other factors are detailed from time to time in periodic reports and registration statements filed with the United States Securities and Exchange Commission. The Company believes that we have the product and technology offerings, facilities, associates and competitive and financial resources for continued business success, but future revenues, costs, margins and profits are all influenced by a number of factors, including those discussed above, all of which are inherently difficult to forecast.

In light of these risks, uncertainties and assumptions, the Company cautions readers not to place undue reliance on any forward-looking statements. The Company undertakes no obligation to publicly update or revise any forward-looking statements based on the occurrence of future events, the receipt of new information or otherwise.

## **Item 1. Business**

### **Overview**

At Acxiom Corporation ("Acxiom" or "the Company") (NASDAQ: ACXM), we make information intelligent for many of the world's leading companies to help them solve some of their most complex marketing problems. Our products, services and thought leadership enable them to acquire new customers, retain their most valuable customers, communicate with customers in the methods and times they prefer, and make profitable marketing and business decisions. Acxiom's unmatched customer insight is achieved by blending the world's largest repository of consumer data, award-winning technology and analytics, multi-channel expertise, privacy leadership, and superior knowledge of a wide spectrum of industries.

Founded in 1969, Acxiom is headquartered in Little Rock, Arkansas, with locations throughout the United States and Europe, and in Australia and China.

Our client base in the U.S. consists primarily of Fortune 1000 companies in the financial services, insurance, information services, direct marketing, media, retail, consumer packaged goods, technology, automotive, healthcare, and telecommunications industries. Our solutions are designed to meet the specific needs of our clients in the industries in which they operate. We target organizations that view data as a strategic competitive advantage and as an integral component of their business decision-making process. Every day, Acxiom clients benefit from our decades of experience serving the information, technology and marketing services needs. We help our clients with:

- Marketing solutions built on our acquisition and customer-marketing database framework for customer acquisition, customer growth and retention, and multi-channel integration
- Professional consulting which provides analytical tools, household segmentation products, and marketing support infrastructure to help our clients better understand their prospects and customers
- Integrated digital marketing solutions for campaign management across multi-media channels, including personalized e-mail, targeted Websites, banner and other Web advertisements, search engines, and direct mail campaigns
- Creation of a single customer view through customer recognition solutions
- Database design, data content and data quality through our Customer Data Integration solutions
- Large-scale data and systems management through strategic IT infrastructure outsourcing
- Risk information, scoring and analytics for risk management

### **Market Growth Drivers**

In today's technologically advanced and competitive business environment, companies are using vast amounts of customer, prospect and marketplace information to manage their businesses. The information services industry provides a broad range of products and services designed to help companies manage customer relationships. Acxiom's consultative capabilities, industry and analytic knowledge, premier data content, and technological innovations combine to enable our clients to efficiently access and manage information throughout the enterprise and on a global scale.

We believe the following trends and dynamics of the information services industry provide us with multiple growth opportunities:

- Increasing demand for business intelligence by transforming huge stores of data into insight for real-time and operational decision making
- Increasingly targeted, interactive and digital marketing strategies
- Globalization
- Consumer empowerment which enables individuals to better choose, receive and reject information and entertainment
- Technological advances in data management
- Movement toward multiple communication tools and technology
- Consumer privacy, security and fraud management demands

Information management processes have become increasingly complex as companies learn to respond to demographic shifts and lifestyle changes, the proliferation of new products and services, and the evolution of multiple marketing channels.

Marketing channels now include cable and satellite television, telemarketing, direct mail, direct response, in-store point-of-sale, online services, and the Internet. The growing number of marketing channels creates ever-increasing volumes of data and has compounded the growth and complexity of managing data. At the same time, more and more companies are realizing that consumers have preferences about channels, such as researching online and purchasing in the store.

Advances in computer and software technology have unlocked vast amounts of customer data that historically was inaccessible, further increasing the amount of data to manage and analyze. As these data resources expand and

become more complex, it becomes increasingly difficult to integrate all the fragmented, disparate and often outdated information. The challenge to obtaining accurate and complete customer data – and ultimately true customer insight – lies in obtaining, enhancing and integrating data from across an organization to form a single, comprehensive view of individual customers.

Advances in information technology and fragmentation of the media, combined with the increasing amounts of raw data and changing household and population demographics, 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 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. In many cases, digital marketing can also accomplish these objectives far more cost effectively than traditional marketing media.

These changes are a benefit to Acxiom as companies are looking increasingly outside of their own organizations for help in managing their information needs. The reasons for doing so include:

- Allowing a company to focus on its fundamental business operations
- Avoiding the difficulty of hiring and retaining scarce technical personnel
- Taking advantage of world-class expertise in particular specialty areas, including consulting and analytics
- Benefiting from the cost efficiencies of outsourcing
- Avoiding the organizational and infrastructure costs of building in-house capability
- Benefiting more from the latest technologies

Most businesses are aware that the various types of data they gather and maintain – customer, product, financial, sales and marketing – can be a competitive resource for acquiring and retaining customers, provided the information is well maintained and optimized throughout the organization. Acxiom specializes in helping companies manage and optimize their customer information across channels, with applications ranging from customer and prospect marketing to customer lifecycle management to business intelligence.

Acxiom's services help companies answer questions such as:

- Who are our existing customers?
- Who are our prospective customers?
- Who are our most profitable customers?
- What are the common traits of our existing customers?
- What do our customers want and when do they want it?
- In this increasingly digital and interactive age, what distribution channels should we use?
- How do we most effectively communicate with our customers?
- How do we better serve our customers?
- How should we price our products and services?
- What new products should we develop or what old products should we retire?

Customers today want companies to recognize them, understand them, listen to them, and value them. There can be many challenges, including multiple silos of customer data within an enterprise, an increasing number of touchpoints for interacting with customers, and customers' desire for greater control over the conversations they have with the companies with which they do business.

For today's consumers, it is not enough to be recognized by the companies with which they do business; they also want to feel that their preferences are understood. They want the right offer at the right time and at the right price. Failure to recognize the importance of the customer experience can be costly for business. Forrester concluded that poor experiences can cost large individual firms more than \$180 million per year. (*"The Business Impact of Customer Experience"* by Bruce D. Temkin, 2008). "Executives know that customer experience is important, but they can't always tie it directly to business results. Our analysis shows that good customer experience correlates highly to loyalty – especially when it comes to consumers' plans for making additional purchases. When we examined how this might affect the annual revenue of individual companies, we found that customer experience

quality could cause a swing of \$242 million for a large bank and \$184 million for a large retailer.”

In addition to helping companies improve marketing results, another application for Acxiom’s solutions is in helping companies combat fraud and identity theft. As customer contact channels proliferate and data volumes increase, the opportunity for fraudulent activity multiplies. Customer recognition capabilities are important tools to verify that customers are who they say they are. As reports of instances of identity theft continue to increase, enterprise risk management has become a top concern for financial services as well as many other firms.

## **Our Growth Strategy**

Acxiom’s growth strategy is built upon our fundamental competencies and our position as a global interactive marketing services company. The strategy is aligned with the market growth drivers and includes three overlying components:

### **1. Evolving into a premiere market-driven and solution-driven company by:**

- Implementing a new operating model with a well-defined global sales function
- Productizing existing offerings and implementing more consistent product lifecycle management
- Aggressively managing detailed and accountable pipeline reporting
- Developing new growth areas

The recent introduction of Acxiom’s risk mitigation suite of offerings is one example of execution on our strategy to expand into new, related businesses. Through Acxiom Insight, we offer a powerful combination of deep data resources and technology with the kinds of analytics and scoring that are necessary for businesses to fight fraud and mitigate risk. Combined with Acxiom’s fraud management platform and the Acxiom Information Security Services employment screening business, this new line of business delivers a broader suite of offerings that address the complete risk mitigation spectrum.

Our strategy involves a greater:

*Global Orientation* – Our clients, as well as consumers, are less constrained by geographical borders. We will build on our strong base outside the U.S. to expand these capabilities.

*Digital Focus* – From our market-leading position we intend to expand our focus and capabilities to provide insights into consumer uses of and responses to all emerging channels, such as e-mail, SMS/MMS, targeted banner and mobile advertising, and Internet Protocol Television.

*Consultative Approach* – With multiple channels for leveraging our consumer insights, clients are demanding return on investment (ROI) analysis for each channel. Concurrently, the numerous opportunities within each channel offer significant value to our clients that this consulting function can provide. Additionally, providing advice to our clients regarding the best analytical practices and tools will continue to be instrumental in how our clients will be able to extract value.

*Multi-Industry Emphasis* – The credit card industry has been a technological leader in the use of information for the acquisition and retention of customers. We have found that the expertise we developed over the years to support the credit card industry translates very well to other industries. We will continue to focus on industries such as insurance, telecommunication, automotive, media and manufacturing.

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2. **Improve operational effectiveness in all aspects of our business by:**

- Driving down unit costs by leveraging “Centers of Excellence” across the enterprise based upon onshore/offshore strategies
- Prioritizing investment across research and development, mergers and acquisitions, and infrastructure programs
- Adopting consistent project management methodology

3. **Embrace the concept of “One Culture, One Team, One Company” by:**

- Implementing disciplined planning and business management functions
- Establishing consistent human resources and compensation practices
- Continuing to focus on being a “lean” enterprise

**Our Competitive Strengths**

By using the following competencies, Acxiom is able to capitalize on market trends to drive growth. These competencies also represent competitive differentiators that we believe uniquely position us to deliver high-value solutions to our clients:

*Ability to Transform Information into Business-Critical Insight*

We believe that we are uniquely positioned to help our clients transform information into insight to improve their marketing and business results. Our ability to deliver the right data to the right place at the right time enhances our clients’ marketing, risk management, and business decisions. Those abilities revolve around our:

- Data content and products
- Data integration, management and delivery capabilities
- Information systems technology and management

*Accurate and Comprehensive Data Content and Products*

We believe we have the most comprehensive and accurate collection of U.S. consumer, property and telephone marketing data available from a single supplier. We believe we process more mailing lists than any company in the U.S. Our InfoBase consumer database contains more than 40 billion data elements and covers almost all households in the U.S. Our real estate database, which includes most major U.S. metropolitan areas, covers approximately 92 million properties. We believe our InfoBase TeleSource product represents the most comprehensive repository of accurate telephone number information for listed business and consumer telephone numbers in the U.S. and Canada. We also have strong “reference” data assets – information that clients use for non-marketing purposes, including data used in our employment screening and fraud and risk management solution offerings.

Acxiom’s offerings in Europe are aligned with those in the U.S. We are the leading provider of consumer data with industry-leading databases, with both household coverage and data depth. In the U.K. alone, our InfoBase Lifestyle Universe product contains data on more than 38 million adults residing at 21 million households covering more than 95 percent of the U.K. population. In the U.K., Germany, France, Poland, Portugal and The Netherlands, we maintain consumer data collection programs in order to build proprietary data products. Our European customer information and segmentation offerings vary on a country-to-country basis but are similar to our InfoBase offerings in the U.S.

In Australia, Acxiom is a leading supplier of consumer and business information for marketing purposes. Our lifestyle survey product recently exceeded 1 million records. Under a range of brand names, Acxiom’s data products are used across numerous sectors, but particularly by major financial institutions, telecommunications companies,

utilities and charities to help them strengthen their customer relationships and grow their market share. In China, we operate a business intelligence, customer relationship management, and data management company headquartered in Shanghai with additional operations in Beijing. It provides data, database management, and data services to a number of Asian and international clients.

#### *Customer Data Integration, Data Management and Data Delivery*

We originated the term “Customer Data Integration” and believe we are unparalleled in our ability to transform and integrate massive amounts of data. Based on our knowledge of the industry, we believe we have no peers when it comes to building and managing huge databases. We believe that is why so many large companies across many industries have chosen Acxiom as their data management partner.

With our data factory offerings we are creating a new market space for Acxiom with our ability to integrate and transform voluminous, raw data input from multiple sources into enriched customer-defined information products. In addition, we have industry-leading capabilities in e-mail marketing and Web-based services. These capabilities come with a serious responsibility for privacy and security. We are committed to securing the data we manage, and we work closely with our clients to attempt to ensure that it is used only for proper purposes.

Data integration for enterprise data management- We believe our Customer Data Integration capabilities, combined with related real-time customer recognition software and infrastructure, are the leading solution for companies seeking to better integrate their customer data and manage their customer relationships. Customer relationship management (CRM) involves analyzing, identifying, acquiring and retaining customers. Knowledge delivered directly and immediately to a desktop or other customer point of contact in real time is critical to the CRM process. Our Customer Data Integration products and services are designed to meet these challenges for our clients.

As the basic infrastructure for integrated CRM solutions, our patented AbiliTec® technology allows the linking of disparate databases across a client’s business and makes possible personalized, real-time CRM at every customer touchpoint. AbiliTec’s unprecedented scope, accuracy and speed contribute to Acxiom being established as the Customer Data Integration leader, using AbiliTec both as an internal processing tool and as the enabler of the single customer view that drives true, one-to-one marketing. Our clients gain advantages from AbiliTec by:

- Greatly improving the speed with which campaigns are brought to market in order to quickly seize opportunities
- Leveraging shorter turnaround times to increase the frequency of data warehouse updates
- Basing marketing and other business decisions on more accurate data

#### *Information Systems Technology and Management*

As information grows at unprecedented rates and its value increases, it magnifies the need to effectively manage the massive data volumes and transform the information into meaningful insights that drive business results. As one of the world’s largest processors of data, processing more than 1.5 trillion records per month, Acxiom’s IT services are positioned to help companies, particularly those that are information-intensive.

We help companies optimize their IT infrastructures, reduce costs and transform information into meaningful intelligence. We achieve this by delivering standardized computing platforms, innovative technology solutions, best-in-class processes and expertise in data management that we believe is unrivaled by any competitor in the marketplace. Acxiom’s services range from fully managed solutions, like mainframe and server management, to specific point solutions, like desktop virtualization. Our services help clients solve some of their most pressing problems, all while improving data center operations. These services include:

- High-impact business intelligence solutions that can be implemented quickly and cost effectively
- Server and storage solutions for data-intensive environments
- Virtualization solutions that focus on the data center, not just servers
- Remote infrastructure management for companies facing mainframe management challenges
- Security solutions that address growing data concerns

Acxiom has extensive expertise and large-scale capacity in managing data centers – our own and those we manage for our clients. Some of the most tangible examples of our commitment to helping companies, particularly those managing growing volumes of business and consumer information, can be found in our data centers:

- Multiple data center locations and more than 195,000 square feet of secure, controlled/managed and reliable data center raised floor space.
- Over 56,000 MIPS (millions of instructions per second) of processing power
- Secure and redundant management for more than 15,000 servers
- Over five petabytes of storage managed from leading storage manufacturers (A petabyte is often used when measuring large computer storage; one petabyte is equivalent to 1,000 terabytes, or 1 quadrillion bytes.)
- Enterprise backup services for more than 5 petabytes of data monthly
- Complete database management for over 3,500 databases

Acxiom focuses on creating a data center capable of effectively managing tremendous volumes of data and providing a scalable computing infrastructure that can transform that data into business intelligence. By clearly defining organizational strategy and linking process management goals with this pioneering information technology, an organization can execute real-time decisions for superior customer experiences and business performance.

Acxiom has been an industry leader in using technology to solve business information problems, and our information systems technology provides capabilities to support the needs of the largest enterprise. Some of the benefits of this technology include:

- **Performance** – Acxiom utilizes commodity servers to replicate the performance of a supercomputer that would otherwise cost many times more. When clients need to increase their processing capability, we allocate additional processors from this pool, rather than having to invest in another large, expensive computer.
- **Scalability**– Our data center architecture allows us to add additional storage as clients need it. This enables our clients to store historical data for use in trending, modeling and analytics, creating modes that are increasingly more sophisticated and accurate.
- **Adaptability** – Acxiom information technology is based upon a standard set of components and tools. Using these “plug and play” components, it is easier and faster to set up new, repeatable and powerful processes. The standard framework can be easily configured for a specific client or industry.
- **Security** - Our security objective is that no intellectualproperty(*i.e.*, data, software, or algorithms) stored in or in transit to/from Acxiom can be copied or moved outside in a usable format without appropriate authentication and authorization.

#### *Privacy Leadership*

We have always taken an active approach with respect to consumer privacy. The growth of e-commerce and companies’ needs for consumer information mean that we must work even harder to assure that our privacy policies adequately protect consumer information. Consequently, we actively promote a set of effective privacy guidelines for the direct marketing, e-commerce, risk management and information industries as a whole. Industry-wide compliance helps address privacy concerns across the globe. Furthermore, we are certified under the European Union safe harbor and contractually comply with other international data protection requirements to ensure the continued ability to process information across borders.

We have a dedicated team in place to oversee our compliance with the privacy regulations that govern our business activities in the various countries in which we operate. We are committed to the protection of consumer information by promoting policies within the industry that offer individuals the appropriate choices and protection of information related to the individual, while preserving the flow of information that provides the many conveniences consumers have come to expect. Our Global Privacy Officer has extensive knowledge of U.S. federal and state laws governing

the use of information, and she is sought by both policy makers and regulators for her views on the effective use of personal information. She is a frequent speaker on privacy and customer relationship management, and she has published numerous articles and has participated in writing books on these subjects.

For Acxiom's U.S. information products, our U.S. Products Privacy Policy outlines the variety of measures we take to protect consumers' privacy. Additionally, Acxiom maintains a privacy policy that governs our Internet presence as well as other country-specific privacy policies related to information product offerings in those countries. Copies of these policies are posted on our Website at [www.acxiom.com](http://www.acxiom.com). We educate our clients and associates regarding consumer privacy issues, guidelines and laws. Within our U.S. Products Privacy Policy, we explain the steps that consumers may take to have their names removed from our marketing products and to obtain a copy of the information we maintain about them in our reference products.

Companies are assessing their own data governance practices and beginning to recognize that Customer Data Integration technology can help them manage an individual's preferences across their organizations and address consumers' concerns. We believe that Acxiom's Customer Data Integration technologies can enable businesses to move beyond mere privacy "protection" and toward consumer advocacy. Acxiom's Customer Data Integration technology allows businesses to create a single view of their customers in real time for marketing purposes and makes it much easier for businesses to honor their customers' preferences and selectively opt out of certain practices, and to provide better safeguards around their customers' information.

The U.S. Congress continues to debate privacy legislation, and there are many different types of privacy legislation pending in the 50 states. In most of the non-U.S. locations in which we do business, legislation restricting the collection and use of personal data already exists. We expect this trend to continue and that privacy legislation in various forms will be implemented in both the U.S. and abroad. We are supportive of legislation that codifies the current industry guidelines of notice and opt-out regarding whether or not a consumer's personal information is shared with independent third parties for marketing purposes. We also support legislation requiring all custodians of sensitive information to deploy reasonable information security safeguards to protect that information.

## **Business Segments**

Acxiom reports segment information consistent with the way we internally manage our operations to assess performance and to allocate resources. We annually evaluate the segment allocations in light of our current internal operations and make adjustments as necessary. We evaluate the performance of the segments based on segment operating income, which excludes certain gains, losses and other items. Information concerning the financial results of our fiscal year 2008 business segments and the total assets of each business segment is included in note 18 of the Notes to Consolidated Financial Statements and in Management's Discussion and Analysis of Financial Condition and Results of Operations, which are attached to this Annual Report as part of the Financial Supplement.

The three business segments in fiscal 2008 were:

- Information Services
- Information Products
- Infrastructure Management.

Information Services develops, sells and delivers industry-tailored solutions globally through integration of products, services and consulting. Those services include the design and creation of marketing databases and data warehouses; data integration and customer-recognition systems; marketing applications; and list processing. Our industry expertise is a competitive differentiator; industries in which we traditionally provide these services include automotive; retail and consumer packaged goods; credit card; retail banking; investment; insurance; travel; media and publishing; and healthcare and high-tech.

Information Products develops and sells all global data products, including segmentation and digital products, as well as domestic fraud and risk mitigation products. For decades, Acxiom has been a leader in creating and making advances in data and segmentation products. Today these include InfoBase-X™, a customer-centric foundation for all marketing needs with the largest collection of U.S. consumer information available in one source; PersoniX™,

the industry-leading household segmentation and visualization system; and Relevance-X™, an online advertising network that lets marketers reach the consumers most likely to be interested in their particular product or service.

Infrastructure Management develops and delivers information technology products and services, such as IT outsourcing and transformational solutions. Acxiom's IT management expertise gives companies the freedom to focus on their business-critical initiatives – like increasing revenue and profitability – while we manage their IT infrastructure services. Acxiom has a full suite of services ranging from fully managed solutions such as managed server outsourcing to specific point solutions such as desktop virtualization.

Financial information about geographic areas in which we operate, including revenues generated in foreign countries and long-lived assets located in foreign countries is set forth in note 16, "Foreign Operations" of the Notes to Consolidated Financial Statements, which is attached to this Annual Report on Form 10-K as part of the Financial Supplement.

## **Clients**

Our client base consists primarily of Fortune 1000 companies in the financial services, insurance, information services, direct marketing, publishing, retail and telecommunications industries. Some of our major clients include Bank of America, CitiGroup, Deluxe Corporation, Federated Department Stores, GE, Guideposts, Information Resources, Inc., JP Morgan Chase, Philip Morris, Sears Holdings Corporation, Sprint, TransUnion and Washington Mutual.

Our 10 largest clients represented approximately 35 percent of our revenue in fiscal 2008. No single client accounted for more than 10 percent of our revenue during the last fiscal year. We seek to maintain long-term relationships with our clients. Many of our clients typically operate under contracts with initial terms of at least two years. We have historically experienced high retention rates among our clients.

## **Sales and Marketing**

Acxiom's sales and marketing organizations are focused on ensuring that clients and prospects understand that Acxiom's strengths go well beyond being a premier supplier of data and technology, and that they can have greater business success by recognizing that we are a full-service thought leader that can help them use information to make higher-value marketing and business decisions across multiple channels.

New to Acxiom is a centralized global team of sales associates focused exclusively on new business development across all markets – primarily new clients and new lines of business with existing clients. Supporting this structure is a new commitment to accountability by setting clearer goals and more closely measuring progress and achievement.

We have identified seven markets in which leaders are charged with identifying trends along industry or regional lines where we need to tailor our existing offerings. These leaders' focus includes revenue protection, up-selling into existing accounts, delivery of existing revenue, and implementing new business as it is sold. The markets are: financial services; retail and consumer packaged goods; travel, telecommunications and media; insurance; manufacturing and distribution (which includes automotive, high-tech and "data factory" type solutions); Europe; and Asia Pacific.

In the past year a greater strategic focus was placed on introducing C-level audiences to the Acxiom brand. This involved several well-attended events at which Acxiom hosted the chief executive officers and chief marketing officers of key clients.

Acxiom's marketing organization recently created a multi-channel branding campaign aimed at creating a greater awareness of Acxiom and conveying our benefits to clients and prospects. This campaign included the introduction of the "X" icon as an Acxiom emblem, a new theme line ("We make information intelligent"), new product naming conventions for Acxiom (InfoBase-X, for example) for greater consistency and superior Internet search optimization, and a new graphic identity. We also recently introduced a new Website featuring easier, more intuitive navigation

and vastly improved search optimization.

## **Pricing**

We seek to establish pricing for all of Acxiom's line-of-business offerings to yield adequate returns on invested capital and overall margins that exceed pre-defined targets.

### Marketing Services

#### *(a) Marketing Database Services*

Data warehousing and database management solutions for Acxiom's top-tier clients are typically custom engagements, and prices are developed after examining the scope of effort and degree of complexity required to develop and maintain the solutions.. Changes in scope may result in additional fees to our clients. In its mid- and small-tier markets, Acxiom offers more economical pre-packaged or standard database solutions and components.

#### *(b) Digital Services*

Digital e-mail marketing services are typically priced in multi-year arrangements using market-based pricing guidelines. Prices may be adjusted based upon the degree of customization or complexity.

#### *(c) Direct Services*

Direct marketing services are typically priced on either a defined program retainer basis for one year or on a project-by-project basis. For annual or multi-year arrangements, the prices are based upon the program complexity and volume.

### Data

Market-based prices are published for most of our data products. Licenses for our entire consumer or business databases for one or more years are priced individually.

### Risk Mitigation

Market-based pricing guidelines are followed for all of the offerings within the Acxiom Insight suite of products. Pricing within each offering varies substantially due to variables such as optional components, transaction volumes and delivery channels utilized. Identity verification solution pricing, employment screening and data pricing follow a transactional model. Collection solution pricing and investigative solution pricing both follow a software license model.

### Consulting

Analytics and consulting services are typically priced under a professional services model (time and materials). Certain types of analytical models may be priced on a fixed fee, per model basis.

### Customer Data Integration Services

Market-based pricing guidelines are followed for Customer Data Integration services such as data cleansing/postal hygiene, merge/purge processing, and customer recognition. When our AbiliTec technology is licensed to our clients, it is priced under a subscription model. AbiliTec may be sold as part of an AbiliTec-enabled service and priced as a bundled offering such as a customer recognition solution.

## IT Services

IT management services are custom solutions, and prices are negotiated with each client individually. Pricing is highly dependent on service levels, transfer of assets, transfer of human resources, and other infrastructure issues.

### **Competition**

We believe we are the U.S. leader in a competitive field of expertise. Within the industry, we compete against data content providers, 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 are national or international companies that offer a broad array of information services. However, we do not know of any single competitor that offers our entire range of products and services.

In the U.S. services arena, we compete primarily with in-house information technology departments of current and prospective 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, industry and technological expertise, historical success, ability to develop customized solutions for clients, processing capabilities and price.

In the U.S. data sector, 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 our clients need and, to a lesser extent, the pricing of information products and services.

In the IT management market, competition is based on technical expertise and innovation, financial stability, past experience with the provider, marketplace reputation, cultural fit, quality and reliability of services, project management capabilities, processing environments and price.

In Europe, we face similar competition as in the U.S. in terms of scope and type. While there is a broader range of competitors across Europe, particularly for customer data, the major competitors in both the services and the data markets are very similar to those in the U.S. In Australia and New Zealand, our competitors in the services arena are predominantly well-established local businesses or companies' in-house IT departments; however, some large global competitors have begun to offer their services in these countries. Our competitors in the data arena are generally local Australian and New Zealand companies, with the exception of one global business-to-business data provider. In 2004, Acxiom established a presence in China by purchasing an existing business, which was one of the first providers of data services in that country. The competition in China is fragmented, with only a few local firms providing similar services. Well-known global providers, however, have recently been attracted by the potential of the Chinese market and appear to be investing heavily.

### **Employees**

Acxiom currently employs approximately 6,610 employees (associates) worldwide. None of Acxiom's U.S. associates are currently represented by a labor union or are the subject of a collective bargaining agreement. To the best of management's knowledge, approximately 19 associates are elected members of work councils representing Acxiom associates in France, Germany and the Netherlands. Acxiom has never experienced a work stoppage and believes that its employee relations are good.

### **Recent Developments**

Not applicable.

## **Item 1A. 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.

### **We must keep up with rapidly changing technologies or our products and services could become less competitive.**

The complexity and uncertainty regarding the development of new technologies affect our business greatly, as does the loss of market share through competition, or the extent and timing of market acceptance of innovative products and technology. We are also potentially affected by:

- Longer sales cycles for our solutions due to the nature of that technology as an enterprise-wide solution;
- The introduction of competent, competitive products or technologies by other companies;
- Changes in the consumer and/or business information industries and markets;
- The ability to protect our proprietary information and technology or to obtain necessary licenses on commercially reasonable terms; and
- The impact of changing legislative, judicial, accounting, regulatory, cultural and consumer environments in the geographies where our products and services are deployed.

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 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.

### **Changes in legislative, judicial, regulatory, cultural or consumer environments relating to consumer privacy or information collection and use may affect our ability to collect and use data.**

There could be a material adverse impact on our business due to the enactment of legislation or industry regulations, the issuance of judicial interpretations, or simply a change in customs, arising from the increasing public concern over consumer privacy issues. In the U.S., both the Congress and the legislatures of various states have recently focused their attention on matters concerning the collection and use of consumer data. In most of the non-U.S. locations in which we do business, legislation restricting the collection and use of personal data already exists. Many times restrictions are placed on the use of data by the occurrence of events that rapidly drive the adoption of legislation or regulation. Restrictions could be placed upon the collection, management, aggregation and use of information, which could result in a material increase in the cost of collecting some kinds of data. In the U.S. the general data collection regime is that non-sensitive data is usable so long as the person does not affirmatively “opt-out” of the collection. In Europe the reverse is true. If the European model were adopted in the U.S. it would lead to less data being available and at a higher cost. 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, potentially resulting in decreased revenues, net income, and earnings per share.

### **We could experience a breach of the confidentiality of the information we hold or of the security of our computer systems.**

We operate extremely large, powerful and complex computer systems that contain personally identifiable data. Unauthorized third parties could attempt to gain entry to such systems for the purpose of stealing data or disrupting the systems. We believe that we have taken adequate measures to protect them from intrusion, but in the event that

our efforts are unsuccessful we could suffer significant harm. Further, we handle large quantities of personally identifiable information that must be maintained on a confidential basis. In the event the confidentiality of such information was compromised, we could suffer significant harm.

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

Much of the data that we use is either purchased or licensed from third parties. We compile the remainder of the data that we use from public record sources. 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, or if judicial interpretations are issued restricting use of 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.

**The nature and volume of our customer contracts may affect the predictability of our revenues.**

While approximately 74% of our total revenue is currently derived from clients who have long-term contracts (defined as contracts with initial terms of two years or more), these contracts have been entered into at various times and therefore some of them are in the latter part of their terms and are approaching their originally scheduled expiration dates. Further, if renewed by the customer, the terms of the renewal contract may not have a term as long as, or may otherwise be on terms less favorable than, the original contract. Revenue from customers with long-term contracts is not necessarily "fixed" or guaranteed, however, as portions of the revenue from these customers is volume-driven or project-related. With respect to the portion of our business that is not under long-term contract, revenues are less predictable and are almost completely volume-driven or project-related. Therefore, we must engage in continual sales efforts to maintain revenue stability and future growth with these customers. In addition, if a significant customer fails to renew a contract, our business could be negatively impacted if additional business were not obtained to replace the business which was lost.

**Our operations outside the U.S. subject us to risks normally associated with international operations.**

During the last fiscal year, we received approximately 18% of our revenues from business outside the United States. As part of our growth strategy, we plan to continue to pursue opportunities outside the U.S., and in order to do this we must continue to strengthen our foreign operations, hire additional personnel, and continue to identify and execute beneficial strategic alliances. To the extent that we are unable to do these things in a timely manner, our growth, if any, in non-U.S. revenues will be limited, and our operating results could be materially adversely affected. In general, each of our foreign locations is expected to fund its own operations and cash flows, although periodically funds may be loaned or invested from the U.S. to the foreign subsidiaries. Therefore, exchange rate movements of foreign currencies may have an impact on our future costs or on future cash flows from foreign investments. We have not entered into any foreign currency forward exchange contracts or other derivative instruments to hedge the effects of adverse fluctuations in foreign currency exchange rates. Additional risks inherent in our non-U.S. business activities generally include, among others, potentially longer accounts receivable payment cycles, the costs and difficulties of managing international operations, potentially adverse tax consequences, and greater difficulty enforcing intellectual property rights. The various risks which are inherent in doing business in the United States are also generally applicable to doing business outside of the United States, and may be exaggerated by the difficulty of doing business in numerous sovereign jurisdictions due to differences in culture, laws and regulations.

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

Our business is heavily dependent upon highly complex data processing capability. Our ability to protect our data centers against damage or interruption 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, net income, and earnings per share.

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

As part of our growth strategy we may continue to acquire other complementary businesses, products and technologies or enter into joint ventures or similar strategic relationships. While we believe we will be able to successfully integrate recently acquired businesses into our existing operations, there is no certainty that future acquisitions or alliances will be consummated on acceptable terms or that we will be able to integrate successfully the services, content, products and personnel of any such transaction into our operations. In addition, any future acquisitions, joint ventures or similar relationships may cause a disruption in our ongoing business and distract our management. There is also no assurance that we would derive the revenue improvements, cost savings and other intended benefits of any such transaction. The occurrence of any of these events could result in decreased revenues, net income and earnings per share.

**The direct marketing community could be negatively affected by both rising postal costs and the green movement.**

Postal rate increases are now expected to occur every year. The most recent increase in the U.S. became effective in May 2008 and the next increase is expected in May 2009. Rates are anticipated to rise annually at approximately the rate of inflation, and as they rise, we expect to see increased pressure on direct mailers to leverage digital communication and mail fewer pieces.

Those in the direct mail business, as well the postal service, are under growing pressure to reduce their impact on the environment. It is uncertain at this time what either marketers or the postal service will do to lessen their impact. From a postal service perspective, the actions to be taken may involve changing certain aspects of mail service that would negatively affect direct marketers. From a marketer's perspective, such actions could have the same effect as increased rates, thereby causing them to mail fewer pieces.

Acxiom is investing in digital marketing services and expects to offset some of the declining revenues associated with regular mail, but an aggressive response by direct mailers could negatively affect us by decreasing the amount of processing services our clients purchase from us, which could result in lower revenues, net income and earnings per share.

**Industry consolidations could result in increased competition for our products and services.**

Our industry has experienced a variety of business combinations that consolidate our competitors. The possibility of the consolidation or merger of companies who might combine forces to create a single-source provider of multiple services to the marketplace in which we compete could result in increased price competition for us which would negatively affect our business results. We currently compete against numerous providers of a single service or product in several separate market spaces. (See the discussion above under "Competition.") Since we offer a larger variety of services than many of our current competitors, we have been able to successfully compete against them in most instances. However, the dynamics of the marketplace could be significantly altered if some of the single-service providers were to combine with each other to provide a wider variety of services.

**Processing errors or delays in completing service level requirements could result in negative financial consequences.**

Processing errors could result in the issuance of credits to clients, the re-performance of work, and/or the payment of damages. Likewise, the failure to meet contractual service level requirements or to meet specified goals with contractual timeframes could result in monetary penalties or lost revenue.

**Our engagements with certain clients may not be profitable.**

The pricing and other terms of our client contracts, particularly our long-term IT outsourcing agreements, require us to make estimates and assumptions at the time we enter into these contracts that could differ from actual results.

These estimates reflect our best judgments regarding the nature of the engagement and our expected costs to provide the contracted services. Any increased or unexpected costs or unanticipated delays in connection with the performance of these engagements, including delays caused by factors outside our control, could make these contracts less profitable or unprofitable, which would have an adverse affect on our profit margin. Our exposure to this risk increases generally in proportion to the scope of the client contract and is higher in the early stages of such a contract. In addition, a majority of our IT outsourcing contracts contain some fixed-price, incentive-based or other pricing terms that condition our fee on our ability to meet defined goals. Our failure to meet a client's expectations in any type of contract may result in an unprofitable engagement.

**Our ability to recover significant capital investments in certain contracts is subject to risks.**

A few of our client contracts require significant investment in the early stages which is expected to be recovered through billings over the life of the contract. These contracts often involve the construction of new computer systems and communications networks and the development and deployment of new technologies. Substantial performance risk exists in each contract with these characteristics, and some or all elements of service delivery under these contracts are dependent upon successful completion of the development, construction and deployment phases.

**We have identified two material weaknesses in our internal control over financial reporting, and concluded that our internal control was not effective as of March 31, 2008.**

The Company has identified two material weaknesses in our internal control over financial reporting and, as a result, has concluded that our internal control over financial reporting as of March 31, 2008 was not effective. Although we are adopting measures to remediate these material weaknesses, there can be no assurance that our remedial efforts will be effective, nor can there be any assurances that additional material weaknesses will not be identified in the future. Remediation of the material weaknesses may be costly and time consuming. The inability to maintain effective internal control over financial reporting could adversely affect our financial results, the market price of our common stock or our operations. See Item 9A, Controls and Procedures Evaluation of Disclosure Controls and Procedures in this Annual Report for Form 10-K for further discussion.

**Item 1B. Unresolved Staff Comments**

Not applicable.

**Item 2. Properties**

Acxiom is headquartered in Little Rock, Arkansas with additional locations around the United States. We also have operations in Europe, Australia and China. In general, our facilities are in good condition, and we believe that they are adequate to meet our current needs. We do not anticipate that any substantial additional properties will be required for our existing business during fiscal year 2009 and contemplate a reduction in the amount of current office space in the U.S. The table below sets forth the location, ownership and general use of our principal properties currently being used by each business segment.

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<u>Location</u>	<u>Held</u>	<u>Use</u>	<u>Business Segment</u>
<b>United States:</b>			
Phoenix, Arizona	Held in fee	Data center; office space	Information Services and Infrastructure Management
Conway, Arkansas	Eleven facilities held in fee	Data center; office space	Information Services, Information Products and Infrastructure Management
Fayetteville, Arkansas	Lease	Office space	Information Services and Information Products
Little Rock, Arkansas	Two leased buildings; Two buildings held in fee	Principal executive offices; office space; data center	Information Services, Information Products and Infrastructure Management
Foster City, California	Lease	Office space	Information Services
Broomfield, Colorado	Lease	Office space	Information Services and Information Products
Stamford, Connecticut	Lease	Office space	Information Services
Ft. Myers, Florida	Lease	Office space	Information Products
Chicago, Illinois	Lease	Data center; office space	Information Services and Infrastructure Management
Downers Grove, Illinois	Lease	Data center; office space	Information Services and Infrastructure Management
Southfield, Michigan	Lease	Office space	Information Services
Shoreview, Minnesota	Lease	Office space	Infrastructure Management
New York, New York	Two leased offices	Office space	Information Services and Information Products
Independence, Ohio	Lease	Office space	Information Products
Memphis, Tennessee	Lease	Office space	Information Services
Nashville, Tennessee	Lease	Office space	Information Services

**Europe:**

London, England	Lease	Office space	Information Services and Information Products
Normanton, England	Lease	Data center; office space	Information Services and Information Products
Sunderland, England	Lease	Data center; fulfillment service center; office space; warehouse space	Information Services, Information Products and Infrastructure Management
Teddington, England	Lease	Office space	Information Services and Information Products
Lille, France	Lease	Data center; office space	Information Services and Information Products
Paris, France	Lease	Data center; office space	Information Services and Information Products
Frankfurt, Germany	Lease	Office space	Information Services and Information Products
Munich, Germany	Lease	Office space	Information Services and Information Products
Amsterdam, Netherlands	Lease	Office space	Information Services and Information Products
Gdansk, Poland	Lease	Office space	Information Services, Information Products and Infrastructure Management
Warsaw, Poland	Lease	Office space	Information Services, Information Products and Infrastructure Management
Lisbon, Portugal	Lease	Office space	Information Services and Information Products

**Australia:**

Sydney, Australia	Lease	Office space	Information Services
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**China:**

Shanghai, China	Lease	Office space	Information Services
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### **Item 3. Legal Proceedings**

The following is a description of material pending legal proceedings and claims, other than ordinary routine litigation and claims incidental to our business, to which Acxiom is a party or of which any of our property is the subject:

*Richard Fresco, et al. v. R.L. Polk & Co. and Acxiom Corporation, (U.S. Dist. Court, S.D. Florida, 07-60695) formerly, Linda Brooks and Richard Fresco v. Auto Data Direct, Inc., et al., (U.S. Dist. Court, S.D. Florida, 03-61063)* - This is a putative class action lawsuit, removed to federal court in May 2003, filed against Acxiom and several other information providers. The plaintiffs allege that the defendants obtained and used drivers' license data in violation of the federal Drivers Privacy Protection Act. To date, a class has not been certified. Among other things, the plaintiffs seek injunctive relief, statutory damages, and attorneys' fees. Acxiom and Polk have agreed to stay the proceedings while mediation is conducted under the purview of the Court. Two companion cases, *Sharon Taylor, et al., v. Acxiom, et al., (U.S. District Court, E.D. Texas, 207CV001)* and *Sharon Taylor, et al. v. Biometric Access Company, et al., (U.S. District Court, E.D. Texas, 2:07-CV-00018)*, were filed in January 2007.

*Epsilon Data Management LLC, et al. v. Acxiom Corporation, (192<sup>nd</sup> Judicial District Court of Dallas County, TX, 07-08569)* - This case, brought by a competitor of Acxiom after the acquisition of three long time data providers, alleges that Acxiom breached certain terms and conditions of the data licenses with those acquired companies in the course of building and distributing Acxiom data products. The plaintiffs seek injunctive relief and unspecified damages. Acxiom contends that it has acted in conformance with the data licenses and is vigorously defending the claims.

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

Not applicable.

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## EXECUTIVE OFFICERS

Acxiom's executive officers, their current positions, ages and business experience are listed below. They are elected by the board of directors annually or as necessary to fill vacancies or fill new positions. There are no family relationships among any of the officers.

John A. Meyer, age 51, is the Company's Chief Executive Officer and President. Mr. Meyer joined the Company in February 2008 as chief executive officer and president. From 2003 - 2008 he was employed by Alcatel-Lucent, a global communications network firm as president of the Alcatel-Lucent Services Group, in which position he was responsible for more than \$6 billion in annual revenue and the management of more than 20,000 people. The group he led designed, implemented and managed some of the most sophisticated communications networks in the world. Prior to joining Lucent, Mr. Meyer spent nearly 20 years at Electronic Data Systems, Inc. (EDS), where he held a number of positions including head of the Northeast business in the United States and President of the Europe, Middle East and Africa region. Mr. Meyer holds an M.B.A. in quantitative methods from the University of Missouri and a bachelor of science degree in management from Pennsylvania State University. He also served in the U.S. Air Force from 1979 to 1983 as a flight commander, achieving the rank of captain.

John A. Adams, age 53, is the Company's Chief Operating Officer and Executive Vice President in which capacity he has responsibility for directing the operational areas of the business which include the market facing industry units, Europe and Asia Pacific, service development and delivery, and information technology. He joined Acxiom May 14, 2008, having served previously as a consultant to the Company. From 2004 - 2006 Mr. Adams was executive vice president of customer solutions for Eclipsys, a healthcare information software and services vendor. In that capacity, he was responsible for the company's outsourcing and hosting units as well as a number of administrative functions. From 2003 - 2004, he served as chief financial officer for Exult, Inc., a human resources business process outsourcing company that was subsequently sold to Hewitt Associates during Mr. Adams' tenure. From 2000 - 2003 Mr. Adams served as chief financial officer and vice president of AT&T Business Services, a subsidiary of AT&T Corporation. In this role, he led a successful restructuring of the subsidiary's operations. Prior to that, Mr. Adams was employed by Electronic Data Systems Corporation (EDS) for 15 years, serving most recently as its vice president and controller, in which capacity he oversaw the accounting and finance functions for EDS worldwide. Mr. Adams, a British citizen, is a member of the Institute of Chartered Accountants in England and Wales. He holds a bachelor of arts degree with honors in economics from the University of Exeter, England.

Christopher W. Wolf, age 46, is the Company's Chief Financial Officer and Executive Vice President. He joined Acxiom in 2007 and is responsible for all aspects of Acxiom's financial management. He has over 20 years experience as a financial executive and consultant to companies in the marketing, retail and technology sectors. He most recently served as an independent consultant, providing consultation on financial reporting, Sarbanes-Oxley compliance, corporate governance, capital structure, mergers and acquisitions, and tax planning to a variety of public and private entities. From 2005 - 2006, Mr. Wolf served as CFO of NiuTech LLC, an internet marketing services company, where he was responsible for the accounting, financial planning and analysis, treasury, and risk management activities of the company. From 1996 - 2004, Mr. Wolf was employed in various finance and tax positions with Catalina Marketing Corporation, culminating in his service as chief financial officer from 2002 - 2004. He also served as executive vice president from 2003 - 2004; senior vice president from 2002 - 2003; vice president - finance and treasurer from 2000 - 2002; executive director of tax, treasury and international finance from 1998 - 2000; senior director of tax and international finance from 1997 - 1998; and senior director of tax from 1996 - 1997. Prior to joining Catalina, Mr. Wolf served for a 10-year period as a tax manager and consultant for Arthur Andersen & Co. Mr. Wolf is a certified public accountant and holds a bachelor of science degree in accounting from Florida State University and a master of accounting degree from the University of North Carolina.

Cindy K. Childers, age 48, is the Company's Senior Vice President - Human Resources. She joined Acxiom in 1985. In her current role, Ms. Childers leads strategic planning and execution in the areas of business culture, organizational effectiveness, associate development, recruiting, human resources and corporate communications. Previously, she served as leader of the financial services business unit and oversaw all of the financial and accounting functions of the Company. Before joining Acxiom, she was a certified public accountant in audit and tax.

for KPMG Peat Marwick. Ms. Childers holds a degree in business administration from the University of Central Arkansas.

Richard K. Howe, age 46, is the Company's Senior Vice President - Marketing. He joined Acxiom in 2004. In his role as marketing leader, Mr. Howe has global responsibility over product marketing, marketing communications, marketing relations, advertising, public relations, alliances, events, creative services and interactive/direct marketing. In his role as strategy leader, he helps drive Acxiom's growth through the execution of business strategies designed to meet market changes and/or mitigate competitive threats including mergers and acquisitions. For many of these strategies, he also assumes an operational leadership role over the groups while under development. Mr. Howe joined Acxiom from Fair Isaac & Company, where he served as general manager of that company's Global Marketing Services (GMS) unit, a business with over \$100 million in annual revenue. Before joining Fair Isaac, he founded and was chairman and CEO of *ieWild* Inc., a technology company whose software and services were utilized by many of the largest financial services institutions in the U.S. Mr. Howe has at various times in his career held positions in product marketing, project management, sales management, software development, and construction engineering. He is a member of the board of the Arkansas Respiratory Health Association. He holds a bachelor's degree in structural engineering from Concordia University, Canada, and a master's degree in engineering from McGill University, Canada.

Jerry C. Jones, age 52, is the Company's Chief Legal Officer, Senior Vice President and Assistant Secretary. He joined Acxiom in 1999 and is responsible for leading the strategy and execution of mergers and alliances, assists in the Company's strategic initiatives, and oversees legal matters. Prior to joining Acxiom, he was employed for 19 years as an attorney with the Rose Law Firm in Little Rock, Arkansas, representing a broad range of business interests. He is a member of the board of directors of Entrust, Inc., a public company, and is chairman of the Arkansas Virtual Academy, a statewide public school. Mr. Jones holds a degree in public administration and a juris doctorate degree from the University of Arkansas.

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**Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities***Market Information*

The outstanding shares of Acxiom's common stock are listed and traded on NASDAQ and trade under the symbol ACXM. The following table reflects the range of high and low sales prices of Acxiom's common stock as reported by Dow Jones & Company, Inc. for each quarter in fiscal 2008 and 2007.

<u>Fiscal 2008</u>	High	Low
Fourth Quarter	\$ 13.66	\$ 8.66
Third Quarter	17.20	10.55
Second Quarter	26.75	18.75
First Quarter	28.25	20.92
<u>Fiscal 2007</u>	High	Low
Fourth Quarter	\$ 25.80	\$ 20.99
Third Quarter	25.89	24.09
Second Quarter	26.44	23.50
First Quarter	26.80	21.85

*Holdings*

As of May 28, 2008 we had approximately 2,175 stockholders of record.

*Dividends*

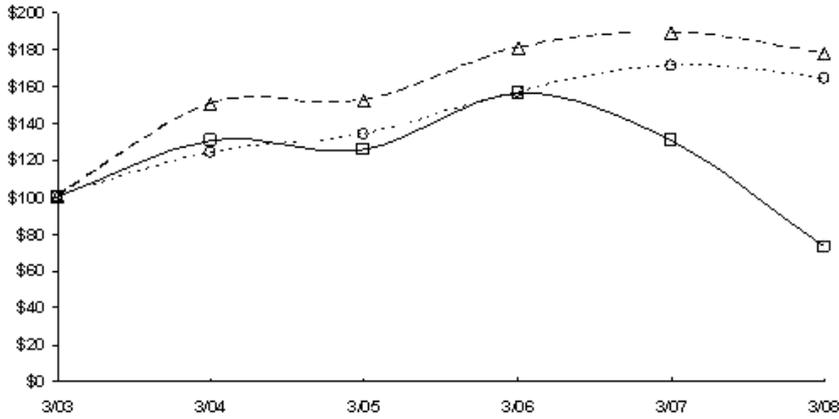
In fiscal year 2007 the Company paid dividends of \$.05 per shares during the first two quarters and \$.06 per share during the last two quarters. No dividends were paid during the first two quarters of fiscal 2008 as a result of the Company's having agreed, in connection with entering into to a merger agreement in May 2007, to suspend dividend payments while the merger was pending. The merger agreement was subsequently terminated in October 2007, and thereafter dividend payments were resumed at the rate of \$.06 per quarter.

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The following graph compares the cumulative five-year total return to shareholders on Acxiom's common stock relative to the cumulative total returns of the NASDAQ Composite index and the NASDAQ Computer & Data Processing index. The graph assumes that the value of the investment in the company's common stock and in each of the indexes (including reinvestment of dividends) was \$100 on March 31, 2003 and tracks it through March 31, 2008.

**COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN\***

Among Acxiom Corporation, The NASDAQ Composite Index  
And The NASDAQ Computer & Data Processing Index



—■— Acxiom Corporation    -△- - NASDAQ Composite    ···○··· NASDAQ Computer & Data Processing

\* \$100 invested on 3/31/03 in stock or index including reinvestment of dividends.  
Fiscal year ending March 31.

The table below provides information regarding purchases by Acxiom of its Common Stock during the periods indicated.

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs
1/1/08 – 1/31/08	137,000	\$10.58	137,000	\$49,448,889
2/1/08 – 2/28/08	-	-	-	
3/1/08 – 3/31/08	-	-	-	
<b>Total</b>	137,000	10.58	137,000	\$49,448,889

The table above relates to a repurchase program adopted by the Board of Directors on October 26, 2007, as modified on February 13, 2008, pursuant to which up to \$100,000,000 of stock may be repurchased between October 26, 2007 and October 26, 2008. As of May 28, 2008, a total of 4,175,154 shares had been repurchased at a total cost of \$50,551,111.

**Item 6. Selected Financial Data**

For information pertaining to Selected Financial Data of Acxiom, refer to page F-2 of the Financial Supplement, which is attached hereto.

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

The information required by this Item appears in the Financial Supplement at pp. F-3 – F-24, which is attached hereto.

**Item 7A. Quantitative and Qualitative Disclosures About Market Risk**

Acxiom's earnings are affected by changes in short-term interest rates primarily as a result of its term loan agreement and its revolving credit agreement, which bear interest at a floating rate. Acxiom does not currently 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 one percentage point in short-term market interest rates. If short-term market interest rates increase one percentage point during the next four quarters compared to the previous four quarters, 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 substantially all of Acxiom's remaining long-term debt instruments have fixed rates. At both March 31, 2008 and 2007, the fair value of the Company's fixed rate long-term obligations approximated carrying value.

Acxiom has a presence in the United Kingdom, France, The Netherlands, Germany, Portugal, Poland, Australia and China. In general, each of the foreign locations is expected to fund its own operations and cash flows, although funds may be loaned or invested from the U.S. to the foreign subsidiaries. Therefore, exchange rate movements of foreign currencies may have an impact on Acxiom's future costs or on future cash flows from foreign investments. Acxiom has not entered into any foreign currency forward exchange contracts or other derivative 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 the Financial Supplement at pp. F-28 – F-71, which is attached hereto.

## **Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure**

Not applicable.

### **Item 9A. Controls and Procedures**

#### *Evaluation of Disclosure Controls and Procedures*

Based on management's evaluation (with the participation of our CEO (principal executive officer) and our CFO (principal financial and accounting officer), our CEO and CFO have concluded that, because of the material weaknesses in internal control over financial reporting, the Company's disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended ("Exchange Act") were not effective as of March 31, 2008 to ensure that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission rules and forms; and (ii) accumulated and communicated to the Company's management, including its principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure. The identified material weaknesses in internal control over financial reporting involved the use by the Company of policies and procedures to estimate performance completed for information services contracts that were not designed to provide sufficient support for the recognition of revenue under U.S. generally accepted accounting principles and insufficient policies and procedures for classification of cash flow activities that resulted in improper classification of additions to deferred costs as an investing cash flow activity. See "Management's Report on Internal Control over Financial Reporting" and "Report of Independent Registered Public Accounting Firm" on pages F-25 and F-26 of the Financial Supplement, respectively, and note 19 the Company's consolidated financial statements on pages F-66 – F-68 of the Financial Supplement.

#### *Management's Report on Internal Control over Financial Reporting*

Management's report on Acxiom's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act), and the related report of Acxiom's independent public accounting firm, are included in the Financial Supplement on pages F-25 – F-26 and are incorporated by reference.

#### *Changes in Internal Controls over Financial Reporting*

There were no changes in the Company's internal control over financial reporting during the fourth quarter of fiscal 2008, which were identified in connection with management's evaluation required by paragraph (d) of Rules 13a-15 and 15d-15 under the Exchange Act, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

During the first quarter of fiscal 2009, the Company identified two material weaknesses in internal control over financial reporting. First, the Company's policies and procedures to estimate performance completed for information services contracts were not designed to provide sufficient support for the recognition of revenue under U.S. generally accepted accounting principles. Second, the Company's policies and procedures for classification of cash flow activities were not sufficient and resulted in improper classification of additions to deferred costs as an investing cash flow activity. These material weaknesses resulted in a restatement described in note 19 to the Company's consolidated financial statements. In this Annual Report on Form 10-K, the Company is restating (i) its audited consolidated financial statements for each of the years ended March 31, 2007 and 2006; (ii) its unaudited consolidated financial statements for each of the quarterly periods ended December 31, 2007 and 2006, September

30, 2007 and 2006, June 30, 2007 and 2006, and March 31, 2007; and (iii) its selected financial data for the years ended March 31, 2005 and 2004 (collectively, the “Relevant Periods”), to remove the recorded accrued revenue amounts and record the related income tax effect, and to reclassify additions to deferred costs as an operating cash flow activity. The Company has not amended, and does not intend to amend, its Annual Reports on Form 10-K or Quarterly Reports on Form 10-Q for the Relevant Periods to reflect the restatement, and the financial statements and related financial information contained in those reports should no longer be relied upon. The Company has modified its policies and procedures to no longer record accrued revenue on these types of services transactions and to properly classify additions to deferred costs.

#### **Item 9B. Other Information**

The Company has in the past entered into executive security agreements with certain key associates. On February 12, 2008, the Company’s Compensation Committee approved a phase out of the executive security agreements over a two-year period. In order to implement this phase out, the executive security agreements were amended effective April 8, 2008. The form of the new agreement is attached to this Annual Report on Form 10-K as an exhibit.

On May 23, 2008, the Company’s Board of Directors amended and restated the Company’s bylaws (as amended and restated, the “Bylaws”), effective immediately. The Bylaws were amended and restated so as to:

- Conform the Bylaw language regarding inspectors of election with the new language of § 231 of the General Corporation Law of the State of Delaware (the “DGCL”).
- Allow meetings of shareholders to be held electronically as now permitted by DGCL § 211.
- Address, consistently with DGCL § 213(b), the “default” record date for written consent by shareholders to corporate action where prior Board action is not required.
- Conform the Bylaw language regarding where the shareholder list must be kept to the new language of DGCL § 219.
- Clarify that a shareholders’ meeting may be adjourned if a quorum is not present.
- Conform the Bylaw provision regarding the voting of pledged shares to the provisions of DGCL § 217(a).
- Clarify provisions related to shareholder proposals in response to recent Delaware rulings regarding advance notice bylaw deficiencies.
- Delete provisions relating to classified board so that classification is addressed solely by Article SIXTH of the Company’s Certificate of Incorporation.
- Delete the last sentence of Article III, Section 6 so that waivers of notice are addressed solely by Article VIII, Section 4 of the Bylaws.
- Substitute “Lead Independent Director” for “Vice Chairman of the Board” in Article III, Section 8 and clarify that the CEO/President must be a board member in order to chair meetings of the board in the absence of the Chairman.
- Enhance the Board’s flexibility to compensate directors for their services on the Board and/or its committees.
- Provide more flexibility with regard to the appointment of committees; delete provisions relating specifically to the Audit Committee so that its composition and responsibilities are addressed primarily by the Audit Committee Charter.

- Expand the list of types of officers that may be appointed and gives the CEO and President authority to designate additional officers.
- Clarify that the rights to indemnity and the advancement of expenses provided by the Company's Bylaws are not exclusive of any other rights the indemnitee may have.

Other provisions of the Bylaws were updated or amended so as to conform to current conditions and/or legal requirements.

The foregoing description of the amendments to the Bylaws is qualified in its entirety by reference to the full text of the Bylaws, a copy of which is attached as Exhibit 3(b) hereto and incorporated herein by reference.

### **PART III**

#### **Item 10. Directors, Executive Officers and Corporate Governance**

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" at the end of Part I of this Report. The remaining information required by this Item appears under the captions "Election of Directors," and "Section 16(a) Beneficial Ownership Reporting Compliance" in Acxiom's 2008 Proxy Statement, which information is incorporated herein by reference. The Acxiom board of directors has adopted a code of ethics applicable to our principal executive, financial and accounting officers and all other persons performing similar functions. A copy of this code of ethics is posted on Acxiom's website at [www.acxiom.com](http://www.acxiom.com) under the Corporate Governance section of the site.

#### **Item 11. Executive Compensation**

The information required by this Item appears under the heading "Executive Compensation" in Acxiom's 2008 Proxy Statement, which information is incorporated herein by reference.

#### **Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters**

The information required by this Item appears under the heading "Stock Ownership" in Acxiom's 2008 Proxy Statement, which information is incorporated herein by reference.

#### **Item 13. Certain Relationships and Related Transactions, and Director Independence**

The information required by this Item appears under the headings "Related-Party Transactions" and "Board and Committee Matters" in Acxiom's 2008 Proxy Statement, which information is incorporated herein by reference.

#### **Item 14. Principal Accountant Fees and Services**

The information required by this Item appears under the heading "Fees Billed for Services Rendered by Independent Auditor" in Acxiom's 2008 Proxy Statement, which information is incorporated herein by reference.

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**Item 15. Exhibits and Financial Statement Schedules**

(a) 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 in the Financial Supplement and the Independent Auditors' Reports thereof are attached hereto. Page references are to page numbers in the Financial Supplement.

	<u>Page</u>
Reports of Independent Registered Public Accounting Firm	F-26 - F-27
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Consolidated Statements of Stockholders' Equity and Comprehensive Income for the years ended March 31, 2008, 2007 and 2006	F-30
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2. Financial Statement Schedules.

All 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

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

Exhibit No.

- 2(a) Agreement and Plan of Merger by and among Acxiom Corporation, Axio Holdings LLC, and Axio Acquisition Corp. dated May 16, 2007 (previously filed on May 22, 2007 as Exhibit 2.1 to Acxiom Corporation's Current Report on Form 8-K, and incorporated by reference herein)
- 2(b) Mutual Termination Agreement and Release dated as of October 1, 2007 by and between Acxiom Corporation, Axio Holdings LLC, Axio Acquisition Corp., ValueAct Capital Master Fund, L.P., Silver Lake Partners II, L.P., UBS Loan Finance LLC, Silver Lake Partners III, L.P., Silver Lake Partners III, L.P. UBS Securities LLC, Morgan Stanley Senior Funding, Inc. and Morgan Stanley & Co. Incorporated (previously filed on October 1, 2007 as Exhibit 10.1 to Acxiom Corporation's Current Report on Form 8-K, and incorporated by reference herein)
- 3(a) Amended and Restated Certificate of Incorporation (previously filed as Exhibit 3(i) to Acxiom Corporation'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

- 10(a) 2005 Stock Purchase Plan of Acxiom Corporation (previously filed as Appendix B to Acxiom Corporation's Proxy Statement dated June 24, 2005, and incorporated herein by reference)
- 10(b) Amended and Restated Key Associate Stock Option Plan of Acxiom Corporation (previously filed as Exhibit 10(e) to Acxiom Corporation's Annual Report on Form 10-K for the fiscal year ended March 31, 2000, Commission File No. 0-13163, and incorporated herein by reference)
- 10(c) 2005 Equity Compensation Plan of Acxiom Corporation (formerly known as the Amended and Restated 2000 Associate Stock Option Plan of Acxiom Corporation) (previously filed as Appendix B to Acxiom Corporation's Proxy Statement dated November 16, 2007, and incorporated herein by reference)
- 10(d) 2008 Nonqualified Equity Compensation Plan of Acxiom Corporation (previously filed on May 15, 2008 as Exhibit 10.2 to Acxiom Corporation's Current Report on Form 8-K, and incorporated herein by reference)
- 10(e) Acxiom Corporation U.K. Share Option Scheme (previously filed as Exhibit 10(f) to Acxiom Corporation'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(f) Acxiom Corporation Non-Qualified Deferred Compensation Plan (previously filed as Exhibit 10(i) to Acxiom Corporation'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(g) Acxiom Corporation FY 2009 Leadership Cash Incentive Plan
- 10(h) General Electric Capital Corporation Master Lease Agreement, dated as of September 30, 1999 (previously filed as Exhibit 10(m) to Acxiom Corporation's Annual Report on Form 10-K for the fiscal year ended March 31, 2001, Commission File No. 0-13163, and incorporated herein by reference)
- 10(i) Amendment to General Electric Capital Corporation Master Lease Agreement dated as of December 6, 2002 (previously filed as Exhibit 10 (j) to Acxiom Corporation's Annual Report of Form 10-K for the fiscal year ended March 31, 2003, Commission File No. 0-13163, and incorporated herein by reference)
- 10(j) Third Amended and Restated Credit Agreement dated as of March 24, 2005, by and among Acxiom Corporation, as borrower, J.P. Morgan, N.A., as agent, and the lenders who are party thereto (previously filed as Exhibit 10.2 to Acxiom Corporation's Report on Form 8-K dated March 24, 2005, and incorporated herein by reference)
- 10(k) Second Amendment to Third Amended and Restated Credit Agreement, dated as of April 22, 2005, by and among Acxiom Corporation, as borrower, J.P. Morgan, N.A., as agent, and the lenders who are a party thereto (previously filed as Exhibit 10(j) to Acxiom Corporation's Annual Report on Form 10-K for the fiscal year ended March 31, 2005, Commission File No. 0-13163, and incorporated herein by reference)
- 10(l) Increased Commitment Supplement to Third Amended and Restated Credit Agreement, dated as of May 13, 2005, by and among Acxiom Corporation, as borrower, J.P. Morgan, N.A., as agent, and the lenders who are a party thereto (previously filed as Exhibit 10(k) to Acxiom Corporation's Annual Report on Form 10-K for the fiscal year ended March 31, 2005, Commission File No. 0-13163, and incorporated herein by reference)
- 10(m) Assignment of Head Lease dated as of February 10, 2003, by and between Wells Fargo Bank Northwest, National Association, as Owner Trustee under the AC Trust 2001-1 ("Assignor") and Acxiom Corporation, assigning all of Assignor's rights, title and interest in that certain Head Lease Agreement dated as of May 1, 2000, between the City of Little Rock, AR and Assignor, each relating to the lease of an office building in downtown Little Rock which was previously financed pursuant to a terminated synthetic real estate facility (previously filed as Exhibit 10 (l) to Acxiom Corporation's Annual Report of Form 10-K for the fiscal year

ended March 31, 2003, Commission File No. 0-13163, and incorporated herein by reference)

- 10(n) Form of Executive Security Agreement effective as of April 8, 2008
- 10(o) Agreement by and among Acxiom Corporation and VA Partners, LLC, ValueAct Capital Master Fund, L.P., ValueAct Capital Management, L.P., and ValueAct Capital Management, LLC dated August 5, 2006 (previously filed on August 7, 2006 as Exhibit 10.1 to Acxiom Corporation's Current Report on Form 8-K, and incorporated herein by reference)
- 10(p) Amendment No. 1 to Agreement by and among Acxiom Corporation and VA Partners, LLC, ValueAct Capital Master Fund, L.P., ValueAct Capital Management, L.P., and ValueAct Capital Management, LLC, dated September 20, 2006 (previously filed on September 22, 2006 as Exhibit 10.1 to Acxiom Corporation's Current Report on Form 8-K, and incorporated herein by reference)
- 10(q) Amendment No. 2 to Agreement by and among Acxiom Corporation and VA Partners, LLC, ValueAct Capital Master Fund, L.P., ValueAct Capital Management, L.P., and ValueAct Capital Management, LLC, dated May 16, 2007 (previously filed on May 22, 2007 as Exhibit 10.1 to Acxiom Corporation's Current Report on Form 8-K, and incorporated herein by reference)
- 10(r) Voting Agreement by and between Acxiom Corporation and ValueAct Capital Master Fund, L.P., dated May 16, 2007 (previously filed on May 22, 2007 as Exhibit 10.2 to Acxiom Corporation's Current Report on Form 8-K, and incorporated herein by reference)
- 10(s) Asset Purchase and License Agreement dated December 29, 2005 between Acxiom Corporation and EMC Corporation and EMC (Benelux) B.V., S.à.r.l.
- 10(t) Transition Amendment dated March 31, 2008 between Acxiom Corporation and EMC Corporation and EMC (Benelux) B.V., S.à.r.l.
- 10(u) Employment Agreement by and between Acxiom Corporation and John A. Meyer dated as of January 14, 2008 (previously filed on January 17, 2008 as Exhibit 10.1 to Acxiom Corporation's Current Report on Form 8-K, and incorporated herein by reference)
- 10(v) Employment Agreement dated May 14, 2008 between the Acxiom Corporation and John A. Adams (previously filed on May 15, 2008 as Exhibit 10.1 to Acxiom Corporation's Current Report on Form 8-K, and incorporated herein by reference)
- 10(w) Separation Agreement and General Release dated March 6, 2008 between Acxiom Corporation and Rodger S. Kline
- 10(x) Professional Services Agreement dated March 6, 2008 between Acxiom Corporation and Rodger S. Kline
- 10(y) Amended Separation Agreement and General Release dated April 17, 2008 between Acxiom Corporation and L. Lee Hodges
- 10(z) Professional Services Agreement dated March 27, 2008 between Acxiom Corporation and L. Lee Hodges
- 21 Subsidiaries of Acxiom Corporation
- 23 Consent of KPMG LLP
- 24 Powers of Attorney
- 31(a) Certification of Chief Executive Officer pursuant to SEC Rule 13a-14(a)/15d-14(a), as adopted pursuant to Sections 302 and 404 of Sarbanes-Oxley Act of 2002

31(b) Certification of Chief Financial Officer pursuant to SEC Rule 13a-14(a)/15d-14(a), as adopted pursuant to Sections 302 and 404 of Sarbanes-Oxley Act of 2002

32(a) Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

32(b) Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

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## 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: May 30, 2008

By: /s/ Catherine L. Hughes  
Catherine L. Hughes  
Corporate Governance Officer & 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

<u>William T. Dillard II*</u> William T. Dillard II	Director	May 30, 2008
<u>Michael J. Durham*</u> Michael J. Durham	Director (Non-Executive Chairman of the Board)	May 30, 2008
<u>Mary L. Good*</u> Mary L. Good	Director	May 30, 2008
<u>Ann Die Hasselmo*</u> Ann Die Hasselmo	Director	May 30, 2008
<u>William J. Henderson*</u> William J. Henderson	Director	May 30, 2008
<u>Thomas F. McLarty, III*</u> Thomas F. McLarty, III	Director	May 30, 2008
<u>John A. Meyer*</u> John A. Meyer	Director, CEO & President (principal executive officer)	May 30, 2008
<u>Stephen M. Patterson*</u> Stephen M. Patterson	Director	May 30, 2008
<u>Kevin M. Twomey*</u> Kevin M. Twomey	Director	May 30, 2008
<u>Jeffrey W. Ubben*</u> Jeffrey W. Ubben	Director	May 30, 2008
<u>R. Halsey Wise*</u> R. Halsey Wise	Director	May 30, 2008
<u>Christopher W. Wolf*</u> Christopher W. Wolf	Chief Financial Officer (principal financial and accounting officer)	May 30, 2008

\*By: /s/ Catherine L. Hughes  
Catherine L. Hughes  
Attorney-in-Fact

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**ACXIOM CORPORATION**  
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**FOR THE YEAR ENDED MARCH 31, 2008**

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**ACXIOM CORPORATION**  
**SELECTED FINANCIAL DATA**

(In thousands, except per share data)

Years ended March 31,	2008	2007 (Restated)	2006 (Restated)	2005 (Restated)	2004 (Restated)
<b>Statement of operations data:</b>					
Revenue	\$ 1,384,079	\$ 1,390,511	\$ 1,328,773	\$ 1,220,139	\$ 1,009,314
Net earnings (loss)	<u>\$ (7,780)</u>	<u>\$ 67,873</u>	<u>\$ 61,775</u>	<u>\$ 67,918</u>	<u>\$ 57,409</u>
<b>Earnings (loss) per share:</b>					
Basic	<u>\$ (0.10)</u>	<u>\$ 0.82</u>	<u>\$ 0.71</u>	<u>\$ 0.78</u>	<u>\$ 0.67</u>
Diluted	<u>\$ (0.10)</u>	<u>\$ 0.80</u>	<u>\$ 0.68</u>	<u>\$ 0.72</u>	<u>\$ 0.63</u>
Cash dividend per common share	<u>\$ 0.12</u>	<u>\$ 0.22</u>	<u>\$ 0.20</u>	<u>\$ 0.17</u>	<u>\$ 0.04</u>
As of March 31,	2008	2007 (Restated)	2006 (Restated)	2005 (Restated)	2004 (Restated)
<b>Balance sheet data:</b>					
Current assets	\$ 385,059	\$ 381,046	\$ 309,890	\$ 307,022	\$ 261,516
Current liabilities	\$ 339,626	\$ 387,788	\$ 379,990	\$ 364,262	\$ 296,103
Total assets	\$ 1,471,855	\$ 1,624,074	\$ 1,511,535	\$ 1,373,269	\$ 1,190,974
Long-term debt, excluding current installments	\$ 575,308	\$ 648,879	\$ 376,415	\$ 141,704	\$ 293,457
Stockholders' equity	<u>\$ 500,512</u>	<u>\$ 489,481</u>	<u>\$ 677,214</u>	<u>\$ 788,224</u>	<u>\$ 562,406</u>

As discussed in note 19 to the consolidated financial statements, certain amounts above have been restated to remove the previously recorded accrued revenue amounts of certain information services revenue and record the related income tax effect and to reclassify additions to deferred costs as an operating cash flow activity rather than an investing cash flow activity. The consolidated balance sheet as of March 31, 2007 and the consolidated statements of operations for the fiscal years ended March 31, 2007 and 2006 have been restated as set forth in the 2008 Form 10-K. The data for the consolidated balance sheets as of March 31, 2006, 2005 and 2004 and the consolidated statements of operations for the fiscal years ended March 31, 2005 and 2004 have been restated, but such restated data have not been audited, and is derived from the books and records of the Company. This information should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the historical financial statements and notes thereto. The historical results are not necessarily indicative of results to be expected in any future period. The restatement of the consolidated financial statements for the years ended March 31, 2007 and 2006 is more fully described in note 19 to the consolidated financial statements.

The Company has not amended its previously-filed Annual Reports on Form 10-K or Quarterly Reports on Form 10-Q for the periods affected by this restatement. The financial information that has been previously filed or otherwise reported for these periods is superseded by the information in this Annual Report on Form 10-K, and the financial statements and related financial information contained in such previously-filed reports should no longer be relied upon.

## Introduction and Overview

At Acxiom ("Acxiom" or "the Company") (Nasdaq: ACXM), we make information intelligent for many of the world's leading companies to help them solve some of their most complex marketing problems. Our products, services and thought leadership enable them to acquire new customers, retain their most valuable customers, communicate with customers in the methods and times they prefer, and make profitable marketing and business decisions. Acxiom's unmatched customer insight is achieved by blending the world's largest repository of consumer data, award-winning technology and analytics, multi-channel expertise, privacy leadership, and superior knowledge of a wide spectrum of industries. Founded in 1969, Acxiom is headquartered in Little Rock, Arkansas, with locations throughout the United States ("US") and Europe, and in Australia and China.

Highlights of the most recently completed fiscal year are identified below.

- Revenue of \$1.384 billion, down 0.5 percent from \$1.391 billion a year ago, a decrease of \$6.4 million in annual revenue.
- Income from operations of \$40.2 million compared to \$154.1 million last year.
- Diluted loss per share of \$0.10 compared to diluted earnings per share of \$0.80 in fiscal 2007.
- Pre-tax loss of \$9.8 million, compared to pre-tax earnings of \$113.4 million in fiscal 2007.
- Operating cash flow for the fiscal year was \$267.8 million compared to \$218.4 million in the prior year.
- Gross margin was 21.4 percent compared to 27.1 percent in fiscal 2007.
- The Company divested certain operations in France.
- The Company shut down the operations of Harbinger Associates, LLC, an international consulting and technology firm it acquired in fiscal 2007.
- The Company recorded \$75.1 million in restructuring charges and adjustments included in gains, losses and other items for associate-related payments, lease termination accruals, contract termination accruals and asset disposals.
- The Company completed the acquisitions of EchoTarget, Inc., an on-line behavioral targeting and ad-serving company, and MKTG, an operating subsidiary of Automatic Research, Inc. that provides data processing and list management services.

The highlights above are intended to identify to the reader some of the more significant events and transactions of the Company during the fiscal year ended March 31, 2008. However, these highlights are not intended to be a full discussion of the Company's 2008 fiscal year. These highlights should be read in conjunction with the following discussion of Results of Operations and Capital Resources and Liquidity and with the Company's consolidated financial statements and footnotes accompanying this report.

## Restatement of Financial Statements

On May 14, 2008 the Company announced that it would restate its financial statements for the years ended March 31, 2007 and 2006 and its selected financial data for the years ended March 31, 2005 and 2004 (collectively, the "Relevant Periods") to correct an error in the Company's accounting for accrued revenue. Historically, and for all the Relevant Periods, the Company has recorded accrued revenue for certain information services revenue contracts based on a calculated estimate of relative value of performance that has occurred but has not yet been recognized as revenue. The Company determined that the calculation that had been used for several years did not adequately support the accrual of revenue in accordance with the Securities and Exchange Commission's Staff Accounting Bulletin No. 104 ("SAB 104"). The Company has concluded that the calculated estimates for the Relevant Periods cannot be relied upon, and the Company is unable to objectively support recording accrued revenue for these information services transactions. Accordingly, the Company has restated its consolidated financial statements for the Relevant Periods to remove the recorded accrued revenue amounts and record the related income tax effect. Additionally, the Company has reclassified additions to deferred costs as an operating cash flow activity rather than an investing cash flow activity. The adjustments to restate previously reported selected financial data are summarized as follows (in thousands, except per share data):

	Year ended March 31, 2007			Year ended March 31, 2006		
	As reported	Adjustment	As restated	As reported	Adjustment	As restated
Statement of operations data:						
Revenue	\$ 1,395,136	\$ (4,625)	\$ 1,390,511	\$ 1,332,568	\$ (3,795)	\$ 1,328,773
Net earnings (loss)	\$ 70,740	\$ (2,867)	\$ 67,873	\$ 64,128	\$ (2,353)	\$ 61,775
Earnings (loss) per share:						
Basic	\$ 0.86	\$ (0.04)	\$ 0.82	\$ 0.73	\$ (0.02)	\$ 0.71
Diluted	\$ 0.84	\$ (0.04)	\$ 0.80	\$ 0.71	\$ (0.03)	\$ 0.68
Cash dividend per common share						
	\$ 0.22	\$ -	\$ 0.22	\$ 0.20	\$ -	\$ 0.20
Balance sheet data:						
Current assets	\$ 412,876	\$ (31,830)	\$ 381,046	\$ 338,853	\$ (28,963)	\$ 309,890
Current liabilities	\$ 387,788	\$ -	\$ 387,788	\$ 379,990	\$ -	\$ 379,990
Total assets	\$ 1,655,904	\$ (31,830)	\$ 1,624,074	\$ 1,540,498	\$ (28,963)	\$ 1,511,535
Long-term debt, excluding current installments	\$ 648,879	\$ -	\$ 648,879	\$ 376,415	\$ -	\$ 376,415
Stockholders' equity	\$ 521,311	\$ (31,830)	\$ 489,481	\$ 706,177	\$ (28,963)	\$ 677,214

	Year ended March 31, 2005			Year ended March 31, 2004		
	As reported	Adjustment	As restated	As reported	Adjustment	As restated
Statement of operations data:						
Revenue	\$ 1,223,042	\$ (2,903)	\$ 1,220,139	\$ 1,010,822	\$ (1,508)	\$ 1,009,314
Net earnings (loss)	\$ 69,718	\$ (1,800)	\$ 67,918	\$ 58,344	\$ (935)	\$ 57,409
Earnings (loss) per share:						
Basic	\$ 0.80	\$ (0.02)	\$ 0.78	\$ 0.68	\$ (0.01)	\$ 0.67
Diluted	\$ 0.74	\$ (0.02)	\$ 0.72	\$ 0.64	\$ (0.01)	\$ 0.63
Cash dividend per common share						
	\$ 0.17	\$ -	\$ 0.17	\$ 0.04	\$ -	\$ 0.04
Balance sheet data:						
Current assets	\$ 333,632	\$ (26,610)	\$ 307,022	\$ 286,326	\$ (24,810)	\$ 261,516
Current liabilities	\$ 364,262	\$ -	\$ 364,262	\$ 296,103	\$ -	\$ 296,103
Total assets	\$ 1,399,879	\$ (26,610)	\$ 1,373,269	\$ 1,215,784	\$ (24,810)	\$ 1,190,974
Long-term debt, excluding current installments	\$ 141,704	\$ -	\$ 141,704	\$ 293,457	\$ -	\$ 293,457
Stockholders' equity	\$ 814,834	\$ (26,610)	\$ 788,224	\$ 587,216	\$ (24,810)	\$ 562,406

## Results of Operations

A summary of selected financial information for each of the years in the three-year period ended March 31, 2008 is presented below (dollars in millions, except per share amounts):

	2008	2007 (Restated)	2006 (Restated)	% Change 2008-2007	% Change 2007-2006
Revenue					
Services	\$ 1,049.7	\$ 1,056.5	\$ 1,008.8	(1)%	5%
Data	334.3	334.0	320.0	0	4
	<u>\$ 1,384.0</u>	<u>\$ 1,390.5</u>	<u>\$ 1,328.8</u>	<u>(1)%</u>	<u>5%</u>
Total operating costs and expenses	1,343.8	1,236.4	1,201.5	9	3
Income from operations	<u>\$ 40.2</u>	<u>\$ 154.1</u>	<u>\$ 127.3</u>	<u>(74)%</u>	<u>21%</u>
Diluted earnings (loss) per share	<u>\$ (0.10)</u>	<u>\$ 0.80</u>	<u>\$ 0.68</u>	<u>(113)%</u>	<u>18%</u>

### Revenues

For the fiscal year ended March 31, 2008, the Company's revenue was \$1,384.0 million, compared to revenue of \$1,390.5 million in fiscal 2007, reflecting a decrease of \$6.4 million or 0.5%. Services revenue decreased \$6.8 million or 0.6% and data revenue remained relatively flat. International services increased approximately \$14.6 million, of which \$6.9 million was due to favorable exchange rate variances in Europe and Australia, while US services declined \$21.3 million. Excluding acquisitions, US services revenue declined \$25.8 million or approximately 2.7%. The decline was driven primarily by declines of \$32.6 million in IT services of which \$34.5 million was due primarily to contractual changes with one large IT services customer. The contractual changes primarily relate to the procurement of hardware and software. Accounting under the new contract is to recognize the transaction net in cost of services rather than gross which was the appropriate accounting treatment under the previous contract. Traditional service lines experienced declines of \$10.4 million due to reductions in processing volumes in many financial services clients which the Company believes is driven by economic pressures in those industries and some contract losses. The Company believes the economic pressures in the financial services industry may continue in the near term. These declines were offset by increases in digital services of \$10.5 million and in risk services of \$6.0 million, both primarily due to volume changes driven by clients' increasing demand for these services. In the aggregate, data revenue in fiscal 2008 was basically flat. Increases in US data revenue of \$4.4 million were driven by increases in pass-through data revenue of \$3.3 million. These increases were offset by decreases of \$4.1 million in data revenue from the Company's international operations. These decreases were primarily due to a reduction of \$6.0 million related to the sale of the French GIS business; \$2.1 million due to the impact of closing down operations in Spain and \$4.8 million due to lower marketing list volumes in Germany, which were offset by increases in exchange rates of \$9.4 million.

For the fiscal year ended March 31, 2007, the Company's revenue was \$1,390.5 million, compared to revenue of \$1,328.8 million in fiscal 2006, reflecting an increase of \$61.7 million or 4.6%. Services revenue increased \$47.7 million or 4.7% and data revenue increased \$14.0 million or 4.4%. The increase in services revenue is attributable in part to the acquisition of Digital Impact, Inc. ("DI") in 2006 which added \$12.5 million, the acquisition of InsightAmerica, Inc. ("IA") in 2006 which added \$9.2 million, and the acquisition of Equitec in 2007 which added \$2.0 million. The remaining contributor was growth in revenues from clients operating in the automotive, retail, and background screening industries, primarily due to volume increases driven by clients' increasing demand for these services. The increase in data revenue is primarily attributable to growth in European operations of \$8.1 million, of which 86% was driven by changes in currency conversion rates and volume-related increases in domestic revenues from publishing and banking clients of \$4.1 million.

The Company reports segment information consistent with the way management internally disaggregates its operations to assess performance and to allocate resources. In fiscal 2008, as a result of a management reorganization, which is line-of-business oriented, rather than geographic, the Company realigned its business segments to better reflect the way management assesses the business. The Company's new business segments consist of information services, information products and infrastructure management. Information services develops, sells and delivers industry-tailored solutions globally through the integration of products, services and consulting. Information products develops and sells all global data products as well as domestic fraud and risk mitigation products. Infrastructure management develops and delivers information technology products and services such as IT outsourcing and transformational solutions. The Company evaluates performance of the segments based on segment operating income, which excludes asset impairments and gains, losses and other items. The following table shows the Company's revenue by business segment for each of the periods reported (dollars in millions). The Company has revised its segment information from fiscal 2006 and 2007 to reflect its realigned business segments.

	2008	2007 (Restated)	2006 (Restated)	% Change 2008-2007	% Change 2007-2006
Information services	\$ 741,259	\$ 728,014	\$ 697,146	2%	4%
Information products	431,316	415,417	385,443	4%	8
Infrastructure management	447,488	476,333	474,336	(6)%	0
Eliminations	(235,984)	(229,253)	(228,152)	3%	1
Total Revenue	<u>\$ 1,384,079</u>	<u>\$ 1,390,511</u>	<u>\$ 1,328,773</u>	<u>(1)%</u>	<u>5%</u>

For the year ended March 31, 2008 Information services revenue increased \$13.2 million, or 1.8%, to \$741.3 million over fiscal 2007. The favorable results are due to revenue growth in the multi-industry client services and digital units, offset by declines in the financial services unit for the same reasons as described above. The segment also benefited from favorable foreign currency exchange rates. Information services revenue increased \$30.9 million, or 4.4% to \$728.0 million in fiscal 2007 compared to fiscal 2006. As noted above, acquisitions of DI and Equitec added \$14.5 million.

For the year ended March 31, 2008, Information products revenue increased 3.8% to \$431.3 million. Growth is primarily attributable to the risk line of business. Information products revenue increased \$30.0 million, or 7.8% to \$415.4 million in fiscal 2007 compared to fiscal 2006. The risk line of business increased \$15.0 million, international revenue increased \$8.1 million and Infobase increased \$5.5 million, with the remainder due to volume-related increases in multi-industry client services.

For the year ended March 31, 2008, Infrastructure management revenue decreased 6.1% to \$447.5 million. The decrease is due to contract reductions with a large client. Infrastructure management revenue increased \$2.0 million, or 0.4% to \$476.3 million in fiscal 2007 compared to fiscal 2006.

For the fiscal year ended March 31, 2008, approximately 74% of the Company's consolidated revenue was from clients who have long-term contracts (defined as contracts with initial terms of two years or more) with the Company. These revenues include all revenue from clients for which there is a long-term contract that covers some portion of that client's revenue. However, this does not mean that revenue from such contracts is necessarily fixed or guaranteed, as portions of revenue from clients who have long-term contracts, as well as substantially all of the revenue from clients which are not under long-term contract, is variable or project-related.

#### *Operating Costs and Expenses*

The following table presents the Company's operating costs and expenses for each of the years in the three-year period ended March 31, 2008 (dollars in millions):

	2008	2007	2006	% Change 2008-2007	% Change 2007-2006
Cost of revenue					
Services	\$ 858.1	\$ 807.0	\$ 778.5	6%	4%
Data	229.6	206.6	202.0	11	2
Total cost of revenue	1,087.7	1,013.6	980.5	7	3
Selling, general and administrative	219.7	213.8	211.5	3	1
Gains, losses and other items, net	36.4	8.9	9.5	309	(6)
Total operating costs and expenses	<u>\$ 1,343.8</u>	<u>\$ 1,236.3</u>	<u>\$ 1,201.5</u>	<u>9%</u>	<u>3%</u>

The following table presents the Company's operating costs and expenses in natural expense categories for each of the years in the three-year period ended March 31, 2008 (dollars in millions):

	2008	2007	2006	% Change 2008-2007	% Change 2007-2006
Salaries and benefits	\$ 604.3	\$ 570.0	\$ 503.1	6%	13%
Computer, communications and other equipment	314.9	290.3	299.2	8	(3)
Data costs	176.7	173.9	179.1	2	(3)
Other operating costs and expenses	211.5	193.2	210.6	9	(8)
Gains, losses and other items, net	36.4	8.9	9.5	309	(6)
Total operating costs and expenses	<u>\$ 1,343.8</u>	<u>\$ 1,236.3</u>	<u>\$ 1,201.5</u>	<u>9%</u>	<u>3%</u>

#### Gross Profit

The following table presents the Company's gross profit for each of the years in the three-year period ended March 31, 2008 (dollars in millions):

	2008	2007 (Restated)	2006 (Restated)	% Change 2008-2007	% Change 2007-2006
<b>Services</b>					
Revenue	\$ 1,049.7	\$ 1,056.5	\$ 1,008.8	(1)%	5%
Cost of revenue	858.1	807.0	778.5	6	4
Gross profit	<u>\$ 191.6</u>	<u>\$ 249.5</u>	<u>\$ 230.3</u>	<u>(24)%</u>	<u>9%</u>
Gross profit % of services revenue	18.3%	23.6%	22.8%		
<b>Data</b>					
Revenue	\$ 334.3	\$ 334.0	\$ 320.0	0%	4%
Cost of revenue	229.6	206.6	202.0	11	2
Gross profit	<u>\$ 104.7</u>	<u>\$ 127.4</u>	<u>\$ 118.0</u>	<u>18%</u>	<u>8%</u>
Gross profit % of data revenue	31.3%	38.1%	36.9%		
<b>Consolidated</b>					
Revenue	\$ 1,384.0	\$ 1,390.5	\$ 1,328.8	(1)%	5%
Cost of revenue	1,087.7	1,013.6	980.5	7	3
Gross profit	<u>\$ 296.3</u>	<u>\$ 376.9</u>	<u>\$ 348.3</u>	<u>(22)%</u>	<u>8%</u>
Gross profit % of consolidated revenue	21.4%	27.1%	26.2%		

Gross profit margins for services were 18.3% in fiscal 2008 compared to 23.6% in fiscal 2007 and 22.8% in fiscal 2006. Gross profit declines are due primarily to restructuring contracts for three major IT services clients, which resulted in a \$43.6 million increase in cost of services revenue. The remainder of the decline is due to headcount growth in the digital, risk and consulting operations.

The gross profit margins for data were 31.3% in fiscal 2008 compared to 38.1% in fiscal 2007 and 36.9% for fiscal 2006. This margin decline can be attributed to increases in the costs of building and delivering the Company's data products.

The consolidated gross profit margin for fiscal 2008 was 21.4%, which compares to 27.1% for fiscal 2007 and 26.2% for fiscal 2006.

The cost of services for fiscal 2008 of \$858.1 million increased \$51.1 million or 6% from fiscal 2007. The increase is due primarily to restructuring contracts for three major IT services clients, which resulted in a \$43.6 million increase in cost of services revenue. The remainder of the increase is due to headcount growth, as discussed above.

The cost of services for fiscal 2007 of \$807.0 million increased \$28.5 million or 4% from fiscal 2006. The increase in cost of services is primarily attributable to acquisitions of DI, IA, and Equitec, which contributed \$8.2 million, \$6.9 million and \$1.3 million, respectively. The remaining increase is due to growth in service revenue.

Cost of data includes acquired data, data royalties, compilation costs and the costs of building and delivering the Company's various data products. The cost of data for fiscal 2008 of \$229.6 million increased \$23.0 million or 11% from 2007. The increase can be attributed to increases in the costs of building and delivering data products.

Selling, general and administrative expenses for fiscal 2008 of \$219.7 million increased \$5.9 million or 2.7% from fiscal 2007. As a percent of revenue, these costs were 15.9% compared to 15.4% a year ago. The increase in fiscal 2008 was primarily attributable to acquisitions (\$3.1 million) and restricted stock grants (\$3.6 million). These were offset by lower corporate bonuses. Selling, general and administrative expenses for fiscal 2007 of \$213.8 million increased \$2.3 million or 1.0% from fiscal 2006. The increase in fiscal 2007 was primarily attributable to acquisitions. Selling, general and administrative expense as a percent of total revenue was 15.4% in 2007 compared to 15.9% in fiscal 2006.

Gains, losses and other items for each of the years presented are as follows (dollars in thousands):

	2008	2007	2006
Terminated merger expense	\$ 17,689	\$ -	\$ -
Merger termination fee	(65,000)	-	-
Retirement payment	3,000	-	-
Gain on disposition of operations in France (note 4)	(3,157)	-	-
Spain operation closure	(1,622)	6,622	-
Loss on divestitures	-	-	1,326
Leased airplane disposals	6,445	-	(1,548)
Gain on sale of building	-	-	(2,787)
Legal contingency (note 11)	4,000	-	-
Restructuring plan charges and adjustments	75,147	2,500	12,965
Other	(150)	(225)	(452)
	<u>\$ 36,352</u>	<u>\$ 8,897</u>	<u>\$ 9,504</u>

In fiscal 2008, the Company recorded a total of \$75.1 million in restructuring charges and adjustments included in gains, losses and other items in the consolidated statement of operations. The expense includes severance and other associate-related payments of \$19.3 million, lease accruals of \$19.0 million, contract accruals of \$6.7 million, asset disposal and write-offs of \$29.6 million, and other related costs of \$0.5 million.

In March 2007, the Company recorded \$2.5 million in restructuring included in gains, losses and other items in the consolidated statement of operations. The charges include \$1.5 million in severance for payments to approximately 105 associates who were notified in March 2007 that they were to be involuntarily terminated; \$0.3 million in fees paid to terminate contractors; and \$0.7 million for contract termination fees paid to a former senior executive who terminated employment in February 2007.

In fiscal 2006 the Company recorded a total of \$13.0 million in restructuring and other impairment charges (see note 2 to the consolidated financial statements). The charges included \$6.8 million in severance and other associate-related reserves for payments to be made to involuntarily terminated associates; \$3.7 million in lease termination costs or costs to be incurred after exiting certain leased facilities; and \$2.5 million in other costs including the write-off of certain non-productive assets and other contract termination costs. The bulk of the severance and associate-related costs were paid by the end of the fiscal year. The remaining accrued costs are expected to be paid out over the terms of the related leases or contracts, of which the longest runs through fiscal 2012.

On May 16, 2007, the Company announced it had entered into an agreement to be acquired by Silver Lake and ValueAct Capital, at a price of \$27.10 per share plus the assumption of outstanding debt. On October 1, 2007, the Company announced that this transaction had been terminated. For fiscal 2008, the Company incurred transaction related expenses of \$17.7 million. Per the terms of the merger termination agreement, which was signed October 1, 2007, Silver Lake and ValueAct were required to pay the Company a settlement fee of \$65 million. This settlement fee was received on October 10, 2007.

In November 2007, the Company entered into a transition agreement with its Chief Executive Officer under which he retired, and agreed to continue to serve on an interim basis until the selection of a successor by the board. Under the agreement, the Company paid \$3.0 million. Subsequent to the selection of a successor, the Company will also pay the retiring officer \$0.5 million per year for consulting services for approximately three years. The successor officer was hired, effective February 4, 2008. The Company has accrued the present value of the remaining payments under this contract as of March 31, 2008 because management does not intend to use the consulting services after March 31, 2008. The expense for this agreement is included in the associate-related accruals of \$19.3 million referred to above.

On December 7, 2007, the Company entered into an agreement with Pitney Bowes Software to sell the Company's GIS operations in France. The operation was not considered to be aligned with the Company's ongoing business strategy. The Company received \$14.2 million for the sale and recorded a gain in the statement of operations of \$3.2 million. The gain was net of \$6.7 million in goodwill which was allocated to the disposed operations from the goodwill of the Information Products segment based on the relative fair value of the disposed operations to the international component of the Information Products segment. Also, included in the gain calculation was a \$1.3 million accrual for exit activities. As of March 31, 2008, \$1.1 million remained accrued in other accrued liabilities. The ultimate gain on the disposal is subject to adjustment once the parties complete an agreement as to the final working capital. The gain recorded is net of an estimated \$0.9 million adjustment to the final working capital. The final agreement on working capital is expected to occur in fiscal 2009. The annual revenue associated with the GIS operations was approximately \$14 million.

In fiscal 2007, the Company announced plans to shut down its operations in Spain as a result of underperformance. Upon the completion of this closure, the Company recorded \$6.6 million in write-offs and exit costs, including \$0.7 million in severance costs, \$3.9 million in accruals for contingent liabilities related to governmental data protection claims, and \$2.0 million in asset write-offs and other accruals (see note 4 to the consolidated financial statements). During the quarter ended March 31, 2008, the Company reversed \$2.4 million of the remaining accrual offset by \$0.8 million in expense due to currency translation expenses, leaving \$1.0 million accrued at the end of fiscal 2008 which is expected to be paid out in fiscal 2009.

During the quarter ended September 30, 2007, the Company entered into an agreement to dispose of a leased aircraft. Under the terms of the lease, the Company was required to make a termination payment to the lessor and the lessor sold the asset and paid the proceeds to the Company. The Company has recorded \$2.5 million expense in gains, losses and other items, for the net payment to terminate the lease and dispose of the asset.

During the quarter ended March 31, 2008, the Company entered into an agreement to dispose of another leased aircraft. Under the terms of the lease, the Company is required to make a termination payment to the lessor and the lessor will sell the aircraft and pay the proceeds to the Company. The Company has recorded \$3.9 million expense in gains, losses and other items, for the estimated net payment to terminate the lease and dispose of the asset.

During fiscal 2006 the Company disposed of another leased aircraft. Under the terms of the lease, the Company was entitled to the proceeds of the sale, less the termination value of the lease. The Company recorded a \$1.5 million gain in gains, losses and other items for the net proceeds received. In addition in fiscal 2006, the Company sold an unused facility for cash proceeds of \$3.6 million and recorded a gain of \$2.8 million.

In fiscal 2006 the Company sold its lettershop operations in Melville, New York and its real property data compilation business recording net losses on these sales of \$0.3 million and \$1.9 million, respectively. In fiscal 2006 the Company also sold a subsidiary in Spain that had no remaining operations but had available tax loss carryforwards which could be used by the buyer. The sale generated proceeds of \$1.2 million and a gain on disposal included in gains, losses and other items of \$0.8 million.

In fiscal 2008 the Company accrued \$4.0 million for the estimated settlement cost on an ongoing lawsuit (see note 11 to the consolidated financial statements).

The following table shows the balances that were accrued for the restructuring plans, as well as the changes in those balances during the years ended March 31, 2006, 2007 and 2008 (dollars in thousands):

	Associate-related reserves	Ongoing contract costs	Other accruals	Total
Fiscal year 2006 restructuring plan amount	6,800	3,687	2,478	12,965
Payments	(5,593)	(1,944)	(2,219)	(9,756)
March 31, 2006	1,207	1,743	259	3,209
Fiscal year 2007 restructuring plan amount	2,500	-	-	2,500
Payments	(1,414)	(232)	(115)	(1,761)
March 31, 2007	\$ 2,293	\$ 1,511	\$ 144	\$ 3,948
Fiscal year 2008 restructuring plan amount	17,850	26,509	570	44,929
Adjustments	157	(749)	(112)	(704)
Payments	(6,652)	(391)	(245)	(7,288)
March 31, 2008	\$ 13,648	\$ 26,880	\$ 357	\$ 40,885

The following table shows the balances that were accrued for the Spain closure as well as the changes in those balances during the years ended March 31, 2006, 2007 and 2008 (dollars in thousands):

	Associate-related reserves	Ongoing contract costs	Other accruals	Total
Fiscal 2007 charges	\$ 656	\$ 113	\$ 4,789	\$ 5,558
Payments	(378)	(20)	(200)	(598)
March 31, 2007	\$ 278	\$ 93	\$ 4,589	\$ 4,960
Adjustments	(5)	-	(2,304)	(2,309)
Payments	(292)	(95)	(1,971)	(2,358)
Change in foreign currency translation adjustment	19	2	651	672
March 31, 2008	\$ -	\$ -	\$ 965	\$ 965

#### *Operating Margins*

Fiscal 2008 operating margins were 2.9% compared to 11.1% for fiscal 2007 and 9.6% for fiscal 2006. The 2008 margins were negatively impacted by restructuring charges noted above as well as impairment of three major contracts in IT services. The 2007 and 2006 operating margins were also negatively impacted by the restructuring charges noted above.

#### *Other Income (Expense), Income Taxes and Other Items*

Interest expense for fiscal years 2008 and 2007 increased \$4.6 million and \$17.9 million or 9.9 % and 62.2%, respectively, due primarily to the new term loan borrowing of \$600 million under the amended and restated credit agreement which closed September 15, 2006 (see note 9 to the consolidated financial statements). The Company's weighted-average interest rate on long-term debt was 5.8% and 6.8% at March 31, 2008 and March 31, 2007, respectively.

Other net decreased \$4.7 million in fiscal 2008 from fiscal 2007. The decline is primarily due to the write off of an investment that was determined to be unrecoverable during the period, resulting in a loss of \$2.7 million. Other net also includes interest income on notes receivable, invested cash balances and tax refunds of \$3.2 million, \$3.6 million and \$1.5 million in fiscal 2008, 2007 and 2006 respectively. Other net in fiscal 2007 included a gain of \$1.6 million from the sale of an investment.

The Company's effective tax rate was 20.3% in fiscal 2008 compared to 40.2% in fiscal 2007 and 38.6% in fiscal 2006. The current year rate was impacted by the foreign losses for which no tax benefit is available and the expiration of state net operating loss carryforwards due to the losses generated by the unusual charges. These items were offset by a \$0.7 million reversal of the reserve for potential penalties due to failure to file foreign information returns. The Company received notice that such penalties would not be incurred. Additionally, the current year included adjustments related to the finalization of the fiscal 2007 and fiscal 2006 amended tax returns for both the US and International operations, as well as finalization of US tax audits from fiscal 2003-2005.

The rate for fiscal 2007 was impacted by losses in Spain for which there was no tax benefit, and adjustment of reserves related to the research tax credit. Together these two items increased tax expense by approximately \$3.8 million. The effective rate for 2006 reflects certain costs incurred related to the Company's defense against ValueAct's attempted takeover, which were determined to be non-deductible for federal income tax purposes and therefore were accounted for as non-deductible expense.

## Capital Resources and Liquidity

### *Working Capital and Cash Flow*

Working capital at March 31, 2008 totaled \$45.4 million compared to negative \$6.7 million at March 31, 2007. Total current assets increased \$4.0 million, including a \$24.9 million increase in cash offset by an \$18.0 million decrease in accounts receivable, and current liabilities decreased \$48.2 million. Cash provided by operating activities was \$267.8 million compared to \$218.4 million in fiscal 2007 and \$232.3 million in fiscal 2006. Operating cash flow in fiscal 2006 included the income tax benefit of the exercise of stock options and warrants. This benefit is now required to be reported as a financing activity under SFAS 123R. The amount included in operating cash flow for fiscal 2006 was \$19.1 million.

Investing activities used \$80.5 million in fiscal 2008 compared to \$87.1 million in fiscal 2007 and \$166.6 million in fiscal 2006. Investing activities in fiscal 2008 included capitalized software development costs of \$33.3 million as compared to \$27.4 million in fiscal 2007 and \$21.9 million in fiscal 2006. Capital expenditures were \$21.6 million in 2008 compared to \$14.2 million in fiscal 2007 and \$6.8 million in fiscal 2006. Data acquisition costs were \$32.2 million in 2008 compared to \$25.1 million in fiscal 2007 and \$26.9 million in fiscal 2006.

Total spending on capitalized software development, as discussed above, and research and development expense was \$53.1 million in fiscal 2008, \$46.5 million in fiscal 2007 and \$37.5 million in fiscal 2006. Research and development expense, charged to cost of revenue, was \$19.8 million in fiscal 2008, \$19.1 million in fiscal 2007 and \$15.6 million in fiscal 2006.

Investing activities also reflect net cash paid for acquisitions of \$11.2 million in fiscal 2008 compared to \$33.1 million in fiscal 2007 and \$144.6 million in fiscal 2006. Fiscal 2008 included cash paid for the acquisition of EchoTarget for \$2.1 million and MKTG for \$3.7 million. Fiscal 2007 included cash paid for the acquisition of Equitec for \$14.4 million, Harbinger for \$9.4 million, and Kefta for \$8.9 million. Fiscal 2006 included \$106.9 million paid for the acquisition of DI and \$37.0 million paid for the acquisition of IA. The remainder of the cash paid for acquisitions each year relates to fees and earnout payments paid on acquisitions made in a prior year and purchases of minority interests on prior acquisitions.

In fiscal 2007 the Company received \$10 million and in fiscal 2006 the Company received \$20.0 million for the sale and license of software to EMC Corporation ("EMC"). The Company expects to receive an additional \$2.0 million during fiscal 2009 (see note 7 to the consolidated financial statements for more information).

In fiscal 2008 the Company received \$14.2 million for the sale of its GIS operations in France (see note 4 to the consolidated financial statements). Fiscal 2006 investing activities also include \$5.1 million related to sales of assets including \$3.6 million from the sale of an unused facility. Payments received on investments of \$3.6 million in 2008, \$2.8 million in 2007, and \$3.8 million in 2006 include sales or collections on a number of investments.

With respect to certain of its investments in joint ventures and other companies, the Company may provide cash advances to fund losses and cash flow deficits. The Company may, at its discretion, decide not to provide financing to these investments during future periods. In the event that it does not provide funding and these investments have not achieved profitable operations, the Company may be required to record an impairment charge up to the amount of the carrying value of these investments (\$1.5 million at March 31, 2008). In fiscal 2008, the Company determined that one of its investments was impaired and wrote off its value of \$2.7 million to other, net. In the event that declines in the value of its investments occur and continue, the Company may be required to record further impairment charges related to its investments.

On October 26, 2007, the board of directors adopted a new common stock repurchase program, which ended the previous common stock repurchase program. This program was further modified on February 13, 2008. Under the new common stock repurchase program, the Company may purchase up to \$100 million worth of its common stock over the twelve months ending October 25, 2008. From its inception on October 26, 2007 through March 31, 2008, the Company had repurchased 4.2 million shares of its stock for \$50.6 million. On November 14, 2007 the Company announced a previous stock repurchase program. From that date until October 26, 2007, the Company repurchased, excluding shares purchased under a Dutch-auction, self-tender, 21.8 million shares of its common stock for an aggregate purchase price of \$404.0 million (average price of \$18.51 per share) under this repurchase program. The Company repurchased 0.6 million shares at an average \$24.04 per share for an aggregate \$13.9 million in 2007 and 12.1 million shares for an aggregate price of \$231.5 million in fiscal 2006. Cash paid for repurchases was \$50.6 million, \$299.3 million and \$233.8 million in fiscal 2008, 2007 and 2006, respectively.

Financing activities in fiscal 2008 used \$163.1 million including \$158.7 million in debt payments, dividends paid of \$9.5 million and stock repurchases of \$50.6 million offset by \$47.9 million in sales of stock. Financing activities in fiscal 2007 used \$101.8 million including \$178.1 million in net proceeds from debt and \$33.5 million in sales of stock, offset by dividends paid of \$18.2 million and stock repurchases of \$299.3 million. Also included in financing activities in fiscal 2008 and 2007 was the tax benefit from stock options, warrants and restricted stock of \$5.5 million and \$4.1 million, respectively. Previously this amount was reported in operating activities but is now required to be reported in financing under SFAS 123R. Financing activities in fiscal 2006 used \$61.8 million including \$130.8 million in net proceeds from debt and \$58.6 million in sales of stock, offset by dividends paid of \$17.4 million and stock repurchases of \$233.8 million as discussed above.

In each of the fiscal years 2008, 2007 and 2006, the Company has incurred debt to finance the acquisition of data, software licenses, property and equipment, acquisitions and construction. The incurrence of this debt appears on the Consolidated Statements of Cash Flows under "supplemental cash flow information." Acquisitions under capital leases and installment payment arrangements were \$24.8 million in 2008 compared to \$58.9 million in 2007 and \$85.3 million in 2006, and construction and other financing was \$11.0 million in 2008 compared to \$18.4 million in 2007 and was \$10.8 million in 2006. Assets acquired under a data obligation were \$15.3 million in 2008. Software licenses acquired under software obligations were \$0.5 million in 2008, \$23.6 million in 2007 and \$15.0 million in 2006. Payment of this debt in future periods will be reflected as a financing activity. The Company has also included details of its debt payments within the "supplemental cash flow" information.

#### *Credit and Debt Facilities*

Effective September 15, 2006, the Company entered into an amended and restated credit agreement allowing (1) term loans up to an aggregate principal amount of \$600 million and (2) revolving credit facility borrowings consisting of revolving loans, letter of credit participations and swing-line loans to an aggregate amount of \$200 million. On September 15, 2006, the Company borrowed the entire amount of the term loan. The term loan is payable in quarterly principal installments of \$1.5 million through September 2011, followed by quarterly principal installments of \$150.0 million through June 2012, followed by a final installment of \$40 million due September 15, 2012 (see note 9 to the consolidated financial statements). The term loan also allows prepayments before maturity. Revolving loan commitments and all borrowings of revolving loans mature on September 15, 2011. The credit agreement is secured by the accounts receivable of Acxiom and its domestic subsidiaries, as well as by the outstanding stock of certain Acxiom subsidiaries. At March 31, 2008 there were no revolving credit borrowings outstanding and the Company had \$200 million available under the credit agreement. Borrowings under the revolving credit agreement bear interest at LIBOR plus 1.5%, an alternative base rate, or at the federal funds rate plus 2.25%.

#### *Funded Software Arrangement*

On December 29, 2005, the Company entered into a definitive Asset Purchase and License Agreement (the "Agreement") with EMC Corporation ("EMC"). The Agreement provided, among other things, for the purchase by EMC of the Company's information grid operating system software (the "Base Technology") and for the grant of a perpetual license from EMC to the Company of the Base Technology and further developments for the Company's continued use in connection with its business. The Company also licensed other ancillary related technology to EMC.

Under the terms of the Agreement, the parties worked together to further develop the Base Technology. EMC paid the Company \$20 million in fiscal year 2006 and \$10 million in fiscal 2007. The Agreement also gave EMC the option during a two-year option period to acquire the Acxiom division responsible for the further development of the technology, upon payment of an option price specified in the Agreement. EMC did not exercise the option and the parties have entered into an amendment under which EMC will pay the Company \$2.0 million in cash during the first quarter of fiscal 2009, as well as providing future discounts for the purchase of equipment from EMC over the next four years. EMC is also to purchase at least \$0.5 million in services from the Company over the next two years. The Agreement also requires the parties to refer business opportunities to each other whenever possible.

Payments received by Acxiom from EMC under the Agreement have offset previously capitalized software balances associated with development of the sold and licensed technology and additional amounts capitalized to further develop the technology. These payments have no effect on revenue, earnings, or operating cash flow. The reduction in the capitalized balance will reduce future amortization expense. The cash to be received from EMC under the amended agreement will be accounted for in the same way.

#### *Off-Balance Sheet Items and Commitments*

The Company has entered into synthetic operating lease facilities for computer equipment, furniture and aircraft ("Leased Assets"). These synthetic operating lease facilities are accounted for as operating leases under GAAP and are treated as capital leases for income tax reporting purposes. Lease terms under the computer equipment and furniture facility range from two to six years, with the Company having the option at expiration of the initial term to return, or purchase at a fixed price, or extend or renew the term of the leased equipment. The synthetic lease term for an aircraft expires in January 2011, with the Company having the option at the expiration to either purchase the aircraft at a fixed price, enter into a lease for an additional twelve-month period (with a nominal purchase price paid at the expiration of the renewal period), or return the aircraft in the condition and manner required by the lease. In the event the Company elects to return the Leased Assets, the Company has guaranteed a portion of the residual value to the lessors. Assuming the Company elects to return the Leased Assets to the lessors at its earliest opportunity under the synthetic lease arrangements and assuming the Leased Assets have no significant residual value to the lessors, the maximum potential amount of future payments the Company could be required to make under these residual value guarantees was \$12.9 million at March 31, 2008. Since the inception of the facility, the total amount drawn under these synthetic operating lease facilities was \$255.7 million, and as of March 31, 2008 the Company has a future commitment for lease payments of \$24.6 million over the next ten years.

Subsequent to March 31, 2008, the Company terminated the lease for the above aircraft which was then sold by the lessor. Under the terms of the lease, the Company was required to pay the termination value of the lease, less the proceeds of the aircraft sale. As a result, the Company accrued a loss of \$3.9 million included in gains, losses and other items in fiscal 2008. The cash payment will occur in the first quarter of fiscal 2009.

In connection with certain of the Company's facilities, the Company has entered into 50/50 joint ventures with local real estate developers. In each case, the Company is guaranteeing portions of the loans for the buildings. In addition, in connection with the disposal of certain assets, the Company has guaranteed loans for the buyers of the assets. Substantially all of the third party indebtedness for which the Company has provided guarantees is collateralized by various pieces of real property. The aggregate amount of the guarantees at March 31, 2008 was \$4.8 million.

Outstanding letters of credit, which reduce the borrowing capacity under the Company's revolving credit facility, were \$7.2 million at March 31, 2008 and \$10.2 million at March 31, 2007.

Effective February 4, 2008, John A. Meyer has become the Chief Executive Officer and President of the Company, pursuant to an employment agreement entered into between the Company and Mr. Meyer dated January 14, 2008.

Pursuant to the employment agreement, Mr. Meyer will serve as Chief Executive Officer and President of the Company until May 16, 2011, with the term renewable by the Company for one-year terms following the expiration of the initial term. Mr. Meyer will receive an initial base salary of \$0.7 million per annum and will be eligible to receive a target cash bonus in an amount equal to 100% of his base salary and a maximum cash bonus of up to 200% of his base salary during each contract year, as determined pursuant to predetermined performance targets to be established by the independent members of the Company's board of directors or the compensation committee of the board.

As an inducement to enter into the employment agreement and to replace benefits lost by Mr. Meyer in connection with his job change, Mr. Meyer received a \$0.7 million cash signing payment.

Under the employment agreement, Mr. Meyer has been granted nonqualified stock options for 465,000 shares of the Company's common stock and restricted stock units for 115,000 shares of the Company's common stock. Additionally, during fiscal 2009, Mr. Meyer will receive performance share units in respect of 195,000 shares of the Company's common stock, which units will vest subject to the terms and conditions of the awards based on one or more performance periods ending March 31, 2011.

*Contractual Commitments*

The following table presents Acxiom's contractual cash obligations, exclusive of interest, and purchase commitments at March 31, 2008 (dollars in thousands):

	For the years ending March 31						
	2009	2010	2011	2012	2013	Thereafter	Total
Capital lease and installment payment obligations	\$ 37,809	\$ 21,300	\$ 5,714	\$ 900	\$ 548	\$ 10,327	\$ 76,598
Software and data license liabilities	22,984	5,542	90	-	-	-	28,616
Warrant liability	-	-	-	-	-	1,542	1,542
Term Loan	6,000	6,000	6,000	303,000	190,000	-	511,000
Other long-term debt	2,466	2,064	13,208	1,449	2,405	5,219	26,811
Total long-term obligations	69,259	34,906	25,012	305,349	192,953	17,088	644,567
Synthetic aircraft leases	1,219	1,219	1,219	1,219	1,219	5,689	11,784
Synthetic equipment and furniture leases	8,837	3,849	125	-	-	-	12,811
Total synthetic operating leases	10,056	5,068	1,344	1,219	1,219	5,689	24,595
Equipment operating leases	2,415	898	435	80	-	-	3,828
Building operating leases	20,404	17,353	13,505	11,785	9,666	41,209	113,922
Partnerships building leases	2,155	1,645	1,599	1,599	1,599	1,732	10,329
Related party aircraft lease	75	-	-	-	-	-	75
Total operating lease payments	35,105	24,964	16,883	14,683	12,484	48,630	152,749
Operating software license obligations	4,789	5,191	1,674	1,674	837	-	14,165
Total operating lease and software license obligations	39,894	30,155	18,557	16,357	13,321	48,630	166,914
Total contractual cash obligations	<u>\$ 109,153</u>	<u>\$ 65,061</u>	<u>\$ 43,569</u>	<u>\$ 321,706</u>	<u>\$ 206,274</u>	<u>\$ 65,718</u>	<u>\$ 811,481</u>

	For the years ending March 31						
	2009	2010	2011	2012	2013	Thereafter	Total
Purchase commitments on synthetic aircraft leases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,251	\$ 2,251
Purchase commitments on synthetic equipment and furniture leases	3,070	7,178	377	-	-	-	10,625
Other purchase commitments	37,566	15,342	12,030	11,164	9,157	21,197	106,456
Total purchase commitments	<u>\$ 40,636</u>	<u>\$ 22,520</u>	<u>\$ 12,407</u>	<u>\$ 11,164</u>	<u>\$ 9,157</u>	<u>\$ 23,448</u>	<u>\$ 119,332</u>

The purchase commitments on the synthetic equipment, furniture and aircraft leases assume the leases terminate and are not renewed, and the Company elects to purchase the assets. The other purchase commitments include contractual commitments for the purchase of data and open purchase orders for equipment, paper, office supplies, construction and other items. Other purchase commitments in some cases will be satisfied by entering into future operating leases, capital leases, or other financing arrangements, rather than payment of cash. The above commitments relating to long-term obligations do not include future payments of interest. The Company estimates interest payments on debt and capital leases for fiscal 2009 of \$41.4 million.

The following table shows contingencies or guarantees under which the Company could be required, in certain circumstances, to make cash payments as of March 31, 2008 (dollars in thousands):

Residual value guarantee on the synthetic computer equipment and furniture lease	\$	10,626
Guarantees on certain partnership and other loans		4,808
Outstanding letters of credit		7,188

The total of loans “on certain partnerships and other loans,” of which the Company guarantees the portion noted in the above table, are \$11.8 million as of March 31, 2008.

While the Company does not have any other material contractual commitments for capital expenditures, certain levels of investments in facilities and computer equipment continue to be necessary to support the growth of the business. In some cases, the Company also sells software and hardware to clients. In addition, new outsourcing or facilities management contracts frequently require substantial up-front capital expenditures to acquire or replace existing assets. Management believes that the Company’s existing available debt and cash flow from operations will be sufficient to meet the Company’s working capital and capital expenditure requirements for the foreseeable future. The Company also evaluates acquisitions from time to time, which may require up-front payments of cash. Depending on the size of the acquisition it may be necessary to raise additional capital. If additional capital becomes necessary as a result of any material variance of operating results from projections or from potential future acquisitions, the Company would first use available borrowing capacity under its revolving credit agreement, followed by the issuance of debt or equity securities. However, no assurance can be given that the Company would be able to obtain funding through the issuance of debt or equity securities at terms favorable to the Company, or that such funding would be available.

#### *Acquisitions*

On November 9, 2007, the Company entered into an agreement with Automatic Research, Inc., to purchase certain assets collectively known as MKTG. MKTG was one of five operating subsidiaries of Automatic Research Inc. MKTG is a traditional direct marketing operation that provides its customers with data processing, list sales and list management services. The acquisition extends offerings to markets with favorable growth that were not currently serviced by the Company. The Company paid \$3.7 million for MKTG. There are no earnout arrangements or other contingencies related to this acquisition. The operations of MKTG are included in the consolidated results beginning November 9, 2007. The annual revenues of MKTG as of the date of acquisition are approximately \$7.4 million.

On August 28, 2007, the Company acquired EchoTarget, Inc., an on-line behavioral targeting and ad-serving company based in New York. The Company paid \$1.8 million net of cash acquired and executed a promissory note in the amount of \$0.3 million which was paid March 31, 2008. The operations of EchoTarget are included in the consolidated results beginning September 1, 2007. The annual revenues of EchoTarget as of the date of acquisition are less than \$0.5 million.

On March 27, 2007, the Company acquired Kefta, Inc. (“Kefta”), a leader in real-time, dynamic personalization solutions for the Internet that was based in San Francisco, California. The acquisition bolsters the Company’s ability to integrate one-to-one personalized communications across digital channels. The Company paid \$8.9 million, net of cash acquired, for Kefta not including amounts, if any, payable pursuant to the terms and conditions of two deferred payment agreements. The first is a deferred cash compensation agreement that requires the Company to pay up to \$1.5 million if three of Kefta’s key employees are retained by the Company for eight consecutive quarters following the acquisition. The second is an earnout agreement that allows for payment of up to \$1.5 million if the acquired business achieves certain revenue goals. During the fourth quarter of fiscal 2008 the Company paid \$0.8 million under the earnout agreement, which has been treated as additional purchase price. The Company has also amended the deferred compensation arrangement to require payment of an additional \$0.7 million through June 30, 2008. Payments under the original deferred compensation arrangement are treated partially as purchase price (57%) and partially as compensation expense (43%). Payments under the amended deferred compensation agreement are all treated as compensation expense. Kefta’s results of operations are included in the Company’s consolidated results beginning April 1, 2007. Kefta’s total annual revenue as of the date of acquisition is approximately \$2.7 million.

On March 15, 2007, the Company purchased Harbinger Associates, LLC and its wholly owned subsidiary Harbinger Technologies, Inc. (“Harbinger”) from ICx Technologies, Inc. The Company paid \$9.5 million net of cash acquired, and executed a promissory note for another \$1.3 million to acquire Harbinger, \$1.0 million of which was paid on March 15, 2008. The remaining \$0.3 million will be paid by March 15, 2009. Harbinger’s results of operations are included in the Company’s consolidated results beginning March 15, 2007. During the quarter ended March 31, 2008, the Company shut down the remaining operations of Harbinger and recorded a charge of \$9.5 million in gains, losses and other items.

On December 29, 2006, the Company completed the acquisition of certain assets of the Equitec division of The Henry Group, Ltd. (“Equitec”), a consulting and analytics company headquartered in Cleveland, Ohio. The Company paid approximately \$14.7 million in cash for Equitec, and issued shares of the Company’s common stock with an approximate value of \$3.6 million. The \$18.3 million purchase price paid for Equitec does not include amounts, if any, payable pursuant to the terms and conditions of an earnout agreement based on Equitec’s achievement of certain operating targets over the period ending March 31, 2009. Equitec’s results of operations are included in the Company’s consolidated results beginning January 1, 2007. Equitec’s annual revenue for the year prior to acquisition was approximately \$11.3 million. The Company has accrued through costs of operations \$1.5 million payable under the earnout agreement for 2008. The total remaining potentially payable for fiscal 2009 is \$5.0 million.

In August 2005, the Company completed the acquisition of InsightAmerica, Inc. (“IA”) a privately held company based in Broomfield, Colorado. IA specializes in fraud prevention and risk mitigation services. The Company paid approximately \$34.6 million in cash for IA, net of cash acquired, and not including amounts payable pursuant to the terms and conditions of an earnout agreement. The Company paid an additional \$2.4 million during the year ended March 31, 2006 relating to the earnout agreement and made a final earnout payment of \$1.0 million in fiscal 2008. IA’s results of operations are included in the Company’s consolidated results beginning August 1, 2005. IA’s total annual revenues at the date of acquisition were approximately \$18 million.

In May 2005, the Company completed the acquisition of Digital Impact, Inc. (“DI”). DI is a provider of integrated digital marketing solutions and is based in Foster City, California. Management believes DI provides the Company with new digital services capabilities that are complementary to the Company’s existing service offerings. The Company paid approximately \$106.8 million in cash for DI, net of cash acquired, and DI’s results of operations are included in the Company’s consolidated results beginning May 1, 2005. DI’s total annual revenues at the date of acquisition were approximately \$45 million.

See note 3 to the consolidated financial statements for more information about the Company’s acquisitions.

#### Seasonality and Inflation

Although the Company cannot accurately determine the amounts attributable to inflation, 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 traditional direct marketing operations experience their lowest revenue in the first quarter. In order to minimize the impact of these fluctuations, the Company continues to seek long-term strategic partnerships with more predictable revenues. Revenue from clients who have long-term contracts with the Company (defined as two years or longer), as a percentage of consolidated revenue, was approximately 74% in fiscal 2008 compared to 73% in fiscal 2007 and 71% in fiscal 2006.

#### Related Parties

In accordance with a data center management agreement dated July 27, 1992 between Acxiom and TransUnion, Acxiom (through its subsidiary, Acxiom CDC, Inc.) acquired all of TransUnion’s interest in its Chicago data center and agreed to provide TransUnion with various data center management services. In a 1992 letter agreement, Acxiom agreed to use its best efforts to cause one person designated by TransUnion to be elected to Acxiom’s board of directors. TransUnion designated its CEO and President, Harry C. Gambill, who was appointed to fill a vacancy on the board in November 1992 and was elected at the 1993 annual meeting of stockholders to serve a three-year term. He was elected to serve additional three-year terms at subsequent annual stockholders meetings. He resigned from the board effective February 28, 2006 at which time transactions with TransUnion were no longer considered related-party transactions. Acxiom recorded revenue from TransUnion of \$106.5 million in fiscal 2006.

### Non-U.S. Operations

The Company has a presence in the United Kingdom, France, the Netherlands, Germany, Portugal, Poland, Australia and China. Most of the Company's exposure to exchange rate fluctuation is due to translation gains and losses as there are no material transactions that cause exchange rate impact. In general, each of the foreign locations is expected to fund its own operations and cash flows, although funds may be loaned or invested from the U.S. to the foreign subsidiaries subject to limitations in the Company's revolving credit facility. 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 foreign financial statements into U.S. dollars are included in accumulated other comprehensive income (loss). Exchange rate movements of foreign currencies may have an impact on the Company's future costs or on future cash flows from foreign investments. The Company has not entered into any foreign currency forward exchange contracts or other derivative instruments to hedge the effects of adverse fluctuations in foreign currency exchange rates. The Company's European operations had earnings of \$0.4 million in fiscal 2008, earnings of \$1.2 million in fiscal 2007, and net losses of \$3.7 million in fiscal 2006. All three years include the impact of recording certain of the gains, losses and other items within European operations. The Australian and China operations had net losses of \$1.5 million for fiscal 2008, \$0.3 million for fiscal 2007 and \$1.5 million for fiscal 2006.

### Critical Accounting Policies

We prepare our consolidated financial statements in conformity with accounting principles generally accepted in the United States of America. These accounting principles require management to make certain judgments and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Note 1 to the accompanying consolidated financial statements includes a summary of significant accounting policies used in the preparation of Acxiom's consolidated financial statements. Of those policies, we have identified the following as the most critical because they require management's use of complex and/or significant judgments:

Revenue Recognition – The Company provides database management and IT outsourcing services under long-term arrangements. These arrangements may require the Company to perform setup activities such as the design and build of a database for the customer under the database management contracts and migration of the customer's IT environment under IT outsourcing contracts. In the case of database management contracts, the customer does not acquire any ownership rights to the Company's intellectual property used in the database and the database itself provides no benefit to the customer outside of the utilization of the system during the term of the database management arrangement. In some cases, the arrangements also contain provisions requiring customer acceptance of the setup activities prior to commencement of the ongoing services arrangement. Up-front fees billed during the setup phase for these arrangements are deferred and setup costs that are direct and incremental to the contract are capitalized and amortized on a straight-line basis over the service term of the contract. Revenue recognition does not begin until after customer acceptance in cases where contracts contain acceptance provisions. Once the setup phase is complete and customer acceptance occurs, the Company recognizes revenue over the remaining service term of the contract. In situations where the arrangement does not require customer acceptance before the Company begins providing services, revenue is recognized over the contract period and no costs are deferred.

The Company accounts for revenue arrangements with multiple elements in accordance with Emerging Issues Task Force ("EITF") Issue No. 00-21, "Revenue Arrangements with Multiple Elements." EITF 00-21 provides guidance on (a) how arrangement consideration should be measured, (b) whether the arrangement should be divided into separate units of accounting, and (c) how the arrangement consideration should be allocated among the separate units of accounting. EITF 00-21 also requires disclosure of the accounting policy for recognition of revenue from multiple-deliverable arrangements and the description and nature of such arrangements.

The Company accounts for all elements under its database management and IT outsourcing arrangements as a single unit, since the initial setup activities performed under the arrangements do not have stand-alone value to the client and the Company is unable to determine the relative fair values of the delivered elements and the undelivered elements. Therefore, when third party software, hardware and certain other equipment are sold along with services, the Company records such sales over the related service period. Additionally, the Company evaluates revenue from the sale of data, software, hardware and equipment in accordance with the provisions of EITF Issue 99-19, "Reporting Revenue Gross as a Principal versus Net as an Agent," to determine whether such revenue should be recognized on a gross or a net basis over the term of the related service agreement. All of the factors in EITF 99-19 are considered with the primary factor being whether the Company is the primary obligor in the arrangement. "Out-of-pocket" expenses incurred by, and reimbursed to, the Company in connection with customer contracts are recorded as gross revenue in accordance with EITF Issue 01-14, "Income Statement Characterization of Reimbursements Received for 'Out-of-Pocket' Expenses Incurred."

The Company evaluates its database management and IT outsourcing arrangements using the criteria in EITF 01-8, "Determining Whether an Arrangement Contains a Lease." EITF 01-8 requires the Company to determine whether an arrangement contains a lease within a services arrangement and, if so, requires the lease component to be accounted for separately from the remaining components of the arrangement. In cases where database management or IT outsourcing arrangements are determined to include a lease, the lease is evaluated to determine whether it is a capital lease or operating lease and accounted for accordingly. The lease revenues are not significant to the Company's financial statements.

All taxes assessed on revenue-producing transactions described above are presented on a net basis, or excluded from revenues.

The Company also performs services on a project basis outside of, or in addition to, the scope of long-term arrangements. The Company recognizes revenue from these services as the services are performed.

Revenues from the licensing of data are recognized upon delivery of the data to the customer in circumstances where no update or other obligations exist. Revenue from the licensing of data in which the Company is obligated to provide future updates on a monthly, quarterly or annual basis is recognized on a straight-line basis over the license term. Revenue from the licensing of data to the customer in circumstances where the license agreement contains a volume cap is recognized in proportion to the total records to be delivered under the arrangement.

Included in the Company's consolidated balance sheets are deferred revenues resulting from billings and/or client payments in advance of revenue recognition. Deferred revenue at March 31, 2008 was \$64.1 million compared to \$113.3 million at March 31, 2007. The decrease is primarily due to one significant outsourcing customer acquiring equipment under a new contract (effective April 1, 2007) for which the Company records revenue on a net basis. In the past, this customer purchased equipment along with services under an outsourcing arrangement and paid up front. The Company deferred both the cost and revenue and recognized both over the term of the services arrangement. The effect of this one customer decrease was approximately \$32 million. In addition, due to the impairment of another outsourcing contract the Company reduced deferred revenue by \$8.9 million (see note 2 to the consolidated financial statements).

In certain cases, such as hardware or software upgrades sold and/or licensed to existing clients where the Company has no further obligations with respect to such upgrades or project work, management has determined that revenue recognition upon delivery of the hardware or software to the client or upon completion of the project work is appropriate. The Company recognized revenue of \$6.7 million in 2008, \$9.6 million in 2007 and \$15.8 million in 2006 for hardware and software where the Company has determined that up-front revenue recognition is appropriate.

In fiscal 2008, 2007 and 2006 all of the \$6.7 million, \$9.6 million and \$15.8 million in revenue, respectively, noted above was recorded on a gross basis.

Accounts receivable include amounts billed to clients as well as unbilled amounts recognized in accordance with the Company's revenue recognition policies. Unbilled amounts included in accounts receivable were \$30.3 million and \$30.3 million, respectively, at March 31, 2008 and 2007.

The Company does not provide end-users with price-protection or rights of return. The Company's contracts provide a warranty that the services or products will meet the agreed-upon criteria or any necessary modifications will be made. The Company ensures that services or products delivered meet the agreed-upon criteria prior to recognition of revenue.

Software, Purchased Software Licenses, and Research and Development Costs – The Company capitalizes software development costs under both the provisions of Statement of Financial Accounting Standards No. 86, “Accounting for the Costs of Computer Software to be Sold, Leased or Otherwise Marketed” (“SFAS 86”) and the American Institute of Certified Public Accountants Statement of Position 98-1, “Accounting for the Costs of Computer Software Developed or Obtained for Internal Use” (“SOP 98-1”). Although there are differences in the two accounting standards, depending on whether a product is intended for internal use or to be provided to customers, both standards generally require that research and development costs incurred prior to establishing technological feasibility or the beginning of the application development stage of software products are charged to operations as incurred. Costs of internally developed software, upon its general release, are amortized on a straight-line basis over the estimated economic life of the product, generally two to five years, 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. The Company recorded amortization expense and impairment charges related to internally developed computer software of \$19.3 million in fiscal 2008, \$19.1 million in fiscal 2007 and \$27.0 million in fiscal 2006. Additionally, research and development costs associated with internally developed software incurred prior to becoming eligible for capitalization of \$19.8 million in fiscal 2008, \$19.1 million in fiscal 2007 and \$15.6 million in fiscal 2006 were charged to operations during those years.

Purchased software licenses include both prepaid software and capitalized future software obligations for which the liability is included in long-term debt. Costs of purchased software licenses are amortized using a units-of-production basis over the estimated economic life of the license, generally not to exceed ten years. The Company recorded amortization of purchased software licenses of \$35.9 million in fiscal 2008, \$45.0 million in fiscal 2007 and \$43.6 million in fiscal 2006. Some of these purchased software licenses are, in effect, volume purchase agreements for software licenses needed for internal use and to provide services to customers over the terms of the agreements. Therefore, amortization lives are periodically reevaluated and, if necessary, adjusted to reflect current and future expected usage based on units-of-production amortization. Factors considered in estimating remaining useful life include, but are not limited to, contract provisions of the underlying licenses, introduction of new mainframe hardware which is compatible with previous generation software, predictions of continuing viability of mainframe architecture, and customers’ continuing commitments to utilize mainframe architecture and the software under contract. While the Company believes current license lives are appropriate and material changes in amortization periods are not anticipated, changes in relevant factors cannot be predicted.

Capitalized software, including both purchased and internally developed, is reviewed each period and, if necessary, the Company reduces the carrying value of each product to its net realizable value. In performing the net realizable value evaluation of capitalized software, the Company’s projection of potential future cash flows from future gross revenues by product, reduced by the costs of completing and disposing of that product are compared to the carrying value of each product. A write-down of the carrying amount of a product is made to the extent that the carrying value of a product exceeds its net realizable value. During fiscal 2008, the Company recorded software impairment charges of \$5.2 million. At March 31, 2008, the Company’s most recent impairment analysis of its purchased and internally developed software indicates that no further impairment exists. However, no assurance can be given that future analysis of the Company’s capitalized software will not result in an impairment charge. Additionally, should future project revenues not materialize and/or the cost of completing and disposing of software products significantly exceed the Company’s estimates, further write-downs of purchased or internally developed software might be required up to and including the total carrying value of such software (\$170.8 million at March 31, 2008).

Valuation of Long-Lived Assets and Goodwill – 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 the undiscounted cash flows expected to result from the use and eventual disposition of the asset. In cases where cash flows cannot be associated with individual assets, assets are grouped together in order to associate cash flows with the asset group. If such assets or asset groups 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. During fiscal 2008 the Company recorded impairment charges for long-lived assets associated with restructuring activities of \$29.6 million, included in gains, losses and other items. In addition the Company recorded \$43.6 million of asset impairment charges in cost of operations related to impaired capitalized contract costs. See note 2 to the consolidated financial statements. At March 31, 2008, the Company believes that no further impairment exists with respect to its long-lived assets. However, no assurance can be given by management of the Company that future impairment charges to its long-lived assets will not be required as a result of changes in events and/or circumstances.

Goodwill represents the excess of acquisition costs over the fair values of net assets acquired in business combinations treated as purchase transactions. Under the provisions of SFAS No. 142, "Goodwill and Other Intangible Assets," goodwill is not amortized, but is reviewed at least annually for impairment under a two-part test. In the event that part one of the impairment test indicates potential impairment of goodwill, performance of part two of the impairment test is required. Any impairment that results from the completion of the two-part test is recorded as a charge to operations during the period in which the impairment test is completed. The Company performs its annual goodwill impairment evaluation as of the beginning of its fiscal year. The Company completed part one of an annual, two-part impairment analysis of its goodwill during the quarter ended June 30, 2007 as well as an additional impairment test completed as a result of the shut-down of the Harbinger operation and the related goodwill write-off during the quarter ended March 31, 2008, and has determined that no impairment of its goodwill existed as of the date of those tests. Accordingly, step two of the goodwill impairment test was not required for fiscal 2008. Changes in circumstances may require the Company to perform impairment testing on a more frequent basis. No assurance can be given by the Company that additional impairment tests will not require a charge during future periods should circumstances indicate that the Company's goodwill balances are impaired.

In completing step one of the tests and making the assessment that no potential impairment of the Company's goodwill existed, management has made a number of estimates and assumptions. In particular, the growth in revenue and margins and discount rates used by management in determining the fair value of each of the Company's reporting units through a discounted cash flow analysis significantly affect the outcome of the impairment test, as well as numerous other factors. Management has determined that it is appropriate to perform the goodwill impairment test at the reporting unit level, which is one step below the reportable segment level. As a result, individual tests were performed for five reporting units that aggregate into the Company's three reportable segments. For each segment, management used growth and margin rates for the next fiscal year based on its internal budget for that year. For future years management used growth rates and margin rates expected to occur in each of those components for the next four years, followed by an overall terminal value estimate. Management used what it believes to be a conservative assumption for each significant estimate. Management has used a discount rate of 12 percent for all components, representing an approximation of the Company's weighted-average cost of capital, which resulted in an excess of fair value over the net assets of each of the Company's reporting units. However, if actual results prove to be worse than management's estimates, or if in future periods management revises its estimates of future cash flows downward, the results of step one of the goodwill impairment test could, in the future, indicate that potential impairment does exist, requiring the Company to proceed to step two of the test and possibly recording an impairment of its goodwill.

Stock-Based Compensation Accounting – The Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 123 (Revised 2004), "Share-Based Payment" ("SFAS 123R") which requires compensation cost related to stock options and other share-based payments be recognized in the financial statements. The Company adopted SFAS 123R, effective April 1, 2006, using the modified prospective transition method and therefore has not restated results for prior periods. Under the modified prospective method, compensation cost must be recognized for all share-based payments granted after the adoption of SFAS 123R and for all awards granted prior to the adoption date which remain unvested on the adoption date. Prior to adoption of SFAS 123R, the Company accelerated vesting of substantially all unvested options.

Fully diluted shares outstanding and diluted earnings per share ("EPS") include the effect of "in-the-money" stock options and warrants (calculated based on the average share price for the period) and restricted stock.

The dilution from employee options, warrants, and restricted stock, as computed under the treasury stock method, fluctuates based on changes in the price of the Company's common stock. If the price of the Company's stock decreases, fewer options and warrants are "in the money" and the impact on diluted earnings per share is smaller. If the price of the Company's stock increases, more options and warrants are "in the money" and the impact on diluted earnings per share is greater.

**Deferred Costs and Data Acquisition Costs** – The Company defers certain costs, primarily salaries and benefits and other direct and incremental third party costs, in connection with client contracts and various other contracts and arrangements. Direct and incremental costs incurred during the setup phase under client contracts for database management or for IT outsourcing arrangements are deferred until such time as the database or the outsourcing services are operational and revenue recognition begins. These costs are directly related to the individual client, are to be used specifically for the individual client and have no other use or future benefit. In addition, revenue recognition of billings, if any, related to these setup activities are deferred during the setup phase under client contracts. All costs and billings deferred are then amortized as contract revenue recognition occurs, generally ratably over the remaining term of the arrangement. During the period when costs are being deferred, the Company performs a net realizable value review on a quarterly basis to ensure that the deferred costs are recoverable through either 1) recognition of previously deferred revenue, 2) future minimum contractual billings or 3) billings in excess of contractual minimum billings that can be reasonably estimated and are deemed likely to occur. Once revenue recognition begins, these deferred costs are assessed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. Some contracts contain provisions allowing the customer to request reductions in pricing if they can demonstrate that the Company charges lower prices for similar services to other customers, or if the prices charged are higher than certain benchmarks. If pricing is renegotiated, deferred costs are assessed for impairment.

The test of recoverability is performed by comparing the carrying value of the asset to its undiscounted expected future cash flows. If such review indicates that the carrying amount of an asset exceeds the sum of its expected future cash flows, the asset's carrying amount is written down to its estimated fair value. Fair value is determined by an internally developed discounted projected cash flow analysis of the asset. Due to a renegotiation of contracts with three different outsourcing customers, the Company performed a test for potential impairment of the related capitalized costs. The Company determined that the future cash flows relating to these renegotiated outsourcing contracts would not be sufficient to recover the costs that were capitalized. Based on these analyses, the Company recorded write-downs relating to the capitalized costs of these contracts. The combined \$43.6 million charge is recorded in cost of operations in the accompanying condensed consolidated statement of operations and in the Corporate segment for segment disclosures. The charge included \$46.0 million in deferred costs, \$0.1 million in property and equipment, \$2.5 million in other assets and an accrual of \$4.0 million, offset by \$8.9 million in deferred revenue.

In addition to client contract costs, the Company defers direct and incremental costs incurred in connection with obtaining other contracts, including debt facilities, lease facilities, and various other arrangements. Costs deferred in connection with obtaining scheduled debt facilities are amortized over the term of the arrangement using the interest method. Costs deferred in connection with lease facilities or revolving credit facilities are amortized over the term of the arrangement on a straight-line basis.

The Company also defers costs related to the acquisition or licensing of data for the Company's proprietary databases which are used in providing data products and services to customers. These costs are amortized over the useful life of the data, which is from two to seven years. In order to estimate the useful life of any acquired data, the Company considers several factors including 1) the type of data acquired, 2) whether the data becomes stale over time, 3) to what extent the data will be replaced by updated data over time, 4) whether the "stale" data continues to have value as historical data, 5) whether a license places restrictions on the use of the data, and 6) the term of the license.

**Restructuring** – The Company records costs associated with employee terminations and other exit activity in accordance with SFAS No. 146 "Accounting for Costs Associated with Exit or Disposal Activities," ("SFAS No. 146"), SEC Staff Accounting Bulletin No. 100, "Restructuring and Impairment Charges," ("SAB 100"), and SFAS No. 112, "Employers' Accounting for Postemployment Benefits, an Amendment of FASB Statements No. 5 and 43," ("SFAS 112") as applicable. Under SFAS No. 146, the Company records employee termination benefits as an operating expense when the benefit arrangement is communicated to the employee and no significant future services are required. Under SFAS 112, the Company records employee termination benefits when the termination benefits are probable and can be estimated. The Company recognizes the present value of facility lease termination obligations, net of estimated sublease income and other exit costs, when the Company has future payments with no future economic benefit or a commitment to pay the termination costs of a prior commitment. In future periods the Company will record accretion expense to increase the liability to an amount equal to the estimated future cash payments necessary to exit the leases. This requires a significant amount of judgment and management estimation in order to determine the expected time frame it will take to secure a subtenant, the amount of sublease income to be received and the appropriate discount rate to calculate the present value of the future cash flows. Should actual lease exit costs differ from estimates, the Company may be required to adjust the restructuring charge which would impact net income in the period any adjustment was recorded.

## New Accounting Pronouncements

The FASB issued Statement of Financial Accounting Standards No. 157, "Fair Value Measurements" ("SFAS 157") in September 2006. SFAS 157 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements, but does not require any new fair value measurements. SFAS 157 will be effective for Acxiom as of April 1, 2008 and will be applied prospectively. Management does not believe implementation of this standard will have a significant impact on the Company, except for requiring expanded disclosures.

The FASB issued Statement of Financial Accounting Standards No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities" ("SFAS 159") in February 2007. SFAS 159 permits entities to choose to measure many financial instruments and certain other items at fair value. The intent of this statement is to improve financial reporting by providing entities with the opportunity to mitigate volatility in reported earnings caused by measuring related assets and liabilities differently without having to apply complex hedge accounting provisions. SFAS 159 will be effective for Acxiom as of April 1, 2008. The Company does not currently hold the types of assets and liabilities covered under the scope of this statement; therefore management does not expect to avail itself of the elections offered.

In December 2007, the FASB issued Statement of Financial Accounting Standards No. 141(R), "Business Combinations", ("SFAS 141R"), which replaces SFAS 141. SFAS 141R requires most assets acquired and liabilities assumed in a business combination, contingent consideration, and certain acquired contingencies to be measured at their fair values as of the date of acquisition. SFAS 141R also requires that acquisition-related costs and restructuring costs be recognized separately from the business combination. SFAS 141R will be effective for the Company for fiscal year 2010 and will be effective for business combinations entered into after April 1, 2009.

In December 2007, the FASB issued Statement of Financial Accounting Standards No. 160, "Noncontrolling Interest in Consolidated Financial Statements", ("SFAS 160"). SFAS 160 amends previous accounting literature to establish new accounting and reporting standards for the noncontrolling interest in a subsidiary and for the deconsolidation of a subsidiary. SFAS 160 is effective for the Company as of the beginning of fiscal 2010.

## Forward-looking Statements

This document contains forward-looking statements. 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, growth opportunities, economic conditions, and other similar forecasts and statements of expectation. The Company indicates these statements by words or phrases such as "anticipate," "estimate," "plan," "expect," "believe," "intend," "foresee," and similar words or phrases. These forward-looking statements are not guarantees of future performance and are subject to a number of factors and uncertainties that could cause the Company's actual results and experiences to differ materially from the anticipated results and expectations expressed in the forward-looking statements.

Forward-looking statements may include but are not limited to the following:

- that the amounts for restructuring and impairment charges and accruals for litigation will be within estimated ranges;
- that the cash flows used in estimating the recoverability of assets will be within the estimated ranges; and
- that items which management currently believes are not material will continue to not be material in the future.

The factors and uncertainties that could cause actual results to differ materially from those expressed in, or implied by, forward-looking statements include but are not limited to the following:

- the risk factors described in Part I, "Item 1A. Risk Factors" and elsewhere in this report and those described from time to time in our future reports filed with the Securities and Exchange Commission;
- the possibility that in the event a change of control of the Company is sought that certain clients may attempt to invoke provisions in their contracts resulting in a decline in revenue and profit;
- the possibility that the integration of acquired businesses may not be as successful as planned;
- the possibility that the fair value of certain of our assets may not be equal to the carrying value of those assets now or in future time periods;
- the possibility that sales cycles may lengthen;
- the possibility that we won't be able to properly motivate our sales force or other associates;
- the possibility that we may not be able to attract and retain qualified technical and leadership associates, or that we may lose key associates to other organizations;
- the possibility that we won't be able to continue to receive credit upon satisfactory terms and conditions;
- the possibility that competent, competitive products, technologies or services will be introduced into the marketplace by other companies;
- the possibility that there will be changes in consumer or business information industries and markets that negatively impact the Company;
- the possibility that we won't be able to protect proprietary information and technology or to obtain necessary licenses on commercially reasonable terms;
- the possibility that there will be changes in the legislative, accounting, regulatory and consumer environments affecting our business, including but not limited to litigation, legislation, regulations and customs relating to our ability to collect, manage, aggregate and use data;
- the possibility that data suppliers might withdraw data from us, leading to our inability to provide certain products and services;
- the possibility that we may enter into short-term contracts which would affect the predictability of our revenues;
- the possibility that the amount of ad hoc, volume-based and project work will not be as expected;
- the possibility that we may experience a loss of data center capacity or interruption of telecommunication links or power sources;
- the possibility that we may experience failures or breaches of our network and data security systems, leading to potential adverse publicity, negative customer reaction, or liability to third parties;
- the possibility that our clients may cancel or modify their agreements with us;
- the possibility that we will not successfully complete customer contract requirements on time or meet the service levels specified in the contracts, which may result in contract penalties or lost revenue;

- the possibility that we experience processing errors which result in credits to customers, re-performance of services or payment of damages to customers;

With respect to the provision of products or services outside our primary base of operations in the United States, all of the above factors apply, along with the difficulty of doing business in numerous sovereign jurisdictions due to differences in scale, competition, culture, laws and regulations.

Other factors are detailed from time to time in periodic reports and registration statements filed with the United States Securities and Exchange Commission. The Company believes that we have the product and technology offerings, facilities, associates and competitive and financial resources for continued business success, but future revenues, costs, margins and profits are all influenced by a number of factors, including those discussed above, all of which are inherently difficult to forecast.

In light of these risks, uncertainties and assumptions, the Company cautions readers not to place undue reliance on any forward-looking statements. The Company undertakes no obligation to publicly update or revise any forward-looking statements based on the occurrence of future events, the receipt of new information or otherwise.

## **Management's Report on Internal Control Over Financial Reporting**

The management of Acxiom Corporation (the Company) is responsible for establishing and maintaining adequate internal control over financial reporting.

The Company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles, and includes those policies and procedures that:

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluations of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The Company's management assessed the effectiveness of the Company's internal control over financial reporting as of March 31, 2008. In making this assessment, the Company's management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control-Integrated Framework*.

A material weakness is a control deficiency, or combination of control deficiencies, that result in a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis. Management's assessment of internal control over financial reporting identified material weaknesses in internal control over financial reporting. The Company's policies and procedures to estimate performance completed for information services contracts were not designed to provide sufficient support for the recognition of revenue under U.S. generally accepted accounting principles. In addition the Company's policies and procedures for classification of cash flow activities were not sufficient to properly classify additions to deferred costs as an operating cash flow activity. These material weaknesses resulted in a restatement described in note 19 to the Company's consolidated financial statements.

Because of the material weaknesses described in the paragraph above, management determined that, as of March 31, 2008 the Company's internal control over financial reporting was not effective based on the criteria in *Internal Control-Integrated Framework* issued by COSO.

KPMG LLP, our independent registered public accounting firm, that audited the financial statements included in this annual report has issued an audit report, appearing on the following page, on our internal control over financial reporting in which they expressed an adverse opinion on the effectiveness of our internal control over financial reporting as of March 31, 2008.

The Board of Directors and Stockholders  
Acxiom Corporation:

We have audited Acxiom Corporation and subsidiaries' (the Company) internal control over financial reporting as of March 31, 2008, based on criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis. The following material weaknesses have been identified and included in management's assessment:

- The Company did not have effective policies and procedures to apply the appropriate revenue recognition criteria under U.S. generally accepted accounting principles relating to certain types of customer contracts;
- The Company did not maintain effective controls over the preparation and review of the consolidated statement of cash flows relating to deferred costs.

In our opinion, because of the effect of the aforementioned material weaknesses on the achievement of the objectives of the control criteria, Acxiom Corporation and subsidiaries have not maintained effective internal control over financial reporting as of March 31, 2008, based on *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Acxiom Corporation and subsidiaries as of March 31, 2008 and 2007, and the related consolidated statements of operations, stockholders' equity and comprehensive income, and cash flows for each of the years in the three-year period ended March 31, 2008. These material weaknesses were considered in determining the nature, timing, and extent of audit tests applied in our audit of the 2008 consolidated financial statements, and this report does not affect our report dated May 30, 2008, which expressed an unqualified opinion on those consolidated financial statements.

/s/ KPMG LLP

Dallas, Texas  
May 30, 2008

The Board of Directors and Stockholders  
Acxiom Corporation:

We have audited the accompanying consolidated balance sheets of Acxiom Corporation and subsidiaries (the Company) as of March 31, 2008 and 2007, and the related consolidated statements of operations, stockholders' equity and comprehensive income, and cash flows for each of the years in the three-year period ended March 31, 2008. 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 conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). 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 provide a reasonable basis for our opinion.

In our opinion, 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, 2008 and 2007, and the results of their operations and their cash flows for each of the years in the three-year period ended March 31, 2008, in conformity with U.S. generally accepted accounting principles.

As described in note 19 to the consolidated financial statements, the Company has restated their consolidated balance sheet as of March 31, 2007 and the related consolidated statements of operations, stockholders' equity and comprehensive income, and cash flows for the years ended March 31, 2007 and 2006.

As discussed in Note 1 to the consolidated financial statement, during 2007, the Company adopted Statement of Financial Accounting Standards No. 123R, *Share-Based Payment*.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Acxiom Corporation and subsidiaries' internal control over financial reporting as of March 31, 2008, based on criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated May 30, 2008, expressed an adverse opinion on the effectiveness of the Company's internal control over financial reporting.

/s/ KPMG LLP

Dallas, Texas  
May 30, 2008

ACXIAM CORPORATION AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
MARCH 31, 2008 AND 2007  
(Dollars in thousands)

	2008	2007 (Restated)
<b><u>ASSETS</u></b>		
Current assets:		
Cash and cash equivalents	\$ 62,661	\$ 37,776
Trade accounts receivable, net, including receivable from related parties of \$882 in 2008 and \$821 in 2007	216,462	234,511
Deferred income taxes	44,211	41,850
Refundable income taxes	16,080	7,657
Other current assets	45,645	59,252
Total current assets	385,059	381,046
Property and equipment, net of accumulated depreciation and amortization	266,269	312,292
Software, net of accumulated amortization of \$152,151 in 2008 and \$134,183 in 2007	59,263	44,289
Goodwill	484,796	522,046
Purchased software licenses, net of accumulated amortization of \$370,849 in 2008 and \$300,674 in 2007	111,574	151,326
Deferred costs, net	90,707	137,684
Data acquisition costs, net	51,566	35,398
Other assets, net	22,621	39,993
	\$ 1,471,855	\$ 1,624,074
<b><u>LIABILITIES AND STOCKHOLDERS' EQUITY</u></b>		
Current liabilities:		
Current installments of long-term debt	\$ 69,259	\$ 106,921
Trade accounts payable	45,749	54,808
Accrued expenses		
Payroll	39,061	33,663
Other	121,441	79,078
Deferred revenue	64,116	113,318
Total current liabilities	339,626	387,788
Long-term debt	575,308	648,879
Deferred income taxes	51,429	97,926
Other liabilities	4,980	-
Commitments and contingencies		
Stockholders' equity:		
Common stock, \$0.10 par value (authorized 200 million shares; issued 114.3 million and 111.4 million shares at March 31, 2008 and 2007, respectively)	11,428	11,145
Additional paid-in capital	779,815	718,336
Retained earnings	413,758	431,014
Accumulated other comprehensive income	33,976	17,526
Treasury stock, at cost (37.0 million and 32.9 million shares at March 31, 2008 and 2007, respectively)	(738,465)	(688,540)
Total stockholders' equity	500,512	489,481
	\$ 1,471,855	\$ 1,624,074

See accompanying notes to consolidated financial statements.

ACXIOM CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF OPERATIONS  
YEARS ENDED MARCH 31, 2008, 2007 AND 2006  
(Dollars in thousands, except per share amounts)

	2008	2007 (Restated)	2006 (Restated)
<b>Revenue:</b>			
Services, including revenue from related parties of \$2.6 million in 2008, \$2.2 million in 2007 and \$107.4 million in 2006	\$ 1,049,790	\$ 1,056,478	\$ 1,008,754
Data	334,289	334,033	320,019
Total revenue	1,384,079	1,390,511	1,328,773
<b>Operating costs and expenses</b>			
Cost of revenue			
Services	858,173	806,991	778,490
Data, including related party expense of \$16.3 million in 2006	229,587	206,629	201,950
Total cost of revenue	1,087,760	1,013,620	980,440
Selling, general and administrative	219,721	213,849	211,541
Gains, losses and other items, net	36,352	8,897	9,504
Total operating costs and expenses	1,343,833	1,236,366	1,201,485
Income from operations	40,246	154,145	127,288
<b>Other income (expense):</b>			
Interest expense	(51,230)	(46,632)	(28,744)
Other, net	1,223	5,933	2,005
Total other income (expense)	(50,007)	(40,699)	(26,739)
Earnings (loss) before income taxes	(9,761)	113,446	100,549
Income tax expense (benefit)	(1,981)	45,573	38,774
Net earnings (loss)	\$ (7,780)	\$ 67,873	\$ 61,775
<b>Earnings (loss) per share:</b>			
Basic	\$ (0.10)	\$ 0.82	\$ 0.71
Diluted	\$ (0.10)	\$ 0.80	\$ 0.68

See accompanying notes to consolidated financial statements.

ACXION CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY AND COMPREHENSIVE INCOME  
YEARS ENDED MARCH 31, 2008, 2007 AND 2006

	Common Stock					Treasury stock				
	Number of shares	Amount	Additional paid-in capital	Unearned stock-based compensation	Comprehensive income (loss)	Retained earnings	Accumulated other comprehensive income (loss)	Number of shares	Amount	Total stockholders' equity
Balances at March 31, 2005 as previously reported	104,400,161	\$ 10,440	\$ 588,156	\$ -		\$ 363,556	\$ 12,616	(9,187,086)	\$ (159,934)	\$ 814,834
Restatement to net income prior to March 31, 2005	-	-	-	-		(26,610)	-	-	-	(26,610)
Balances at March 31, 2005 as restated	104,400,161	\$ 10,440	\$ 588,156	\$ -		\$ 336,946	\$ 12,616	(9,187,086)	\$ (159,934)	\$ 788,224
Employee stock awards, benefit plans and other issuances	5,057,991	506	59,466	-	-	-	-	(51,304)	(1,358)	58,614
Tax benefit of stock options and warrants	-	-	19,097	-	-	-	-	-	-	19,097
Acquisition of Digital Impact, Inc.	-	-	10,632	(3,091)	-	-	-	-	-	7,541
Amortization of unearned stock-based compensation	-	-	-	1,150	-	-	-	-	-	1,150
Non-cash share-based compensation	-	-	163	-	-	-	-	-	-	163
Warrant exercise	-	-	(488)	-	-	-	-	33,901	488	-
Acquisition of treasury stock	-	-	-	-	-	-	-	(12,105,133)	(231,533)	(231,533)
Dividends	-	-	-	-	-	(17,406)	-	-	-	(17,406)
Comprehensive income:										
Foreign currency translation	-	-	-	-	(10,405)	-	(10,405)	-	-	(10,405)
Unrealized loss on marketable securities, net of tax	-	-	-	-	(6)	-	(6)	-	-	(6)
Net earnings, as restated	-	-	-	-	61,775	61,775	-	-	-	61,775
Total comprehensive income, as restated					\$ 51,364					
Balances at March 31, 2006 as restated	109,458,152	\$ 10,946	\$ 677,026	\$ (1,941)		\$ 381,315	\$ 2,205	(21,309,622)	\$ (392,337)	\$ 677,214
Employee stock awards, benefit plans and other issuances	1,962,617	196	33,878	-	-	-	-	(13,838)	(610)	33,464
Tax benefit of stock options, warrants and restricted stock	-	-	4,142	-	-	-	-	-	-	4,142
Implementation of SFAS 123R	-	-	(1,941)	1,941	-	-	-	-	-	-
Non-cash share-based compensation	-	-	3,823	-	-	-	-	-	-	3,823
Restricted stock units vested	25,000	3	(3)	-	-	-	-	-	-	-
Warrant exercise	-	-	(110)	-	-	-	-	7,668	110	-
Acquisition of treasury stock	-	-	-	-	-	-	-	(11,687,081)	(297,792)	(297,792)
Acquisition of Equitec	-	-	1,521	-	-	-	-	140,735	2,089	3,610
Dividends	-	-	-	-	-	(18,174)	-	-	-	(18,174)
Comprehensive income:										
Foreign currency translation	-	-	-	-	15,228	-	15,228	-	-	15,228
Unrealized loss on marketable securities, net of tax	-	-	-	-	93	-	93	-	-	93
Net earnings, as restated	-	-	-	-	67,873	67,873	-	-	-	67,873
Total comprehensive income, as restated					\$ 83,194					
Balance at March 31, 2007 as restated	111,445,769	\$ 11,145	\$ 718,336	\$ -		\$ 431,014	\$ 17,526	(32,862,138)	\$ (688,540)	\$ 489,481
Employee stock awards, benefit plans and other issuances	2,706,966	270	47,631	-	-	-	-	2,704	42	47,943
Tax benefit of stock options, warrants and restricted stock	-	-	5,513	-	-	-	-	-	-	5,513
Non-cash share-based compensation	-	-	8,348	-	-	-	-	38,352	584	8,932
Restricted stock units vested	127,864	13	(13)	-	-	-	-	-	-	-
Acquisition of treasury stock	-	-	-	-	-	-	-	(4,175,154)	(50,551)	(50,551)
Dividends	-	-	-	-	-	(9,476)	-	-	-	(9,476)
Comprehensive income:										
Foreign currency translation	-	-	-	-	16,568	-	16,568	-	-	16,568
Unrealized loss on marketable securities, net of tax	-	-	-	-	(118)	-	(118)	-	-	(118)
Net (loss)	-	-	-	-	(7,780)	(7,780)	-	-	-	(7,780)
Total comprehensive income					\$ 8,670					
Balances at March 31, 2008	114,280,599	\$ 11,428	\$ 779,815	\$ -		\$ 413,758	\$ 33,976	(36,996,236)	\$ (738,465)	\$ 500,512

See accompanying notes to consolidated financial statements

ACXIOM CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED MARCH 31, 2008, 2007 AND 2006  
(Dollars in thousands)

	2008	2007 (Restated)	2006 (Restated)
Cash flows from operating activities:			
Net earnings (loss)	\$ (7,780)	\$ 67,873	\$ 61,775
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Non-cash impact of restructuring	72,503	-	-
Depreciation, amortization and impairment of long-lived assets	272,792	229,566	231,137
Gain on disposal of assets, net	(9)	(1,718)	(1,797)
Deferred income taxes	(2,135)	14,369	17,451
Income tax benefit of stock options and warrants exercised	-	-	19,097
Non-cash share-based compensation expense	8,932	3,823	1,313
Changes in operating assets and liabilities:			
Accounts receivable	14,781	(25,515)	(17,367)
Deferred costs	(32,538)	(41,581)	(43,524)
Other assets	8,653	(19,101)	(26,197)
Accounts payable and other liabilities	(17,258)	3,960	(15,148)
Deferred revenue	(50,135)	(13,305)	5,569
Net cash provided by operating activities	<u>267,806</u>	<u>218,371</u>	<u>232,309</u>
Cash flows from investing activities:			
Proceeds received from the disposition of operations	14,250	-	4,844
Proceeds received from the disposition of assets	-	-	5,123
Payments received from investments	3,603	2,758	3,760
Capitalized software development costs	(33,345)	(27,443)	(21,903)
Capital expenditures	(21,600)	(14,225)	(6,848)
Cash collected from the sale and license of software	-	10,000	20,000
Data acquisition costs	(32,163)	(25,106)	(26,930)
Net cash paid in acquisitions	<u>(11,235)</u>	<u>(33,067)</u>	<u>(144,626)</u>
Net cash used in investing activities	<u>(80,490)</u>	<u>(87,083)</u>	<u>(166,580)</u>
Cash flows from financing activities:			
Proceeds from debt	2,127	649,756	437,870
Payments of debt	(158,699)	(471,670)	(307,120)
Dividends paid	(9,476)	(18,174)	(17,406)
Sale of common stock	47,943	33,464	58,614
Acquisition of treasury stock	(50,551)	(299,301)	(233,770)
Income tax benefit of stock options, warrants and restricted stock	5,513	4,142	-
Net cash used in financing activities	<u>(163,143)</u>	<u>(101,783)</u>	<u>(61,812)</u>
Effect of exchange rate changes on cash	712	566	(397)
Net increase in cash and cash equivalents	<u>24,885</u>	<u>30,071</u>	<u>3,520</u>
Cash and cash equivalents at beginning of period	<u>37,776</u>	<u>7,705</u>	<u>4,185</u>
Cash and cash equivalents at end of period	<u>\$ 62,661</u>	<u>\$ 37,776</u>	<u>\$ 7,705</u>

See accompanying notes to consolidated financial statements

ACXIOM CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)  
YEARS ENDED MARCH 31, 2008, 2007 AND 2006  
(Dollars in thousands)

	2008	2007	2006
Supplemental cash flow information:			
Cash paid during the period for:			
Interest	\$ 51,669	\$ 46,645	\$ 27,958
Income taxes	7,979	37,596	4,185
Payments on capital leases and installment payment arrangements	69,706	76,135	72,232
Payments on software and data license liabilities	31,819	26,897	29,069
Prepayment of debt	30,000	50,000	-
Other debt payments, excluding line of credit	25,047	10,235	9,302
Revolving credit payments	2,127	308,403	196,517
Noncash investing and financing activities:			
Common stock, options, and warrants issued for acquisitions	-	3,610	7,541
Enterprise software licenses acquired under software obligation	513	23,571	14,950
Acquisition of property and equipment under capital leases and installment payment arrangements	24,841	58,928	85,261
Disposal of asset under financing	(5,304)	-	-
Construction and other financing	11,025	18,380	10,772
Assets acquired under data obligation	15,306	-	-
Note payable issued in acquisition	300	1,300	-

See accompanying notes to consolidated financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Description of Business -

At Acxiom (“Acxiom” or “the Company”) (Nasdaq: ACXM), we make information intelligent for many of the world’s leading companies to help them solve some of their most complex marketing problems. Our products, services and thought leadership enable them to acquire new customers, retain their most valuable customers, communicate with customers in the methods and times they prefer, and make profitable marketing and business decisions. Acxiom’s unmatched customer insight is achieved by blending the world’s largest repository of consumer data, award-winning technology and analytics, multi-channel expertise, privacy leadership, and superior knowledge of a wide spectrum of industries. Founded in 1969, Acxiom is headquartered in Little Rock, Arkansas, with locations throughout the United States (“US”) and Europe, and in Australia and China.

Basis of Presentation and 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 with equity in earnings recorded in “other, net” in the accompanying consolidated statements of operations. Investments in less than 20% owned entities are accounted for at cost. Investment income and charges related to investments accounted for at cost are recorded in “other, net.”

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 accounting principles generally accepted in the United States. Actual results could differ from those estimates. Areas in which significant judgments and estimates are used include projected cash flows associated with recoverability of assets, restructuring and impairment accruals, and litigation loss accruals.

New Accounting Pronouncements-

The FASB issued Statement of Financial Accounting Standards No. 157, “Fair Value Measurements” (“SFAS 157”) in September 2006. SFAS 157 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements, but does not require any new fair value measurements. SFAS 157 will be effective for Acxiom as of April 1, 2008 and will be applied prospectively. Management does not believe implementation of this standard will have a significant impact on the Company, except for requiring expanded disclosures.

The FASB issued Statement of Financial Accounting Standards No. 159, “The Fair Value Option for Financial Assets and Financial Liabilities” (“SFAS 159”) in February 2007. SFAS 159 permits entities to choose to measure many financial instruments and certain other items at fair value. The intent of this statement is to improve financial reporting by providing entities with the opportunity to mitigate volatility in reported earnings caused by measuring related assets and liabilities differently without having to apply complex hedge accounting provisions. SFAS 159 will be effective for Acxiom as of April 1, 2008. The Company does not currently hold the types of assets and liabilities covered under the scope of this statement; therefore management does not expect the financials will be impacted by this pronouncement.

In December 2007, the FASB issued Statement of Financial Accounting Standards No. 141(R), “Business Combinations”, (“SFAS 141R”), which replaces SFAS 141. SFAS 141R requires most assets acquired and liabilities assumed in a business combination, contingent consideration, and certain acquired contingencies to be measured at their fair values as of the date of acquisition. SFAS 141R also requires that acquisition related costs and restructuring costs be recognized separately from the business combination. SFAS 141R will be effective for the Company for fiscal year 2010 and will be effective for business combinations entered into after April 1, 2009.

In December 2007, the FASB issued Statement of Financial Accounting Standards No. 160, “Noncontrolling Interest in Consolidated Financial Statements”, (“SFAS 160”). SFAS 160 amends previous accounting literature to establish new accounting and reporting standards for the noncontrolling interest in a subsidiary and for the deconsolidation of a subsidiary. SFAS 160 is effective for the Company as of the beginning of fiscal 2010.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Cash and Cash Equivalents -

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

Accounts Receivable -

Accounts receivable include amounts billed to customers as well as unbilled amounts recognized in accordance with the Company's revenue recognition policies, as stated below. Unbilled amounts included in accounts receivable, which generally arise from the delivery of data and performance of services to customers in advance of billings, were \$30.3 million and \$30.3 million, respectively, at March 31, 2008 and 2007.

Other Current Assets -

Other current assets include the current portion of unbilled and notes receivable of \$4.1 million and \$10.9 million as of March 31, 2008 and 2007, respectively (see note 5). The remainder of other current assets consists of prepaid expenses, non-trade receivables and other miscellaneous assets.

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, 2 - 30 years; data processing equipment, 2 - 5 years, and office furniture and other equipment, 3 - 7 years.

Property held under capitalized lease arrangements is included in property and equipment, and the associated liabilities are included in long-term obligations. Amortization of property under capitalized leases is included in depreciation and amortization expense. Property and equipment taken out of service and held for sale is recorded at the lower of depreciated cost or net realizable value and depreciation is ceased.

Leases-

Rent expense on operating leases is recorded on a straight-line basis over the term of the lease agreement.

Software and Research and Development Costs -

Costs of internally developed software are amortized on a straight-line basis over the remaining estimated economic life of the software product, generally two to five years, 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. The Company capitalizes software development costs under both the provisions of Statement of Financial Accounting Standards No. 86, "Accounting for the Costs of Computer Software to be Sold, Leased or Otherwise Marketed" ("SFAS 86") and the American Institute of Certified Public Accountants Statement of Position 98-1, "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use" ("SOP 98-1"). Although there are differences in the two accounting standards, depending on whether a product is intended for internal use or to be provided to customers, both standards generally require that research and development costs incurred prior to establishing technological feasibility or the beginning of the application development stage of software products are charged to operations as such costs are incurred. Once technological feasibility is established or the application development stage has begun, costs are capitalized until the software is available for general release. Amortization expense related to both internally developed and purchased software is included in cost of revenue in the accompanying consolidated statements of operations.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Purchased Software Licenses -

Purchased software licenses include both prepaid software and capitalized future software obligations for which the liability is included in long-term debt. Costs of purchased software licenses are amortized using a units-of-production basis over the estimated economic life of the license, generally not to exceed ten years. Amortization of software is included in cost of revenue in the accompanying consolidated statements of operations.

Some of these licenses are, in effect, volume purchase agreements for software licenses needed for internal use and to provide services to customers over the terms of the agreements. Therefore, amortization lives are periodically reevaluated and, if justified, adjusted to reflect current and future expected usage based on units-of-production amortization. Factors considered in estimating remaining useful life include, but are not limited to, contract provisions of the underlying licenses, introduction of new mainframe hardware which is compatible with previous generation software, predictions of continuing viability of mainframe architecture, and customers' continuing commitments to utilize mainframe architecture and the software under contract.

Goodwill -

Goodwill represents the excess of acquisition costs over the fair values of net assets acquired in business combinations. Goodwill is reviewed at least annually for impairment under a two-part test. Part one of the goodwill impairment test involves a determination of whether the total book value of each reporting unit of the Company (generally defined as the carrying value of assets minus the carrying value of liabilities) exceeds the reporting unit's estimated fair value. In the event that part one of the impairment test indicates an excess of book value over the estimated fair value of net assets, performance of part two of the impairment test is required, whereby estimated fair values are assigned to identifiable assets with any residual fair value assigned to goodwill. Impairment exists to the extent that the reporting unit's recorded goodwill exceeds the residual fair value assigned to such goodwill. Any impairment that results from the completion of the two-part test is recorded as a charge to operations during the period in which the impairment test is completed. Completion of the Company's most recent annual impairment test during the quarter ended June 30, 2007, as well as an additional impairment test completed as a result of the shut-down of the Harbinger operation and the related goodwill write-off during the quarter ended March 31, 2008, indicated that no potential impairment of its goodwill balances exists. The Company expects to complete its next annual impairment test during the quarter ending June 30, 2008.

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 (see note 2). Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to the undiscounted cash flows expected to result from the use and eventual disposition of 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 shall be classified as held for sale and are reported at the lower of the carrying amount or fair value less costs to sell.

Unbilled and Notes Receivable -

Unbilled and notes receivable are from the sales of software, services, data licenses, equipment sales and from the sale of divested operations, net of the current portions of such receivables. Certain, but not all, of the unbilled and notes receivable from software, services, data licenses and equipment sales have no stated interest rate and have been discounted using an imputed interest rate, generally 5% to 8%, based on the customer, type of agreement, collateral and payment terms. The term of these notes is generally three years or less. This discount is being recognized into income using the interest method and the interest income is included as a component of "other, net" in the accompanying consolidated statements of operations. Cash flows from unbilled and notes receivable are reported in operating cash flows as a change in other assets. The current portion of unbilled and notes receivable is included in other current assets and the noncurrent portion is included in other assets.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Deferred Costs and Data Acquisition Costs -

The Company defers certain costs, primarily salaries and benefits and other direct and incremental third party costs, in connection with client contracts and various other contracts and arrangements. Direct and incremental costs incurred during the setup phase under client contracts for database management or for IT outsourcing arrangements are deferred until such time as the database or the outsourcing services are operational and revenue recognition begins. These costs are directly related to the individual client, are to be used specifically for the individual client and have no other use or future benefit. In addition, revenue recognition of billings, if any, related to these setup activities are deferred during the setup phase under client contracts. All costs and billings deferred are then amortized as contract revenue recognition occurs, generally ratably over the remaining term of the arrangement. During the period when costs are being deferred, the Company performs a net realizable value review on a quarterly basis to ensure that the deferred costs are recoverable through either 1) recognition of previously deferred revenue, 2) future minimum contractual billings or 3) billings in excess of contractual minimum billings that can be reasonably estimated and are deemed likely to occur. Once revenue recognition begins, these deferred costs are assessed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. Some contracts contain provisions allowing the customer to request reductions in pricing if they can demonstrate that the Company charges lower prices for similar services to other customers, or if the prices charged are higher than certain benchmarks. If pricing is renegotiated, deferred costs are assessed for impairment.

In addition to client contract costs, the Company defers direct and incremental costs incurred in connection with obtaining other contracts, including debt facilities, lease facilities, and various other arrangements. Costs deferred in connection with obtaining scheduled debt facilities are amortized over the term of the arrangement using the interest method. Costs deferred in connection with lease facilities or revolving credit facilities are amortized over the term of the arrangement on a straight-line basis.

The Company also defers costs related to the acquisition or licensing of data for the Company's proprietary databases which are used in providing data products and services to customers. These costs are amortized over the useful life of the data, which is from two to seven years. In order to estimate the useful life of any acquired data, the Company considers several factors including 1) the kind of data acquired, 2) whether the data becomes stale over time, 3) to what extent the data will be replaced by updated data over time, 4) whether the stale data continues to have value as historical data, 5) whether a license places restrictions on the use of the data, and 6) the term of the license.

Marketable and Non-marketable Securities -

Other assets include the Company's investment in marketable and non-marketable securities of \$1.5 million and \$4.3 million as of March 31, 2008 and 2007, respectively. The Company has classified its marketable securities as available for sale. Unrealized holding gains and losses, net of the related tax effect, on available-for-sale securities are excluded from earnings and are reported as a separate component of other comprehensive income (loss) until realized. Realized gains and losses from the sale of available-for-sale securities are determined on a specific identification basis.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Investments in non-marketable equity securities are monitored for impairment and written down to fair value with a charge to earnings if a decline in fair value is judged to be other than temporary. The fair values of non-marketable equity securities are determined based on quoted market prices. If quoted market prices are not available, fair values are estimated based on an evaluation of numerous indicators including, but not limited to, offering prices of recent issuances of the same or similar equity instruments, quoted market prices for similar companies and comparisons of recent financial information, operating plans, budgets, market studies and client information to the information used to support the initial valuation of the investment. The Company considers several factors to determine whether a decline in the fair value of a non-marketable equity security is other than temporary, including the length of time and the extent to which the fair value has been less than carrying value, the financial condition of the investee, and the intent and ability of the Company to retain the investment for a period of time sufficient to allow a recovery in value.

Deferred Revenue -

Deferred revenue consists of amounts billed in excess of revenue recognized on sales of software, data licenses, services and equipment. Deferred revenues are subsequently recorded as revenue in accordance with the Company's revenue recognition policies.

Revenue Recognition-

The Company provides database management and IT outsourcing services under long-term arrangements. These arrangements may require the Company to perform setup activities such as the design and build of a database for the customer under the database management contracts and migration of the customer's IT environment under IT outsourcing contracts. In the case of database management contracts, the customer does not acquire any ownership rights to the Company's intellectual property used in the database and the database itself provides no benefit to the customer outside of the utilization of the system during the term of the database management arrangement. In some cases, the arrangements also contain provisions requiring customer acceptance of the setup activities prior to commencement of the ongoing services arrangement. Up-front fees billed during the setup phase for these arrangements are deferred and setup costs that are direct and incremental to the contract are capitalized and amortized on a straight-line basis over the service term of the contract. Revenue recognition does not begin until after customer acceptance in cases where contracts contain acceptance provisions. Once the setup phase is complete and customer acceptance occurs, the Company recognizes revenue over the remaining service term of the contract. In situations where the arrangement does not require customer acceptance before the Company begins providing services, revenue is recognized over the contract period and no costs are deferred.

The Company accounts for revenue arrangements with multiple elements in accordance with Emerging Issues Task Force ("EITF") Issue No. 00-21, "Revenue Arrangements with Multiple Elements." EITF 00-21 provides guidance on (a) how arrangement consideration should be measured, (b) whether the arrangement should be divided into separate units of accounting, and (c) how the arrangement consideration should be allocated among the separate units of accounting. EITF 00-21 also requires disclosure of the accounting policy for recognition of revenue from multiple-deliverable arrangements and the description and nature of such arrangements.

The Company accounts for all elements under its database management and IT outsourcing arrangements as a single unit, since the initial setup activities performed under the arrangements do not have stand-alone value to the client and the Company is unable to determine the relative fair values of the delivered elements and the undelivered elements. Therefore, when third party software, hardware and certain other equipment are sold along with services, the Company records such sales over the related service period. Additionally, the Company evaluates revenue from the sale of data, software, hardware and equipment in accordance with the provisions of EITF Issue 99-19, "Reporting Revenue Gross as a Principal versus Net as an Agent," to determine whether such revenue should be recognized on a gross or a net basis over the term of the related service agreement. All of the factors in EITF 99-19 are considered with the primary factor being whether the Company is the primary obligor in the arrangement. "Out-of-pocket" expenses incurred by, and reimbursed to, the Company in connection with customer contracts are recorded as gross revenue in accordance with EITF Issue 01-14, "Income Statement Characterization of Reimbursements Received for 'Out-of-Pocket' Expenses Incurred."

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

The Company evaluates its database management and IT outsourcing arrangements using the criteria in EITF 01-8, "Determining Whether an Arrangement Contains a Lease." EITF 01-8 requires the Company to determine whether an arrangement contains a lease within a services arrangement and, if so, requires the lease component to be accounted for separately from the remaining components of the arrangement. In cases where database management or IT outsourcing arrangements are determined to include a lease, the lease is evaluated to determine whether it is a capital lease or operating lease and accounted for accordingly. These lease revenues are not significant to the Company's consolidated financial statements.

All taxes assessed on revenue-producing transactions described above are presented on a net basis, or excluded from revenues.

The Company also performs services on a project basis outside of, or in addition to, the scope of long-term arrangements. The Company recognizes revenue from these services as the services are performed.

Revenues from the licensing of data are recognized upon delivery of the data to the customer in circumstances where no update or other obligations exist. Revenue from the licensing of data in which the Company is obligated to provide future updates on a monthly, quarterly or annual basis is recognized on a straight-line basis over the license term. Revenue from the licensing of data to the customer in circumstances where the license agreement contains a volume cap is recognized in proportion to the total records to be delivered under the arrangement.

The Company does not provide end-users with price-protection or rights of return. The Company's contracts provide a warranty that the services or products will meet the agreed-upon criteria or any necessary modifications will be made. The Company ensures that services or products delivered meet the agreed-upon criteria prior to recognition of revenue.

Concentration of Credit Risk -

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of trade accounts, unbilled and notes receivable. The Company's receivables are from a large number of customers. Accordingly, the Company's credit risk is affected by general economic conditions. The Company maintains deposits in federally insured financial institutions in excess of federally insured limits. Management, however, believes the Company is not exposed to significant credit risk due to the financial position of the depository institutions in which those deposits are held.

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.

The Company provides for deferred taxes 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. 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 reversed. Valuation allowances are recorded to reduce deferred tax assets to an amount whose realization is more likely than not. In determining the recognition of uncertain tax positions, the Company applies a more-likely-than-not recognition threshold and determines the measurement of uncertain tax positions considering the amounts and probabilities of the outcomes that could be realized upon ultimate settlement with taxing authorities. Income taxes payable are classified in the accompanying consolidated balance sheets based on their estimated payment date.

The Company adopted Financial Accounting Standards Board Interpretation No. 48, "Accounting for Uncertainty in Income Taxes - an interpretation of FASB No. 109", effective April 1, 2007. See note 13 for additional information related to this new standard.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Foreign Currency Translation -

The balance sheets of the Company's foreign subsidiaries are translated at period-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 consolidated statements of stockholders' equity and comprehensive income.

Advertising Expense -

The Company expenses advertising costs as incurred. Advertising expense was approximately \$10.1 million, \$9.2 million and \$6.7 million for the years ended March 31, 2008, 2007 and 2006, respectively. Advertising expense is included in selling, general and administrative expense on the accompanying consolidated statements of operations.

Guarantees -

The Company accounts for the guarantees of indebtedness of others under the provisions of FASB Interpretation No. 45 ("FIN 45") "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others – an Interpretation of FASB Statements No. 5, 57, and 107 and Rescission of FASB Interpretation No. 34." Under the provisions of FIN 45, a guarantor is required to recognize, at the inception of the guarantee, a liability for the fair value of the obligation undertaken in issuing the guarantee. A guarantor is also required to make additional disclosures in its financial statements about obligations under certain guarantees issued. FIN 45 requires the Company to recognize a liability in its consolidated financial statements equal to the fair value of its guarantees, including any guarantees issued in connection with its synthetic equipment arrangements. However, the provisions of FIN 45 are applied only on a prospective basis to guarantees issued or modified after December 31, 2002. The Company's liability for the fair value of guarantees is not material.

Loss Contingencies and Legal Expenses -

The Company records a liability for loss contingencies when the liability is probable and reasonably estimable. Legal fees associated with loss contingencies are recorded when the legal fees are incurred.

ACXIOM CORPORATION AND SUBSIDIARIES  
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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Earnings (Loss) per Share-

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

	2008	2007 (Restated)	2006 (Restated)
Basic earnings (loss) per share:			
Numerator – net earnings (loss)	\$ (7,780)	\$ 67,873	\$ 61,775
Denominator – weighted-average shares outstanding	79,123	82,564	87,557
Basic earnings (loss) per share	<u>\$ (0.10)</u>	<u>\$ 0.82</u>	<u>\$ 0.71</u>
Diluted earnings (loss) per share:			
Numerator – net earnings (loss)	\$ (7,780)	\$ 67,873	\$ 61,775
Denominator:			
Weighted-average shares outstanding	79,123	82,564	87,557
Dilutive effect of common stock options, warrants, and restrictive stock as computed under the treasury stock method	-	2,115	2,732
	<u>79,123</u>	<u>84,679</u>	<u>90,289</u>
Diluted earnings (loss) per share	<u>\$ (0.10)</u>	<u>\$ 0.80</u>	<u>\$ 0.68</u>

Due to the net loss incurred by the Company, the effect of options, warrants and restricted stock of 1.1 million shares was excluded from the earnings per share calculation for fiscal 2008 since the impact on the calculation was anti-dilutive. In addition options, warrants and restricted stock units to purchase shares of common stock that were outstanding during the periods presented, but were not included in the computation of diluted earnings per share because the effect was anti-dilutive are shown below (in thousands, except per share amounts):

	2008	2007	2006
Number of shares outstanding under options, warrants and restricted stock units	7,903	3,590	6,970
Range of exercise prices for options and warrants	<u>\$13.24-\$268.55</u>	<u>\$24.24-\$268.55</u>	<u>\$22.10 - \$268.55</u>

Share-Based Compensation-

In December 2004, the FASB issued a revised Statement of Financial Accounting Standards No. 123, "Share-Based Payment" ("SFAS 123R"). SFAS 123R as originally issued required adoption by the Company in the second quarter of fiscal 2006. Subsequent to issuance of the statement, the effective date was delayed until the beginning of the next fiscal year, which began April 1, 2006. The Company adopted SFAS 123R, effective April 1, 2006, using the modified prospective transition method and therefore has not restated results for prior periods. Under the modified prospective method, compensation cost must be recognized for all share-based payments granted after the adoption of SFAS 123R and for all awards granted prior to the adoption date which remain unvested on the adoption date. Substantially all of the Company's existing options were vested prior to adoption of SFAS 123R.

SFAS 123R requires the cost of employee services received in exchange for an award of equity instruments (including stock options) based on the grant-date fair value of the award to be recognized in the statement of earnings over the service period of the award. Prior to April 1, 2006 the Company accounted for its stock options under the provisions of Accounting Principles Board Opinion No. 25 and related interpretations, under which no compensation cost had been historically recognized by the Company for any of its stock options except for certain in-the-money stock options issued as a result of the DI acquisition. SFAS 123R supersedes Opinion No. 25 and eliminates the use of the intrinsic value method previously used by the Company.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Share-based Compensation Plans

The Company has stock option plans and equity compensation plans (collectively referred to as the “share-based plans”) administered by the compensation committee of the board of directors under which options and restricted stock units were outstanding as of March 31, 2008.

The Company’s 2005 Equity Compensation Plan provides that all associates (employees, officers, directors, affiliates, independent contractors or consultants) are eligible to receive awards (grant of any option, stock appreciation right, restricted stock award, restricted stock unit award, performance award, performance share, performance unit, qualified performance-based award, or other stock unit award) pursuant to the plan with the terms and conditions applicable to an award set forth in applicable grant documents. In the future, the Company expects to grant restricted stock awards, stock options and performance-based awards.

Incentive stock option awards granted pursuant to the share-based plans cannot be granted with an exercise price less than 100% of the per-share market value of the Company’s shares at the date of grant and have a maximum duration of ten years from the date of grant. Board policy currently requires that nonqualified options be priced at or above the fair market value of the common stock at the time of grant with a maximum duration of ten years.

Restricted stock units may be issued pursuant to the 2005 Equity Compensation Plan and represent the right to receive shares in the future by way of an award agreement which includes vesting provisions. Award agreements can further provide for forfeitures triggered by certain prohibited activities, such as breach of confidentiality. All restricted stock units will be expensed over the vesting period as adjusted for estimated forfeitures.

The Company receives income tax deductions as a result of the exercise of stock options and the vesting of restricted stock units. Under the provisions of SFAS 123R, the tax benefit of share-based compensation expense in excess of the book compensation expense is reflected as a financing cash inflow and operating cash outflow included in changes in operating assets and liabilities. The Company has elected the short-cut method in accounting for the tax benefits of share-based payment awards.

Prior to April 2006, the Company accounted for its stock options under the intrinsic value provisions of APB 25. 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 123 prior to its revision, the Company’s consolidated net earnings would have been reduced to the following unaudited pro forma amounts for the year ended March 31, 2006 (in thousands, except per share amounts):

	2006 (Restated)
Net earnings, as reported	\$ 61,775
Plus: stock-based employee compensation expense included in determination of net income, net of income tax benefit	814
Less: stock-based employee compensation expense under fair value based method, net of income tax benefit	(2,650)
Pro forma net earnings	\$ 59,939
Earnings per share:	
Basic – as reported	\$ 0.71
Basic – pro forma	\$ 0.68
Diluted – as reported	\$ 0.68
Diluted – pro forma	\$ 0.66

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Restructuring

The Company records costs associated with employee terminations and other exit activity in accordance with SFAS No. 146 "Accounting for Costs Associated with Exit or Disposal Activities," ("SFAS No. 146"), SEC Staff Accounting Bulletin No. 100, "Restructuring and Impairment Charges," ("SAB 100"), and SFAS No. 112, "Employers' Accounting for Postemployment Benefits, an Amendment of FASB Statements No. 5 and 43," ("SFAS 112") as applicable. Under SFAS No. 146, the Company records employee termination benefits as an operating expense when the benefit arrangement is communicated to the employee and no significant future services are required. Under SFAS 112, the Company records employee termination benefits when the termination benefits are probable and can be estimated. The Company recognizes the present value of facility lease termination obligations, net of estimated sublease income and other exit costs, when the Company has future payments with no future economic benefit or a commitment to pay the termination costs of a prior commitment. In future periods the Company will record accretion expense to increase the liability to an amount equal to the estimated future cash payments necessary to exit the leases. This requires a significant amount of judgment and management estimation in order to determine the expected time frame it will take to secure a subtenant, the amount of sublease income to be received and the appropriate discount rate to calculate the present value of the future cash flows. Should actual lease exit costs differ from estimates, the Company may be required to adjust the restructuring charge which would impact net income in the period any adjustment was recorded.

2. RESTRUCTURING, IMPAIRMENT AND OTHER CHARGES:

The Company records costs associated with employee terminations and other exit activity in accordance with SFAS No. 146 "Accounting for Costs Associated with Exit or Disposal Activities," ("SFAS 146"), SEC Staff Accounting Bulletin No. 100, "Restructuring and Impairment Charges," ("SAB. 100"), and SFAS No. 112 "Employers' Accounting for Postemployment Benefits, an Amendment of FASB Statements No. 5 and 43," ("SFAS 112") as applicable. The following table summarizes the restructuring activity for the years ended March 31, 2006, 2007 and 2008 (dollars in thousands):

	Associate-related reserves	Ongoing contract costs	Other accruals	Total
Fiscal year 2006 restructuring plan amount	6,800	3,687	2,478	12,965
Payments	(5,593)	(1,944)	(2,219)	(9,756)
March 31, 2006	\$ 1,207	\$ 1,743	\$ 259	\$ 3,209
Fiscal year 2007 restructuring plan amount	2,500	-	-	2,500
Payments	(1,414)	(232)	(115)	(1,761)
March 31, 2007	\$ 2,293	\$ 1,511	\$ 144	\$ 3,948
Fiscal year 2008 restructuring plan amount	17,850	26,509	570	44,929
Adjustments	157	(749)	(112)	(704)
Payments	(6,652)	(391)	(245)	(7,288)
March 31, 2008	\$ 13,648	\$ 26,880	\$ 357	\$ 40,885

The above balances are included in accrued expenses on the consolidated balance sheet.

Restructuring Plans

In fiscal 2008, the Company recorded a total of \$75.1 million in restructuring charges and adjustments included in gains, losses and other items in the consolidated statement of operations. The expense includes severance and other associate-related payments of \$19.3 million, lease accruals of \$19.0 million, contract accruals of \$6.7 million, asset disposal and write-offs of \$29.6 million, and other related costs of \$0.5 million.

2. RESTRUCTURING, IMPAIRMENT AND OTHER CHARGES (continued):

The associate-related payments of \$19.3 million relate to approximately 592 associates in the United States and Europe who either have been terminated or are to be terminated. These accruals were evaluated under SFAS 112 which governs employers' accounting for post employment benefits. The Company provides benefits to terminated employees under a substantive plan which provides benefits to the terminated associates based on their years of service to the Company. The total also includes amounts calculated under SFAS 146 paid to persons who retired in conjunction with the workforce reduction and to persons who had employment contracts with the Company which determined how much they were to be paid upon termination. Of the \$19.3 million accrued, \$13.0 million remained accrued as of March 31, 2008. These costs are expected to be paid out in fiscal 2009.

The lease accruals of \$19.0 million were evaluated under SFAS 146, which governs exit costs. SFAS 146 requires the Company to make an accrual for the liability for lease costs that will continue to be incurred without economic benefit to the Company upon the date that the Company ceases using the leased property. On or before March 31, 2008, the Company ceased using certain leased office facilities. The Company intends to attempt to sublease those facilities to the extent possible. Under SFAS 146, the Company has established a liability for the fair value of the remaining lease payments, partially offset by the estimated sublease payments to be received over the course of those leases. The fair value of these liabilities is based on a net present value model using a credit-adjusted risk-free rate. These liabilities will be paid out over the remainder of the leased properties' terms, of which the longest continues through November 2021. Actual sublease terms may differ from the estimates originally made by the Company. Any future changes in the estimates or in the actual sublease income could require future adjustments to the liability for these leases, which would impact net income in the period the adjustment is recorded.

The contract accruals of \$6.7 million were evaluated under SFAS 146 which requires that a liability to terminate a contract before the end of its term be recognized when the contract is terminated in accordance with its terms. Prior to March 31, 2008, the Company gave notice under certain service contracts to the other parties which caused the Company to incur termination payments under those contracts. The amount accrued represents the estimated termination payments, which are expected to be paid during fiscal 2009.

The asset disposal and write-offs of \$29.6 million include \$7.6 million to write off goodwill and \$1.9 million to write off other intangible assets related to the Harbinger acquisition (see note 3). In the fourth quarter of fiscal 2008, the Company completely shut down the operations of Harbinger because this acquisition had not performed in accordance with the Company's expectations since its acquisition March 15, 2007. Because this business was never integrated into the Company's operations, the entire amount of goodwill related to the acquisition was written off upon the closing of the Harbinger operations. The other intangible assets were tested for impairment under Statement of Financial Accounting Standards No. 144. Since the intangible assets do not generate any cash flow, they were determined to be fully impaired.

The asset disposal write-offs also include a \$10.2 million loss on disposal of a software asset which was sold during the fourth quarter of fiscal 2008. The Company had an over-capacity of software licenses relating to a particular software agreement. The supplier of the software agreed to purchase the excess software license capacity from the Company in return for providing software maintenance to the Company for other software. The loss represents the excess of the carrying value of the software over the fair value of the software maintenance received.

Other asset disposal write-offs included \$3.8 million of assets, primarily furniture and leasehold improvements that were abandoned and written off as a result of exiting leased buildings and contracts referred to above, and \$6.1 million in write-offs related primarily to abandoned software products. All of these assets were evaluated under Statement of Financial Accounting Standards No. 144, which requires the Company to test assets for impairment whenever events or changes in circumstances indicate that the asset may be impaired. In each of these cases, there was a triggering event during the fourth quarter of fiscal 2008 which required the Company to test the asset for impairment. In order to test the asset for impairment, the Company estimated future cash flows for the asset, and if the future cash flows were not enough to recover the carrying value of the asset, the asset was written down to its estimated fair value. In most of these cases, the fair value was zero and the asset was completely written off.

The other related costs of \$0.5 million are primarily moving costs associated with the closing of the leased facilities referred to above.

2. RESTRUCTURING, IMPAIRMENT AND OTHER CHARGES (continued):

In March 2007, the Company recorded a total of \$2.5 million in restructuring charges included in gains, losses and other items in the consolidated statement of operations. The charges included \$1.5 million in severance and other associate-related reserves for payments to be made to approximately 105 associates who were notified in March 2007 that they were to be involuntarily terminated and \$0.3 million in fees paid to terminate contract workers. Separately, the Company recorded \$0.7 million for contract termination fees to a former senior executive. At March 31, 2007, the total accrued costs were \$1.6 million, which had all been paid by March 31, 2008.

During the quarter ended September 30, 2005, the Company recorded a total of \$13.0 million in restructuring and other impairment charges included in gains, losses and other items in the consolidated statement of operations. The charges included \$6.8 million in severance and other associate-related reserves for payments to be made to approximately 160 associates who were notified during the quarter that they were to be involuntarily terminated; \$3.7 million in lease termination costs or costs to be incurred after exiting certain leased facilities; and \$2.5 million in other costs including the write-off of certain non-productive assets and other contract termination costs. The table above includes the portion of the above charges which are yet to be paid as of March 31, 2008. The remaining accrued costs of \$1.1 million are expected to be paid out over the terms of the related leases or contracts, of which the longest one continues through fiscal 2012.

Terminated Acquisition of the Company

On May 16, 2007, the Company announced it had entered into an agreement to be acquired by Silver Lake and ValueAct Capital, at a price of \$27.10 per share plus the assumption of outstanding debt. On October 1, 2007, the Company announced that this transaction had been terminated. For fiscal 2008, the Company incurred transaction related expenses of \$17.7 million which are included in gains, losses and other items. Per the terms of the merger termination agreement, which was signed October 1, 2007, Silver Lake and ValueAct were required to pay the Company a settlement fee of \$65 million. This settlement fee was received on October 10, 2007 and recorded in gains, losses and other items in fiscal 2008.

Leased Asset Disposal

During the year ended March 31, 2008, the Company entered into an agreement to dispose of a leased aircraft. Under the terms of the lease, the Company was required to make a termination payment to the lessor and the lessor sold the asset and paid the proceeds to the Company. The Company has recorded \$2.5 million expense in gains, losses and other items, for the net payment to terminate the lease and dispose of the asset.

During the year ended March 31, 2008, the Company entered into an agreement to dispose of another leased aircraft. Under the terms of the lease, the Company is required to make a termination payment to the lessor and the lessor will sell the aircraft and pay the proceeds to the Company. The Company has recorded \$3.9 million expense in gains, losses and other items, for the net payment to terminate the lease and dispose of the asset.

During fiscal 2006 the Company disposed of another leased aircraft. Under the terms of the lease, the Company was entitled to the proceeds of the sale, less the termination value of the lease. The Company recorded a \$1.5 million gain in gains, losses and other items for the net proceeds received.

Retirement Payment

In November 2007, the Company entered into a transition agreement with its Chief Executive Officer under which he retired, and agreed to continue to serve on an interim basis until the selection of a successor by the board. Under the agreement, the Company paid \$3.0 million. Subsequent to the selection of a successor, the Company will also pay the retiring officer \$0.5 million per year for consulting services for approximately three years. The successor officer was hired, effective February 4, 2008. The Company has accrued the present value of the remaining payments under this contract as of March 31, 2008 because management does not intend to use the consulting services after March 31, 2008. The expense for this agreement is included in the associate-related accruals of \$19.3 million referred to above.

2. RESTRUCTURING, IMPAIRMENT AND OTHER CHARGES (continued):

Gains, Losses and Other Items

Gains, losses and other items for each of the years presented are as follows (dollars in thousands):

	2008	2007	2006
Terminated merger expense	\$ 17,689	\$ -	\$ -
Merger termination fee	(65,000)	-	-
Retirement payment	3,000	-	-
Gain on disposition of operations in France (note 4)	(3,157)	-	-
Spain operation closure	(1,622)	6,622	-
Loss on divestitures	-	-	1,326
Leased airplane disposals	6,445	-	(1,548)
Gain on sale of building	-	-	(2,787)
Legal contingency (note 11)	4,000	-	-
Restructuring plan charges and adjustments	75,147	2,500	12,965
Other	(150)	(225)	(452)
	<u>\$ 36,352</u>	<u>\$ 8,897</u>	<u>\$ 9,504</u>

Impairment

The Company reviews the recoverability of its capitalized costs whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The test of recoverability is performed by comparing the carrying value of the asset to its undiscounted expected future cash flows. If such review indicates that the carrying amount of an asset exceeds the sum of its expected future cash flows, the asset's carrying amount is written down to its estimated fair value. Fair value is determined by an internally developed discounted projected cash flow analysis of the asset. Due to a renegotiation of contracts with three different outsourcing customers during fiscal 2008 the Company performed a test for potential impairment of the related capitalized costs. The Company determined that the future cash flows relating to these renegotiated outsourcing contracts would not be sufficient to recover the costs that were capitalized. Based on these analyses, the Company recorded write-downs relating to the capitalized costs of these contracts. The combined \$43.6 million charge is recorded in cost of operations in the accompanying condensed consolidated statement of operations and in the Corporate segment for segment disclosures. The assets written down included \$46.0 million in deferred costs, \$0.1 million in property and equipment, \$2.5 million in other assets and an accrual of \$4.0 million, offset by \$8.9 million in deferred revenue.

3. ACQUISITIONS:

On November 9, 2007, the Company entered into an agreement with Automatic Research, Inc., to purchase certain assets collectively known as MKTG. MKTG is one of five operating subsidiaries of Automatic Research Inc. MKTG is a traditional direct marketing operation that provides its customers with data processing, list sales and list management services. The acquisition extends offerings to markets with favorable growth that were not previously serviced by the Company. The Company paid \$3.7 million for MKTG. There are no earnout agreements or other contingencies related to this acquisition. The operations of MKTG are included in the consolidated results beginning November 9, 2007. The annual revenues of MKTG are approximately \$7.4 million. Due to the immateriality to the consolidated results, no pro forma disclosures have been included.

On August 28, 2007, the Company acquired EchoTarget, Inc., an on-line behavioral targeting and ad-serving company based in New York. The Company paid \$1.8 million net of cash acquired and executed a promissory note in the amount of \$0.3 million which was paid March 31, 2008. The operations of EchoTarget are included in the consolidated results beginning September 1, 2007. The annual revenues of EchoTarget are less than \$0.5 million. Due to the immateriality to the consolidated results, no pro forma disclosures have been included.

3. ACQUISITIONS (continued):

On March 27, 2007, the Company acquired Kefta, Inc. ("Kefta"), a leader in real-time, dynamic personalization solutions for the Internet that was based in San Francisco, California. The acquisition bolsters the Company's ability to integrate one-to-one personalized communications across digital channels. The Company paid \$8.9 million, net of cash acquired, for Kefta not including amounts, if any, payable pursuant to the terms and conditions of two deferred payment agreements. The first is a deferred cash compensation agreement that requires the Company to pay up to \$1.5 million if three of Kefta's key employees are retained by the Company for eight consecutive quarters following the acquisition. The second is an earnout agreement that allows for payment of up to \$1.5 million if the acquired business achieves certain revenue goals. During the fourth quarter of fiscal 2008 the Company paid \$0.8 million under the earnout agreement, which has been treated as additional purchase price. The Company has also amended the deferred compensation arrangement to require payment of an additional \$0.8 million through June 30, 2008. Payments under the original deferred compensation arrangement are treated partially as purchase price (57%) and partially as compensation expense (43%). Payments under the amended deferred compensation agreement are all treated as compensation expense. The Company has omitted pro forma disclosures related to this acquisition as the pro forma effect of this acquisition is not material to the Company's consolidated results for any period presented. Kefta's results of operations are included in the Company's consolidated results beginning April 1, 2007. Kefta's total annual revenue is approximately \$2.7 million.

On March 15, 2007, the Company purchased Harbinger Associates, LLC and its wholly owned subsidiary Harbinger Technologies, Inc. ("Harbinger") from ICx Technologies, Inc. The Company paid \$9.5 million in cash, net of cash acquired, and executed a promissory note for another \$1.3 million to acquire Harbinger, \$1.0 million of which was paid as of March 31, 2008. The remaining \$0.3 million will be paid by March 15, 2009. The Company has omitted pro forma disclosure related to this acquisition as the pro forma effect of this acquisition is not material to the Company's consolidated results for any of the periods presented. Harbinger's results of operations are included in the Company's consolidated results beginning March 15, 2007. During the quarter ended March 31, 2008, the Company shut down the operations of Harbinger and recorded charges of \$9.5 million in gains, losses and other items for the write-off of goodwill and other intangible assets. The Company also accrued \$1.1 million of exit costs, primarily lease accruals discussed in note 2.

On December 29, 2006, the Company completed the acquisition of certain assets of the Equitec division of Henry Group, Ltd. ("Equitec"), a consulting and analytics company headquartered in Cleveland, Ohio. The Company paid approximately \$14.7 million in cash for Equitec, and issued shares of the Company's common stock with an approximate value of \$3.6 million. The Company has omitted pro forma disclosure related to this acquisition as the pro forma effect of this acquisition is not material to the Company's consolidated results for any of the periods presented. The \$18.3 million purchase price paid for Equitec does not include amounts, if any, payable pursuant to the terms and conditions of an earnout agreement based on Equitec's achievement of certain operating targets over the period ending March 31, 2009. Equitec's results of operations are included in the Company's consolidated results beginning January 1, 2007. Equitec's annual revenue for the year prior to the acquisition was approximately \$11.3 million. The Company has accrued through costs of operations \$1.5 million payable under the earnout agreement for 2008. The total remaining potentially payable for fiscal 2009 is \$5.0 million.

In August 2005, the Company completed the acquisition of InsightAmerica, Inc. ("IA"), a privately held company based in Broomfield, Colorado. IA specializes in fraud prevention and risk mitigation services. The Company paid approximately \$34.6 million in cash for IA, net of cash acquired, which does not include payments made under an earnout agreement. The Company paid an additional \$2.4 million during fiscal 2006 relating to the earnout agreement and made a final earnout payment of \$1.0 million in fiscal 2008. IA's results of operations are included in the Company's consolidated results beginning August 1, 2005. IA's total annual revenues for their fiscal year ended December 31, 2004 were approximately \$18 million. The Company has omitted pro forma disclosure related to this acquisition as the pro forma effect of this acquisition is not material to the Company's consolidated results for any of the periods presented.

In May 2005, the Company completed the acquisition of Digital Impact, Inc. ("DI"). DI is a provider of integrated digital marketing solutions and is based in Foster City, California. Management believes DI provides the Company with new capabilities that are complementary to the Company's previous service offerings. The Company paid approximately \$106.8 million in cash for DI, net of cash acquired. DI's results of operations are included in the Company's consolidated results beginning May 1, 2005. DI's total annual revenues were approximately \$45 million at the date of purchase. The Company has omitted pro forma disclosure related to this acquisition as the pro forma effect of this acquisition is not material to the Company's consolidated results for any of the periods presented.

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3. ACQUISITIONS (continued):

In fiscal 2004, the Company completed the acquisition of the Claritas Europe group of companies for approximately \$38.0 million, net of cash acquired. The purchase price was finalized in an October 2007 agreement between the parties which finalized all components of the purchase price calculation. The agreement resulted in a \$0.4 million payment from the Company to VNU (the former owner). The settlement was \$2.0 million less than the amount the Company had previously accrued, which was adjusted to goodwill in fiscal 2008.

The following table shows the allocation of MKTG, EchoTarget, Kefta, Harbinger, Equitec, IA and DI purchase prices to assets acquired and liabilities assumed (dollars in thousands):

	<u>MKTG</u>	<u>EchoTarget</u>	<u>Kefta</u>	<u>Harbinger</u>	<u>Equitec</u>	<u>IA</u>	<u>DI</u>
Assets acquired:							
Cash	\$ -	\$ 13	\$ 75	\$ 74	\$ -	\$ 541	\$ 27,025
Goodwill	2,318	2,089	8,444	7,652	14,100	30,085	101,127
Other intangible assets	800	-	2,870	2,375	4,100	7,000	20,800
Other current and noncurrent assets	1,228	87	447	1,308	79	6,716	14,390
	<u>4,346</u>	<u>2,189</u>	<u>11,836</u>	<u>11,409</u>	<u>18,279</u>	<u>44,342</u>	<u>163,342</u>
Accounts payable, accrued expenses and capital leases assumed	689	32	1,323	559	-	5,850	17,236
Net assets acquired	<u>3,657</u>	<u>2,157</u>	<u>10,513</u>	<u>10,850</u>	<u>18,279</u>	<u>38,492</u>	<u>146,106</u>
Less:							
Cash acquired	-	13	75	74	-	541	27,025
Common stock issued	-	-	-	-	3,610	-	-
Promissory note	-	-	-	300	-	-	-
Accrued liabilities	-	-	395	-	-	-	-
Issuance of vested stock options	-	-	-	-	-	-	7,541
Payments to be made for restricted stock	-	-	-	-	-	-	4,768
Net cash paid	<u>\$ 3,657</u>	<u>\$ 2,144</u>	<u>\$ 10,043</u>	<u>\$ 10,476</u>	<u>\$ 14,669</u>	<u>\$ 37,951</u>	<u>\$ 106,772</u>

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3. ACQUISITIONS (continued):

The amounts allocated to other intangible assets in the table above include software, customer relationship intangibles, and databases. Amortization lives for those intangibles range from two years to seven years. The following table shows the amortization activity of these intangible assets (dollars in thousands):

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Database assets, gross	\$ 10,040	\$ 10,040	\$ 10,040
Accumulated amortization	<u>(9,751)</u>	<u>(8,790)</u>	<u>(5,910)</u>
Net database assets	<u>\$ 289</u>	<u>\$ 1,250</u>	<u>\$ 4,130</u>
Developed technology assets, gross	\$ 18,100	\$ 14,700	\$ 14,700
Accumulated amortization	<u>(8,996)</u>	<u>(5,423)</u>	<u>(2,532)</u>
Net developed technology assets	<u>\$ 9,104</u>	<u>\$ 9,277</u>	<u>\$ 12,168</u>
Customer/trademark assets, gross	\$ 24,595	\$ 22,813	\$ 17,652
Accumulated amortization	<u>(12,600)</u>	<u>(7,066)</u>	<u>(3,803)</u>
Net customer/trademark assets	<u>\$ 11,995</u>	<u>\$ 15,747</u>	<u>\$ 13,849</u>
Total intangible assets, gross	\$ 52,735	\$ 47,553	\$ 42,392
Total accumulated amortization	<u>(31,347)</u>	<u>(21,278)</u>	<u>(12,245)</u>
Net intangible assets	<u>\$ 21,388</u>	<u>\$ 26,275</u>	<u>\$ 30,147</u>
Amortization expense	<u>\$ 10,069</u>	<u>\$ 9,033</u>	<u>\$ 8,240</u>

The following table shows a projection of amortization expense associated with the above assets for the next five years (dollars in thousands):

Year ending March 31,	<u>Projected amortization expense</u>
2009	\$ 7,183
2010	6,450
2011	3,948
2012	3,194
2013	613

None of the amounts allocated to goodwill or other intangible assets for the EchoTarget, Kefta, Harbinger, IA or DI acquisitions are deductible for tax purposes. The amounts allocated to intangible assets and goodwill for the MKTG and Equitec acquisitions are expected to be deductible. The allocation of purchase price for the MKTG acquisition is subject to adjustment as the Company makes the final determination of the fair values assigned to acquired assets and liabilities.

3. ACQUISITIONS (continued):

As a result of the DI, Claritas Europe and Consodata acquisitions, management has formulated plans to consolidate certain facilities, eliminate duplicative operations, and terminate or relocate certain associates. The Company recorded aggregate accruals in other accrued liabilities of \$15.4 million as of the purchase date of the Claritas Europe and Consodata acquisitions (acquired in fiscal 2004) for the estimated costs of the integration process, including lease termination costs, costs of terminating or relocating associates, and for other contract termination costs. The table below shows adjustments to and payments of these accruals during the years ended March 31, 2008 and 2007. Any future adjustments to these plans may result in future expense or in decreases to the goodwill recorded for the acquisitions. The remaining reserves are expected to be paid in the next fiscal year.

(dollars in thousands)	Associate-related reserves	Lease and related reserves	Other contract termination reserves	Total
Balance at March 31, 2006	\$ 1,161	\$ 4,879	\$ 1,283	\$ 7,323
Adjustments	(115)	(116)	-	(231)
Payments	(836)	(3,803)	(199)	(4,838)
Change in foreign currency translation adjustment	43	259	121	423
Balance at March 31, 2007	\$ 253	\$ 1,219	\$ 1,205	\$ 2,677
Adjustments	(53)	8	(1,017)	(1,062)
Payments	(14)	(880)	(241)	(1,135)
Change in foreign currency translation adjustment	38	134	67	239
Balance at March 31, 2008	\$ 224	\$ 481	\$ 14	\$ 719

4. DIVESTITURES:

On December 7, 2007, the Company entered into an agreement with Pitney Bowes Software to sell the Company's GIS operations in France. The Company received \$14.2 million for the sale and recorded a gain in the statement of operations of \$3.2 million. The gain was net of \$6.7 million in goodwill which was allocated to the disposed operations from the goodwill of the Information Products segment based on the relative fair value of the disposed operations to the international component of the Information Products segment. Also, included in the gain calculation was a \$1.3 million accrual for exit activities. At March 31, 2008, \$1.1 million remained accrued in other accrued liabilities. The ultimate gain on the disposal is subject to adjustment once the parties complete an agreement as to the final working capital. The gain recorded is net of an estimated \$0.9 million adjustment to the final working capital. The final agreement on working capital is expected to occur in the first quarter of fiscal 2009. The annual revenue associated with the GIS operations was approximately \$14 million.

In fiscal 2007, the Company announced plans to shut down its operations in Spain. Upon the completion of this closure, the Company recorded \$6.6 million of exit costs including \$0.7 million in severance costs, \$3.9 million in accruals for contingent liabilities related to governmental data protection claims pending in Spain, and \$2.0 million in asset write offs and other accruals. During the fourth quarter of fiscal 2008, the Company reversed \$2.4 million of the accrual related to the governmental data protection claims, because most of those claims have been settled for less than the Company originally accrued. This reversal has been partially offset by \$0.8 million in expense due to currency translation expenses, for a net credit recorded in gains, losses and other items for fiscal 2008 of \$1.6 million. Related to the Spain closure, \$1.0 million remains accrued at the end of fiscal 2008 for estimated data protection claims.

In fiscal 2006 the Company sold a subsidiary in Spain that had no remaining operations but had available tax loss carryforwards which could be used by the buyer. The sale generated proceeds of \$1.2 million and a gain on disposal included in gains, losses and other items of \$0.8 million.

In fiscal 2006, the Company sold its real property data compilation business and associated assets for net proceeds of \$0.3 million. The loss on the sale was \$1.9 million.

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4. DIVESTITURES (continued):

Effective July 1, 2005 the Company sold its lettershop operations in Melville, New York. In connection with the sale, the Company received a note receivable in the amount of \$0.9 million and recorded a net loss on the sale of \$0.3 million.

The Company sold an unused facility in fiscal 2006 for cash proceeds of \$3.6 million and recorded a gain of \$2.8 million.

The following table shows the balances that were accrued for the Spain closure as well as the changes in those balances during the years ended March 31, 2007 and 2008 (dollars in thousands):

	Associate-related reserves	Ongoing contract costs	Other accruals	Total
Fiscal 2007 charges	\$ 656	\$ 113	\$ 4,789	\$ 5,558
Payments	(378)	(20)	(200)	(598)
March 31, 2007	\$ 278	\$ 93	\$ 4,589	\$ 4,960
Adjustments	(5)	-	(2,304)	(2,309)
Payments	(292)	(95)	(1,971)	(2,358)
Change in foreign currency translation adjustment	19	2	651	672
March 31, 2008	\$ -	\$ -	\$ 965	\$ 965

5. OTHER CURRENT AND NONCURRENT ASSETS:

Other current assets consist of the following (dollars in thousands):

	March 31, 2008	March 31, 2007
Current portion of unbilled and notes receivable	\$ 4,142	\$ 10,904
Prepaid expenses	21,682	23,736
Non-trade receivables	4,446	7,432
Assets of SNQDC retirement plan (note 15)	15,272	17,021
Other miscellaneous assets	103	159
Other current assets	\$ 45,645	\$ 59,252

Other noncurrent assets consist of the following (dollars in thousands):

	March 31, 2008	March 31, 2007
Investments in marketable and nonmarketable securities	\$ 1,526	\$ 4,299
Acquired intangible assets, net	11,995	15,747
Other miscellaneous noncurrent assets	3,223	3,205
Noncurrent portion of unbilled and notes receivable	5,877	16,742
Noncurrent assets	\$ 22,621	\$ 39,993

During fiscal 2004, the Company made an investment of \$5.0 million in Battleaxe, LLC, a limited liability company formed for the purpose of owning and managing real property in Illinois. Under the terms of the operating agreement, which was amended in April 2006, the Company's ownership investment in this entity will be returned through cash payments, including interest at 5%. In fiscal 2008, the value of this investment was determined to be impaired and its balance of \$2.7 million was written off to other, net in the consolidated statement of operations.

During fiscal 2007 and 2006 the Company disposed of a number of investments, recording aggregate income in other, net of \$1.6 million in 2007 and \$1.1 million in 2006.

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5. OTHER CURRENT AND NONCURRENT ASSETS (continued):

Unbilled and notes receivable are from the sales of software, data licenses, and equipment and from the sale of divested operations, net of the current portions of such receivables.

With respect to certain of its investments in joint ventures and other companies, the Company may provide cash advances to fund losses and cash flow deficits. The Company may, at its discretion, decide not to provide financing to these investments during future periods. In the event that it does not provide funding and these investments have not achieved profitable operations, the Company may be required to record an impairment charge up to the amount of the carrying value of these investments (\$1.5 million at March 31, 2008).

6. GOODWILL:

Goodwill represents the excess of acquisition costs over the fair values of net assets acquired in business combinations. Goodwill is reviewed at least annually for impairment under a two-part test. Impairment exists to the extent that the reporting unit's recorded goodwill exceeds the residual fair value assigned to such goodwill. Any impairment that results from the completion of the two-part test is recorded as a charge to operations during the period in which the impairment test is completed. Completion of the Company's most recent impairment test during the quarter ended March 31, 2008 indicated no potential impairment of its goodwill balances.

The carrying amount of goodwill, by business segment, for the years ended March 31, 2008, 2007 and 2006, and the changes in those balances are presented in the following table.

(dollars in thousands)	Information Services	Information Products	Infrastructure Management	Total
Balance at March 31, 2006	\$ 292,141	\$ 136,229	\$ 44,031	\$ 472,401
Purchase adjustments	8,906	2,332	-	11,238
Equitec acquisition	12,973	-	-	12,973
Kefta acquisition	9,807	-	-	9,807
Harbinger acquisition	-	9,985	-	9,985
Purchase of minority interest	-	260	-	260
Reversal of acquired deferred tax valuation allowance	(3,391)	(2,138)	-	(5,529)
Change in foreign currency translation adjustment	3,273	7,638	-	10,911
Balance at March 31, 2007	\$ 323,709	\$ 154,306	\$ 44,031	\$ 522,046
EchoTarget acquisition	2,089	-	-	2,089
MKTG acquisition	2,318	-	-	2,318
Sale of operations in France	(6,652)	-	-	(6,652)
Harbinger purchase adjustment	-	(2,333)	-	(2,333)
Shut-down of Harbinger	-	(7,652)	-	(7,652)
Deferred consideration and other fees	1,243	1,000	-	2,243
Reversal of acquired deferred tax valuation allowance	(33,863)	(5,117)	-	(38,980)
Purchase adjustments	(1,771)	(2,004)	-	(3,775)
Change in foreign currency translation adjustment	4,648	10,844	-	15,492
Balance at March 31, 2008	<u>\$ 291,721</u>	<u>\$ 149,044</u>	<u>\$ 44,031</u>	<u>\$ 484,796</u>

7. SOFTWARE AND RESEARCH AND DEVELOPMENT COSTS:

The Company recorded amortization expense related to internally developed computer software of \$19.3 million for fiscal 2008, \$19.1 million for fiscal 2007 and \$27.0 million for fiscal 2006 and amortization of purchased software licenses of \$35.9 million, \$45.0 million and \$43.6 million in 2008, 2007 and 2006, respectively. Additionally, research and development costs of \$19.8 million, \$19.1 million and \$15.6 million were charged to cost of revenue during 2008, 2007 and 2006, respectively. Amortization expense related to both internally developed and purchased software is included in cost of revenue in the accompanying consolidated statements of operations.

On December 29, 2005, the Company entered into a definitive Asset Purchase and License Agreement (the "Agreement") with EMC Corporation ("EMC"). The Agreement provided, among other things, for the purchase by EMC of the Company's information grid operating system software (the "Base Technology") and for the grant of a perpetual license from EMC to the Company of the Base Technology and further developments for the Company's continued use in connection with its business. The Company also licensed other ancillary related technology to EMC.

Under the terms of the Agreement, the parties worked together to further develop the Base Technology. EMC paid the Company \$20 million in fiscal year 2006 and \$10 million in fiscal 2007. The Agreement also gave EMC the option during a two-year option period to acquire the Acxiom division responsible for the further development of the technology, upon payment of an option price specified in the Agreement. EMC did not exercise the option and the parties have entered into an amended agreement under which EMC will pay the Company \$2.0 million in cash during the first quarter of fiscal 2009, as well as providing future discounts for the purchase of equipment from EMC over the next four years. EMC is also to purchase at least \$0.5 million in services from Acxiom over the next two years. The agreement also requires the parties to refer business opportunities to each other whenever possible.

Payments received by Acxiom from EMC under the Agreement have offset previously capitalized software balances associated with development of the sold and licensed technology and additional amounts capitalized to further develop the technology. These payments have no effect on revenue, earnings, or operating cash flow. The reduction in the capitalized balance will reduce future amortization expense. The cash to be received from EMC under the amended agreement will be accounted for in the same way.

8. PROPERTY AND EQUIPMENT:

Property and equipment, some of which has been pledged as collateral for long-term debt, is summarized as follows (dollars in thousands):

	March 31, 2008	March 31, 2007
Land	\$ 16,715	\$ 16,715
Buildings and improvements	222,756	223,226
Data processing equipment	462,327	429,857
Office furniture and other equipment	63,248	63,377
	<u>765,046</u>	<u>733,175</u>
Less accumulated depreciation and amortization	498,777	420,883
	<u>\$ 266,269</u>	<u>\$ 312,292</u>

Depreciation expense on property and equipment (including amortization of property and equipment under capitalized leases) was \$95.4 million, \$99.8 million and \$91.7 million for the years ended March 31, 2008, 2007 and 2006, respectively.

9. LONG-TERM DEBT:

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

	March 31, 2008	March 31, 2007
Term loan credit agreement	\$ 511,000	\$ 547,000
Capital leases and installment payment obligations on land, buildings and equipment payable in monthly payments of principal plus interest at rates ranging from approximately 4% to 8%; remaining terms up to fifteen years	76,598	121,399
Warrants	1,542	1,651
Software license liabilities payable over terms up to seven years; effective interest rates ranging from approximately 6% to 7%	18,117	44,615
Data license agreement, effective interest rate 6%	10,499	-
Other debt and long-term liabilities	26,811	41,135
Total long-term debt and capital leases	644,567	755,800
Less current installments	69,259	106,921
Long-term debt, excluding current installments	\$ 575,308	\$ 648,879

Effective September 15, 2006, the Company entered into an amended and restated credit agreement allowing (1) term loans up to an aggregate principal amount of \$600 million and (2) revolving credit facility borrowings consisting of revolving loans, letter of credit participations and swing-line loans up to an aggregate amount of \$200 million. The term loan is payable in quarterly principal installments of \$1.5 million through September 2011, followed by quarterly principal installments of \$150 million through June 2012, followed by a final installment of \$40 million due September 15, 2012. The term loan also allows prepayments before maturity. Revolving loan commitments and all borrowings of revolving loans mature on September 15, 2011. The credit agreement is secured by the accounts receivable of Acxiom and its domestic subsidiaries, as well as by the outstanding stock of certain Acxiom subsidiaries.

On September 15, 2006, the Company borrowed the entire amount of the term loan. Term loan proceeds were used to purchase shares of the Company's common stock pursuant to the terms of its "Dutch auction" self-tender offer for approximately \$278 million (see note 12), to pay certain fees of approximately \$6.4 million related to entering into the credit agreement and to pay off an existing revolving loan of approximately \$267 million. The remainder of the term loan proceeds was used to retire additional debt or for general corporate purposes. In addition to the quarterly \$1.5 million principal installments, the Company paid \$50.0 million in principal in fiscal 2007 and \$30.0 million in fiscal 2008. The Company expensed \$0.3 million in fiscal 2008 and \$0.5 million in fiscal 2007 of deferred costs related to the early payments.

Revolving credit facility borrowings currently bear interest at LIBOR plus 1.5% or at an alternative base rate or at the Federal Funds rate plus 2.25%, depending on the type of borrowing. Term loan borrowings currently bear interest at LIBOR plus 1.75%. There were no revolving loan borrowings outstanding at March 31, 2008 or 2007. The weighted average interest rate on term loan borrowings outstanding at March 31, 2008 was 5.7%. Outstanding letters of credit at March 31, 2008 were \$7.2 million.

Under the terms of certain of the above borrowings, the Company is required to maintain certain debt-to-cash flow and debt service coverage ratios, among other restrictions. At March 31, 2008, the Company was in compliance with these covenants and restrictions. In addition, if certain financial ratios and other conditions are not satisfied, the credit agreement limits the Company's ability to pay dividends in excess of \$30 million in any fiscal year (plus additional restrictions in certain circumstances).

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9. LONG-TERM OBLIGATIONS (continued):

The Company's future obligations, excluding interest, under its long-term debt at March 31, 2008 are as follows (in thousands):

Year ending March 31,	
2009	\$ 69,259
2010	34,906
2011	25,012
2012	305,349
2013	192,953
Thereafter	17,088
	<u>\$ 644,567</u>

10. ALLOWANCE FOR DOUBTFUL ACCOUNTS:

A summary of the activity of the allowance for doubtful accounts, returns and credits is as follows (dollars in thousands):

	Balance at beginning of period	Additions charged to costs and expenses	Other changes	Bad debts written off, net of amounts recovered	Balance at end of period
2006:					
Allowance for doubtful accounts, returns and credits	<u>\$ 7,636</u>	<u>\$ 6,235</u>	<u>\$ (654)</u>	<u>\$ (4,722)</u>	<u>\$ 8,495</u>
2007:					
Allowance for doubtful accounts, returns and credits	<u>\$ 8,495</u>	<u>\$ 1,946</u>	<u>\$ 629</u>	<u>\$ (2,755)</u>	<u>\$ 8,315</u>
2008:					
Allowance for doubtful accounts, returns and credits	<u>\$ 8,315</u>	<u>\$ 2,283</u>	<u>\$ 746</u>	<u>\$ (1,333)</u>	<u>\$ 10,011</u>

Included in other changes are valuation accounts acquired in connection with business combinations, disposals, and the effects of exchange rates.

11. COMMITMENTS AND CONTINGENCIES:

Legal Matters

Richard Fresco, et al. v. R.L. Polk and Company and Acxiom Corporation, (U.S. Dist. Court, S.D. Florida, 07-60695) formerly, Linda Brooks and Richard Fresco v. Auto Data Direct, Inc., et al., (U.S. Dist. Court, S.D. Florida, 03-61063) is a putative class action lawsuit, removed to federal court in May 2003, filed against Acxiom and several other information providers. The plaintiffs allege that the defendants obtained and used drivers' license data in violation of the federal Drivers Privacy Protection Act. To date, a class has not been certified. Among other things, the plaintiffs seek injunctive relief, statutory damages, and attorneys' fees. Acxiom has made an informal offer to settle the case and has accrued \$4.0 million for the offer of settlement and possible expenses associated with the notice and claims administration process. Acxiom and Polk have agreed to stay the proceedings while mediation is conducted under the purview of the Court. Two companion cases, Sharon Taylor, et al., v. Acxiom, et al., (U.S. District Court, E.D. Texas, 207CV001) and Sharon Taylor, et al. v. Biometric Access Company, et al., (U.S. District Court, E.D. Texas, 2:07-CV-00018), were filed in January 2007.

11. COMMITMENTS AND CONTINGENCIES (continued):

Epsilon Data Management LLC, et al. v. Acxiom Corporation, (192<sup>nd</sup> Judicial District Court of Dallas County, TX, 07-08569) is a case that was brought by a competitor of Acxiom after the acquisition of three long-time data providers and alleges that Acxiom breached certain terms and conditions of the data licenses with those acquired companies in the course of building and distributing Acxiom data products. The plaintiffs seek injunctive relief and unspecified damages. Acxiom contends that it has acted in conformance with the data licenses and is vigorously defending the claims.

The Company is involved in a number of actions with the Data Protection Authority of Spain, involving alleged improper usage of individuals' data. The Company is negotiating with the Data Protection Authority in an attempt to settle the claims, and the Company maintains that the Company's usage of data has been in compliance with the applicable law. However, upon advice of counsel and after review of the pending claims, the Company accrued \$3.9 million as part of the cost of closure of the Spain office (see note 4). During the quarter ended March 31, 2008, the Company reversed \$2.4 million of the accrual as some of the claims had been settled for less than the Company originally accrued. As of March 31, 2008 the Company has a remaining accrual for this matter of \$1.0 million.

The Company is involved in various other claims and legal actions in the ordinary course of business. In the opinion of management, the ultimate disposition of all of these matters will not have a material adverse effect on the Company's consolidated financial position, results of operations or cash flows.

Commitments

The Company leases data processing equipment, software, office furniture and equipment, land and office space under noncancellable operating leases. Additionally, the Company has entered into synthetic operating leases for computer equipment, furniture and aircraft ("Leased Assets"). These synthetic operating lease facilities are accounted for as operating leases under generally accepted accounting principles and are treated as capital leases for income tax reporting purposes. Initial lease terms under the synthetic computer equipment and furniture facility range from two to six years, with the Company having the option at expiration of the initial lease to return the equipment, purchase the equipment at a fixed price, or extend the term of the lease. The lease term of an aircraft expires in November 2017, with the Company having the option to purchase the aircraft, renew the lease for an additional twelve months, or return the aircraft to the lessor. The Company has notified the lessor of its intent to terminate the aircraft lease subsequent to March 31, 2008. Once the lessor sells the aircraft the Company will be required to pay the termination value of the lease, less the proceeds of the aircraft sale. The Company has accrued the net loss of \$3.9 million in gains, losses and other items in fiscal 2008. The cash payment will occur in fiscal 2009.

The total amount drawn under these synthetic operating lease facilities since inception was \$255.7 million and the Company has a future commitment for lease payments of \$24.6 million over the next ten years. In the event the Company elects to return the Leased Assets, the Company has guaranteed a portion of the residual value to the lessors. Assuming the Company elects to return the Leased Assets to the lessors at its earliest opportunity under the synthetic lease arrangements and assuming the Leased Assets have no significant residual value to the lessors, the maximum potential amount of future payments the Company could be required to make under these residual value guarantees was \$12.9 million at March 31, 2008.

Total rental expense on operating leases and software licenses, including the synthetic lease facilities, was \$55.6 million, \$50.8 million and \$54.3 million for the years ended March 31, 2008, 2007 and 2006, respectively. Future minimum lease payments under all noncancellable operating leases and software licenses, including the synthetic lease facilities, for the five years ending March 31, 2013, are as follows: 2009, \$39.9 million; 2010, \$30.2 million; 2011, \$18.6 million; 2012, \$16.4 million; and 2013, \$13.3 million.

In connection with certain of the Company's facilities, the Company has entered into 50/50 joint ventures with local real estate developers. In each case, the Company is guaranteeing portions of the loans for the buildings. In addition, in connection with the disposal of certain assets, the Company has guaranteed loans for the buyers of the assets. These guarantees were made by the Company primarily to facilitate favorable financing terms for those third parties. Should the third parties default on this indebtedness, the Company would be required to perform under its guarantee. Substantially all of the third-party indebtedness is collateralized by various pieces of real property. At March 31, 2008 the Company's maximum potential future payments under all of these guarantees of third-party indebtedness were \$4.8 million.

12. STOCKHOLDERS' EQUITY:

The Company repurchased 11.1 million of its common shares for approximately \$283.9 million through a Dutch Auction Self Tender ("DAST") which closed on September 12, 2006. Borrowings under the new credit facility, which closed September 15, 2006 (see note 9), were used to fund the DAST and retire existing debt.

The Company has authorized 200 million shares of \$0.10 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.

As discussed below, the Company has issued warrants to purchase shares of its common stock. The following table shows outstanding warrants as of March 31, 2008:

	Number of warrants outstanding	Issued	Vesting date	Expiration date	Weighted average exercise price
AISS acquisition (fiscal 2003)	1,272,024	August 2002	August 2002	August 12, 2017	\$ 16.32
Toplander acquisition (fiscal 2003)	102,935	March 2004	March 2004	March 17, 2019	\$ 13.24
ChinaLOOP acquisition (fiscal 2005)	100,000	October 2004	November 1, 2007	October 24, 2014	\$ 15.00
	<u>1,474,959</u>				<u>\$ 16.01</u>

In conjunction with the acquisition of ChinaLOOP in fiscal 2005, the Company issued a warrant to purchase 100,000 shares of its common stock. The exercise price for the warrant is \$15 per share and the warrant may be exercised until October 24, 2014. The warrant also contains a put feature, which gives the holder the right to receive up to an additional \$1.5 million in Acxiom common stock if the value of the common stock upon exercise is less than \$30 per share. The put feature can only be exercised on or after November 1, 2009, and can only be exercised concurrently with the exercise of the warrant. If the warrant and the put feature were both exercised as of March 31, 2008, the put feature would require the Company to issue an additional 131,694 shares.

The fair value of the warrant upon issuance was determined to be \$1.8 million. Due to the terms of the instrument and the fact that the warrant and put are to be settled by issuance of a variable number of shares, the fair value of the warrant is recorded as a liability, included in long-term debt (see note 9) and the fair value will be adjusted at each balance sheet date to its current fair value. At March 31, 2008, the fair value of the warrant was \$1.5 million. The change in the warrant value is recorded in other, net in the accompanying consolidated statement of operations as income of \$0.1 million in 2008, expense of \$0.3 million in 2007 and income of \$0.3 million in 2006. In general, the value of the warrant will increase as the stock price increases and decrease as the stock price decreases. Other factors that influence the fair value of the warrant include the remaining term, the risk-free interest rate, the volatility of the Company's stock, and the Company's dividend rate. If the warrant is exercised, the recorded value will be transferred to equity.

On October 26, 2007, the board of directors adopted a new common stock repurchase program, which ended the previous common stock repurchase program. This program was further modified February 13, 2008. Under the new common stock repurchase program, the Company may purchase up to \$100 million worth of its common stock over the twelve months ending October 25, 2008. From its inception on October 26, 2007 through March 31, 2008, the Company repurchased 4.2 million shares of its stock for \$50.6 million. On November 14, 2002, the Company announced a previous common stock repurchase program. From that date through its dissolution on October 26, 2007, the Company had repurchased 21.8 million shares of its common stock for an aggregate purchase price of \$404.0 million under this repurchase program.

12. STOCKHOLDERS' EQUITY (continued):

The Company paid dividends on its common stock in the amount of \$0.12 per share in fiscal 2008, \$0.22 per share in fiscal 2007 and \$0.20 per share in fiscal 2006.

*Stock Option Activity*

The Company has stock option and equity compensation plans for which a total of 37.7 million shares of the Company's common stock have been reserved for issuance since inception of the plans. These plans provide that the option price of qualified options will be at or above the fair market value of the common stock at the time of the grant. Board policy has required that nonqualified options be priced at or above the fair market value of the common stock at the time of grant. At March 31, 2008, there were a total of 6.7 million shares available for future grants under the plans.

The per-share weighted-average fair value of stock options granted during 2008 was \$4.09 on the date of grant using a lattice option pricing model with the following weighted-average assumptions: dividend yield of 1.7%; risk-free interest rate of 4.3%; expected option life of 5.8 years and expected volatility of 26%. The per-share weighted-average fair value of stock options granted during 2007 was \$9.45 on the date of grant using a lattice option pricing model with the following weighted-average assumptions: dividend yield of 1.0%; risk-free interest rate of 4.6%; expected option life of 8.7 years and expected volatility of 25%. The per-share weighted-average fair value of stock options granted during fiscal 2006 was \$4.52 on the date of grant using the Black-Scholes option pricing model with the following weighted-average assumptions: dividend yield of 1%; risk-free interest rate of 4.26%; expected option life of 3 years; and expected volatility of 24%. The short option life for the options granted in fiscal 2006 was due to those options being fully vested when granted.

Total expense related to stock options was approximately \$3.2 million for fiscal 2008 and \$1.5million for both 2007 and 2006 and was charged to selling, general and administrative expense. Future expense for these options is expected to be approximately \$5.8 million in total over the next five years.

Activity in stock options was as follows:

	Number of shares	Weighted- average exercise price per share	Weighted- average remaining contractual term (in years)	Aggregate Intrinsic value (in thousands)
Outstanding at March 31, 2007	11,784,406	\$ 21.52		
Granted	1,195,000	\$ 15.43		
Exercised	(1,965,126)	\$ 18.58		\$ 271
Forfeited or cancelled	(268,630)	\$ 24.39		
Outstanding at March 31, 2008	<u>10,745,650</u>	<u>\$ 21.32</u>	7.73	\$ 1,605
Exercisable at March 31, 2008	<u>9,342,514</u>	<u>\$ 22.03</u>	7.44	\$ 1,189

The aggregate intrinsic value for options exercised in fiscal 2006 was \$53.5 million, in fiscal 2007 was \$12.8 million and in fiscal 2008 was \$0.3 million. The aggregate intrinsic value at period end represents total pre-tax intrinsic value (the difference between Acxiom's closing stock price on the last trading day of the period and the exercise price for each in-the-money option) that would have been received by the option holders had option holders exercised their options on March 31, 2008. This amount changes based upon changes in the fair market value of Acxiom's stock.

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12. STOCKHOLDERS' EQUITY (continued):

Following is a summary of stock options outstanding as of March 31, 2008:

Range of exercise price per share	Options outstanding			Options exercisable	
	Options outstanding	Weighted-average remaining contractual life	Weighted-average exercise price per share	Options exercisable	Weighted-average exercise price per share
\$ 0.11 - \$ 9.62	141,197	5.70 years	\$ 6.64	120,781	\$ 6.58
\$ 10.17 - \$ 14.68	1,950,906	8.61 years	\$ 11.98	1,485,054	\$ 12.23
\$ 15.00 - \$ 19.82	2,800,059	7.93 years	\$ 16.44	2,218,191	\$ 16.64
\$ 20.12 - \$ 24.53	2,928,824	8.00 years	\$ 22.79	2,928,824	\$ 22.79
\$ 25.00 - \$ 29.30	1,738,695	7.27 years	\$ 26.56	1,403,695	\$ 26.65
\$ 30.93 - \$ 39.12	868,391	5.99 years	\$ 35.70	868,391	\$ 35.70
\$ 40.50 - \$ 75.55	313,866	6.33 years	\$ 44.65	313,866	\$ 44.65
\$168.61 - \$268.55	3,712	1.89 years	\$ 208.14	3,712	\$ 208.14
	<u>10,745,650</u>	<u>7.73 years</u>	<u>\$ 21.32</u>	<u>9,342,514</u>	<u>\$ 22.03</u>

*Restricted Stock Unit Activity*

Non-vested restricted stock units and changes during the year ended March 31, 2008 were as follows:

	Number of shares	Weighted average fair value per share at grant date (in thousands)	Weighted-average remaining contractual term (in years)
Outstanding at March 31, 2007	451,750	\$ 23.78	3.35
Granted	826,365	\$ 12.45	
Vested	(127,865)	\$ 23.53	
Forfeited or cancelled	(25,314)	\$ 20.77	
Outstanding at March 31, 2008	<u>1,124,936</u>	<u>\$ 15.55</u>	<u>3.37</u>

During fiscal 2006, the Company issued restricted stock units covering 75,000 shares of common stock with a value at the date of grant of \$1.6 million. During fiscal 2007, the Company issued restricted stock units covering 454,250 shares of common stock with a value at the date of grant of \$10.9 million. During fiscal 2008, the Company issued restricted stock units covering 826,365 shares of common stock with a value at the date of grant of \$10.3 million. The value at the date of grant is determined by reference to quoted market prices for the shares, less a small calculated discount to reflect the fact that the restricted shares do not pay dividends until they are vested. Restricted stock units vest in equal annual increments over four years. The expense related to restricted stock was \$4.8 million in fiscal 2008, \$1.7 million in fiscal 2007 and \$0.2 million in fiscal 2006 and was charged to selling, general and administrative expense. Future expense for these restricted stock units is expected to be approximately \$4.7 million in fiscal 2009, \$4.2 million in fiscal 2010, \$3.4 million in fiscal 2011, and \$0.3 million in fiscal 2012.

*Qualified Employee Stock Purchase Plan*

In addition to the share-based plans, the Company maintains a qualified employee stock purchase plan ("ESPP") that permits substantially all employees to purchase shares of common stock at 85% of the market price. The number of shares available for issuance at March 31, 2008 was approximately 1.5 million. Approximately 480,000 shares were purchased under the ESPP during the combined fiscal years 2008, 2007, and 2006. The total expense to the Company for the year ended March 31, 2008 for the discount to the market price was approximately \$0.6 million.

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13. INCOME TAXES:

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

	2008	2007 (Restated)	2006 (Restated)
Income from operations	\$ (1,981)	\$ 45,573	\$ 38,774
Stockholders' equity:			
Tax benefit of stock options, warrants and restricted stock	(5,513)	(4,142)	(19,097)
	\$ (7,494)	\$ 41,431	\$ 19,677

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

	2008	2007 (Restated)	2006 (Restated)
<b>Current:</b>			
U.S. Federal	\$ (4,395)	\$ 26,984	\$ 19,953
Non-U.S.	3,055	520	16
State	1,494	3,700	1,354
	154	31,204	21,323
<b>Deferred:</b>			
U.S. Federal	(7,290)	7,040	11,396
Non-U.S.	4,843	3,066	1,037
State	312	4,263	5,018
	(2,135)	14,369	17,451
<b>Total</b>	\$ (1,981)	\$ 45,573	\$ 38,774

Deferred income tax expense for 2008, 2007 and 2006 includes expense of \$18.3 million, \$5.5 million, and \$4.1 million, respectively, resulting from utilization of acquired deferred tax assets on which full valuation allowances existed and that resulted in reductions in goodwill (see note 6). In addition, in fiscal 2008 the Company reversed valuation allowances previously recorded for deferred tax assets on certain acquired companies, resulting in an additional \$20.7 million reduction in goodwill.

Earnings (loss) before income tax attributable to U.S. and non-U.S. operations consist of (dollars in thousands):

	2008	2007 (Restated)	2006 (Restated)
U.S.	\$ (15,504)	\$ 108,991	\$ 104,003
Non-U.S.	5,743	4,455	(3,454)
<b>Total</b>	\$ (9,761)	\$ 113,446	\$ 100,549

Earnings before income taxes, as shown above, are based on the location of the entity to which such earnings are attributable. However, since such earnings may be subject to taxation in more than one country, the income tax provision shown above as U.S. or non-U.S. may not correspond to the earnings shown above.

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13. INCOME TAXES (continued):

Below is a reconciliation of income tax expense (benefit) computed using the U.S. federal statutory income tax rate of 35% of earnings before income taxes to the actual provision for income taxes (dollars in thousands):

	2008	2007 (Restated)	2006 (Restated)
Computed expected tax expense (benefit)	\$ (3,416)	\$ 39,706	\$ 35,192
Increase (reduction) in income taxes resulting from:			
State income taxes, net of federal benefit	1,174	5,176	4,142
Reserves for tax items	460	4,520	-
Research, experimentation and other tax credits	(889)	(2,885)	(1,808)
Permanent differences between book and tax expense	(1,097)	208	(99)
Non-U.S. subsidiaries taxed at other than 35%	4,787	(235)	(40)
Other, net	(3,000)	(917)	1,387
	<u>\$ (1,981)</u>	<u>\$ 45,573</u>	<u>\$ 38,774</u>

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities at March 31, 2008 and 2007 are presented below. In accordance with APB Opinion 23, "Accounting for Income Taxes-Special Areas," the Company has not recognized deferred income taxes on the undistributed earnings of foreign subsidiaries that are indefinitely reinvested outside the respective parent's country. As of March 31, 2008 the respective parent companies have \$43.0 million excess financial statement carrying value over tax basis. Such excess is a taxable temporary difference in accordance with SFAS No. 109, "Accounting for Income Taxes," and would become taxable in the respective parent's country in the event of a distribution of the subsidiary's earnings or a disposition of its shares. Calculation of the deferred income tax related to this taxable temporary difference is not practicable.

(dollars in thousands)

	2008	2007 (Restated)
Deferred tax assets:		
Accrued expenses not currently deductible for tax purposes	\$ 22,659	\$ 6,192
Revenue recognized for tax purposes in excess of revenue for financial reporting purposes	23,712	34,264
Investments, principally due to differences in basis for tax and financial reporting purposes	3,157	1,370
Property and equipment, principally due to differences in depreciation	15,736	7,199
Acquired net operating loss and tax credit carryforwards	63,453	79,981
Net operating loss and tax credit carryforwards	11,229	9,103
Other	11,164	6,785
Total deferred tax assets	<u>151,110</u>	<u>144,894</u>
Less valuation allowance	44,751	81,713
Net deferred tax assets	<u>106,359</u>	<u>63,181</u>
Deferred tax liabilities:		
Intangible assets, principally due to differences in amortization	\$ (65,709)	\$ (66,056)
Capitalized and purchased software differences	(47,868)	(48,681)
Reserves for tax items	-	(4,520)
Total deferred tax liabilities	<u>(113,577)</u>	<u>(119,257)</u>
Net deferred tax liability	<u>\$ (7,218)</u>	<u>\$ (56,076)</u>

13. INCOME TAXES (continued):

At March 31, 2008, the Company has net operating loss carryforwards of approximately \$55.9 million and \$66.3 million for federal and state income tax purposes, respectively. Of these net operating losses, \$55.9 million for federal and \$36.2 million for state income tax purposes relate to subsidiaries acquired during fiscal years ended March 31, 2005 and March 31, 2006. The Company also has federal and state income tax credit carryforwards of approximately \$10.0 million. Of these credits, \$0.3 million relate to subsidiaries acquired during the fiscal year ended March 31, 2006. These net operating loss and income tax credit carryforwards expire in various amounts from 2010 through 2023.

The Company has foreign net operating loss carryforwards of approximately \$127.9 million, including approximately \$70.9 million related to acquisitions during fiscal 2004 and 2005. Of the \$127.9 million, \$116.9 million do not have expiration dates. The remainder expires in various amounts from 2009 through 2013.

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 profitability and taxable income and the reversal of taxable temporary differences in the U.S, management believes that with the exception of carryforwards in certain states it is more likely than not the Company will realize the benefits of these deductible differences. The Company has established valuation allowances against \$53.8 million of loss carryforwards in the states where activity does not support the deferred tax asset.

Based upon the Company's history of losses in certain non-U.S. jurisdictions, management believes it is more likely than not the Company will not realize the benefits of the foreign carryforwards and has established valuation allowances for substantially all foreign deferred assets. The goodwill recorded related to the purchase of certain non-U.S. based subsidiaries includes valuation allowances recorded against their deferred tax assets because these companies have not yet demonstrated consistent and/or sustainable profitability.

In June 2006, the FASB issued Interpretation No. 48, "Accounting for Uncertainty in Income Taxes – An Interpretation of FASB Statement No. 109" ("FIN 48") which clarifies the accounting treatment for uncertain tax positions. FIN 48 prescribes recognition and measurement guidance and requires that the Company assess whether the benefits of tax positions taken are more likely than not of being sustained under tax audits. The Company adopted the provisions of FIN 48 effective April 1, 2007. Prior to adoption, the Company accounted for uncertain tax positions under Statement of Financial Accounting Standards No. 5, "Accounting for Contingencies" ("SFAS 5"), whereby it recorded liabilities associated with tax uncertainties when the likelihood of occurrence was probable and the Company was able to reasonably estimate the liability. As a result of this adoption, the Company recognized a decrease in noncurrent deferred tax liabilities of \$4.5 million with a corresponding increase to other long-term liabilities. As a result of its adoption of FIN 48, the Company made no adjustments to retained earnings.

The following table sets forth changes in the total gross unrecognized tax benefit liabilities, including accrued interest, for the year ended March 31, 2008. Approximately \$4.7 million of this total represents the amount that, if recognized, would affect the Company's effective income tax rate in future periods.

(dollars in thousands)

Balance at April 1, 2007 included in deferred income tax liability	\$	4,520
Additions based on tax positions related to the current year		889
Additions based on tax positions taken in prior years		291
Reductions due to settlements		<u>(720)</u>
Balance at March 31, 2008	<u>\$</u>	<u>4,980</u>

The Company reports accrued interest and penalties related to unrecognized tax benefits in income tax expense. For the fiscal year ended March 31, 2008, the Company recognized \$0.3 million of tax-related interest expense and penalties and had \$0.3 million of accrued interest and penalties at March 31, 2008.

13. INCOME TAXES (continued):

The Company files a consolidated U.S. income tax return and tax returns in various state and local jurisdictions. The Company's subsidiaries also file tax returns in various foreign jurisdictions. In addition to the U.S., the Company's major taxing jurisdictions include the United Kingdom, France, Germany, and the Netherlands. The number of years with open tax examinations varies depending on the tax jurisdiction. In the U.S., the Internal Revenue Service has completed its examination of the Company's federal income tax returns for fiscal years through 2005. The status of foreign tax examinations varies by jurisdiction. The Company does not anticipate any material adjustments to its financial statements resulting from tax examinations currently in progress.

14. RELATED PARTY TRANSACTIONS:

In accordance with a data center management agreement dated July 27, 1992 between Acxiom and TransUnion, Acxiom (through its subsidiary, Acxiom CDC, Inc.) acquired all of TransUnion's interest in its Chicago data center and agreed to provide TransUnion with various data center management services. In connection with the agreement, the Company agreed to use its best efforts to cause one person designated by TransUnion to be elected to the Company's board of directors, and from 1992 until February 2006 a TransUnion representative served on the Company's board. That representative resigned from the board in February 2006 at which time transactions with TransUnion were no longer considered related-party transactions. During the year ended March 31, 2006, the Company recognized \$106.5 million in revenue from TransUnion.

The Company leases an aircraft from a business owned by a former officer and director. Rent expense under this lease was approximately \$0.9 million for the years ended March 31, 2008, 2007 and 2006. The lease has been terminated and the Company will only continue to make monthly payments of \$75,000 through April 2008.

The Company paid \$0.6 million in fiscal 2007 and \$0.6 million in fiscal 2006 in NASCAR sponsorship fees to a company which was partially owned by the son of a former officer of the Company until January 2004. Since January 2004, neither the former officer nor his son has an ownership interest in the sponsored company. However, the sponsored company has other ongoing business relationships with both the officer and his son. In return for the sponsorship, the Company received publicity for the Acxiom brand and hospitality facilities for customers at race events.

The Company has an agreement to sell Acxiom products and services to a company whose majority shareholder is a family member of a former officer and director of the Company. Under the agreement the Company received revenues of approximately \$2.6 million in fiscal 2008, \$2.2 million in fiscal 2007 and \$1.0 million in fiscal 2006. The accounts receivable balance was approximately \$0.9 million at March 31, 2008 and \$0.8 million at March 31, 2007.

15. RETIREMENT PLANS:

The Company has a qualified 401(k) retirement savings plan which covers substantially all U.S. employees. The Company also offers a supplemental nonqualified deferred compensation plan ("SNQDC Plan") for certain management employees. The Company matches 50% of the first 6% of employees' annual aggregate contributions to both plans and may contribute additional amounts to the plans from the Company's earnings at the discretion of the board of directors. Company contributions for the above plans amounted to approximately \$8.2 million, \$7.6 million and \$6.7 million in fiscal years 2008, 2007 and 2006, respectively. Included in both other current assets and other accrued liabilities are the assets and liabilities of the SNQDC Plan in the amount of \$15.3 million and \$17.0 million at March 31, 2008 and 2007, respectively.

The FASB issued Statement of Financial Accounting Standards No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans" ("SFAS 158") in September 2006. SFAS 158 requires an employer to recognize the over-funded or under-funded status of a defined-benefit postretirement plan as an asset or liability in its statement of financial position and to recognize changes in that funded status in the year in which the changes occur through other comprehensive income. SFAS 158 also requires the funded status of the plan to be measured at the date of the year-end balance sheet. SFAS 158 was effective for Acxiom as of March 31, 2007. Acxiom only has two small defined-benefit pension plans covering certain European employees. Implementation of SFAS 158 had no impact on the Company's financial statements at March 31, 2007 since the Company has already recognized the liability for the under-funded amount of these two plans.

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The projected benefit obligation for the plans was \$2.6 million as of March 31, 2008 and \$3.0 million as of March 31, 2007. The accumulated benefit obligation for the plans was \$2.1 million as of March 31, 2008 and \$2.5 million as of March 31, 2007. The accumulated benefit obligation (ABO) differs from the projected benefit obligation (PBO) in that the ABO includes no assumption about future compensation levels.

The fair value of the plan assets was \$1.7 million as of March 31, 2008 and \$1.5 million as of March 31, 2007. The excess of benefit obligations over plan assets was \$0.9 million at March 31, 2008 and \$1.5 million at March 31, 2007. Net benefit cost recognized was \$0.2 million for fiscal 2008, 2007 and 2006. The Company expects to be required to make contributions to the plan of \$0.2 million in 2009.

16. FOREIGN OPERATIONS:

The Company attributes revenue to each geographic region based on the location of the Company's operations. The following table shows financial information by geographic area for the years 2008, 2007 and 2006 (dollars in thousands):

*Revenue*

	2008	2007 (Restated)	2006 (Restated)
United States	\$ 1,175,032	\$ 1,191,754	\$ 1,143,847
Foreign			
United Kingdom	\$ 112,313	\$ 105,941	\$ 99,118
France	33,566	34,551	32,872
Germany	25,868	26,695	24,345
Spain	-	2,011	2,965
Portugal	1,567	1,309	1,041
Poland	4,102	2,996	2,777
The Netherlands	11,518	10,615	9,444
Australia	14,423	11,031	9,032
Japan	-	-	78
China	5,690	3,608	3,254
All Foreign	\$ 209,047	\$ 198,757	\$ 184,926
	<u>\$ 1,384,079</u>	<u>\$ 1,390,511</u>	<u>\$ 1,328,773</u>

*Long-lived assets excluding financial instruments*

	2008	2007	2006
United States	\$ 877,900	\$ 1,031,665	\$ 997,180
Foreign			
United Kingdom	\$ 72,951	\$ 73,660	\$ 67,290
France	47,170	50,153	48,103
Germany	38,781	32,514	29,645
Spain	-	-	5,453
Portugal	1,646	1,369	1,458
Poland	2,445	336	519
The Netherlands	20,661	17,715	16,014
Australia	12,361	11,098	9,711
China	7,004	6,915	7,133
Canada	-	861	-
All Foreign	\$ 203,019	\$ 194,621	\$ 185,326
	<u>\$ 1,080,919</u>	<u>\$ 1,226,286</u>	<u>\$ 1,182,506</u>

17. 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, trade receivables, unbilled and notes receivable, short-term borrowings and trade payables - The carrying amount approximates fair value because of the short maturity of these instruments.

Investment securities - The carrying value of investment securities is equal to fair value as determined by reference to quoted market prices, where available. In the absence of quoted market prices, the Company determines approximate fair values through the use of other valuation techniques.

Long-term debt - The interest rate on the term loan and revolving credit agreement is adjusted for changes in market rates and therefore the carrying value of these loans 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, 2008, the estimated fair value of long-term debt approximates its carrying value.

18. SEGMENT INFORMATION:

The Company reports segment information consistent with the way management internally disaggregates its operations to assess performance and to allocate resources. In the current fiscal year, the Company realigned its business segments to better reflect the way management assesses the business. The Company's new business segments consist of Information Services, Information Products and Infrastructure Management. Information Services develops, sells and delivers industry-tailored solutions globally through the integration of products, services and consulting. Information Products develops and sells all global data products as well as domestic fraud and risk mitigation products. Infrastructure Management develops and delivers information technology products and services such as IT outsourcing and transformational solutions. The Company evaluates performance of the segments based on segment operating income, which excludes certain impairments and gains, losses and other items. Because segment operating income excludes certain impairments and gains, losses and other items this measure is considered a non-GAAP financial measure, which is not a financial measure calculated in accordance with generally accepted accounting principles. Management believes segment operating income is a helpful measure in evaluating performance of the business segments. While management considers segment operating income to be a helpful measure of comparative operating performance, this measure should be considered in addition to, but not as a substitute for, measures of financial performance prepared in accordance with GAAP presented elsewhere in the financial statements. In addition, the Company's calculation of segment operating income may be different from measures used by other companies and therefore comparability may be affected. The impairments and gains, losses and other items which are excluded from segment operating income are included in Corporate and other in the table below. Amounts excluded from Information services were \$15.0 million in 2008, \$1.4 million in 2007 and \$4.0 million in 2006. Amounts excluded from Information products were \$22.4 million in 2008, \$6.7 million in 2007 and \$6.9 million in 2006. Amounts excluded from Infrastructure management were \$56.6 million in 2008, \$0.2 million in 2007 and \$3.1 million in 2006.

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18. SEGMENT INFORMATION (continued):

The Company has revised its segment information from fiscal 2006 and 2007 to reflect its realigned business segments. The following tables present information by business segment (dollars in thousands):

	<u>2008</u>	<u>2007 (Restated)</u>	<u>2006 (Restated)</u>
Revenue:			
Information services	\$ 741,259	\$ 728,014	\$ 697,146
Information products	431,316	415,417	385,443
Infrastructure management	447,488	476,333	474,336
Eliminations	(235,984)	(229,253)	(228,152)
Total revenue	<u>\$ 1,384,079</u>	<u>\$ 1,390,511</u>	<u>\$ 1,328,773</u>
Income from operations:			
Information services	\$ 97,248	\$ 124,628	\$ 88,503
Information products	23,783	18,922	27,934
Infrastructure management	44,287	49,381	52,205
Corporate and other	(125,072)	(38,786)	(41,354)
Income from operations	<u>\$ 40,246</u>	<u>\$ 154,145</u>	<u>\$ 127,288</u>
Depreciation and amortization:			
Information services	\$ 69,638	\$ 49,704	\$ 53,445
Information products	46,528	22,699	24,837
Infrastructure management	153,076	152,923	148,155
Corporate and other	3,550	4,240	4,700
Depreciation and amortization	<u>\$ 272,792</u>	<u>\$ 229,566</u>	<u>\$ 231,137</u>
Total assets:			
Information services	\$ 590,415	\$ 630,127	
Information products	295,074	293,071	
Infrastructure management	430,584	577,090	
Corporate and other	155,782	123,786	
Total assets	<u>\$ 1,471,855</u>	<u>\$ 1,624,074</u>	

The revenue attributed to the Infrastructure Management segment above includes revenue from internal customers of approximately \$124 million for fiscal 2008, 2007 and 2006. These intersegment revenues, as well as revenues from external customers which are counted as revenues by multiple segments, are shown as eliminations in the table above.

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19. RESTATEMENT OF FINANCIAL STATEMENTS:

On May 14, 2008 the Company announced that it would restate its financial statements for the years ended March 31, 2007 and 2006 to correct an error in the Company's accounting for accrued revenue. Historically, and for all restated periods, the Company recorded accrued revenue for certain information services contracts based on a calculated estimate of relative value of performance that had occurred but had not yet been recognized as revenue. The Company determined that the calculation that had been used for several years did not adequately support the accrual of revenue in accordance with the Securities and Exchange Commission's Staff Accounting Bulletin No. 104 ("SAB 104"). The Company has concluded that the calculated estimates for the restatement periods cannot be relied upon, and the Company is unable to objectively support recording accrued revenue for these services transactions. Accordingly, the Company has restated its consolidated financial statements for the restatement periods to remove the recorded amounts of this accrued revenue and record the related income tax effect. Additionally in 2008, the Company has reclassified additions to deferred costs as an operating cash flow activity. Previously, additions to deferred costs were presented as an investing cash flow activity. The adjustments to restate previously reported financial statements are summarized as follows (dollars in thousands, except per share data):

<u>ASSETS</u>	March 31, 2007		
	(Reported)	(Adjustment)	(Restated)
Current assets:			
Cash and cash equivalents	\$ 37,776	\$ -	\$ 37,776
Trade accounts receivable, net	285,850	(51,339)	234,511
Deferred income taxes	22,341	19,509	41,850
Refundable income taxes	7,657	-	7,657
Other current assets	59,252	-	59,252
Total current assets	412,876	(31,830)	381,046
Property and equipment, net of accumulated depreciation and amortization	312,292	-	312,292
Software, net of accumulated amortization	44,289	-	44,289
Goodwill	522,046	-	522,046
Purchased software licenses, net of accumulated amortization	151,326	-	151,326
Deferred costs, net	137,684	-	137,684
Data acquisition costs, net	35,398	-	35,398
Other assets, net	39,993	-	39,993
	\$ 1,655,904	\$ (31,830)	\$ 1,624,074
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>			
Current liabilities:			
Current installments of long-term debt	\$ 106,921	\$ -	\$ 106,921
Trade accounts payable	54,808	-	54,808
Accrued expenses			
Payroll	33,663	-	33,663
Other	79,078	-	79,078
Deferred revenue	113,318	-	113,318
Total current liabilities	387,788	-	387,788
Long-term debt	648,879	-	648,879
Deferred income taxes	97,926	-	97,926
Commitments and contingencies			
Stockholders' equity:			
Common stock, \$0.10 par value	11,145	-	11,145
Additional paid-in capital	718,336	-	718,336
Retained earnings	462,844	(31,830)	431,014
Accumulated other comprehensive income	17,526	-	17,526
Treasury stock, at cost	(688,540)	-	(688,540)
Total stockholders' equity	521,311	(31,830)	489,481
	\$ 1,655,904	\$ (31,830)	\$ 1,624,074

ACXIOM CORPORATION AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2008, 2007 AND 2006

19. RESTATEMENT OF FINANCIAL STATEMENTS (continued):

	March 31, 2007			March 31, 2006		
	(Reported)	(Adjustment)	(Restated)	(Reported)	(Adjustment)	(Restated)
<b>Revenue:</b>						
Services	\$ 1,061,103	\$ (4,625)	\$ 1,056,478	\$ 1,012,549	\$ (3,795)	\$ 1,008,754
Data	334,033	-	334,033	320,019	-	320,019
Total revenue	1,395,136	(4,625)	1,390,511	1,332,568	(3,795)	1,328,773
<b>Operating costs and expenses</b>						
Cost of revenue						
Services	806,991	-	806,991	778,490	-	778,490
Data	206,629	-	206,629	201,950	-	201,950
Total cost of revenue	1,013,620	-	1,013,620	980,440	-	980,440
Selling, general and administrative	213,849	-	213,849	211,541	-	211,541
Gains, losses and other items, net	8,897	-	8,897	9,504	-	9,504
Total operating costs and expenses	1,236,366	-	1,236,366	1,201,485	-	1,201,485
Income from operations	158,770	(4,625)	154,145	131,083	(3,795)	127,288
<b>Other income (expense):</b>						
Interest expense	(46,632)	-	(46,632)	(28,744)	-	(28,744)
Other, net	5,933	-	5,933	2,005	-	2,005
Total other income (expense)	(40,699)	-	(40,699)	(26,739)	-	(26,739)
Earnings before income taxes	118,071	(4,625)	113,446	104,344	(3,795)	100,549
Income tax expense	47,331	(1,758)	45,573	40,216	(1,442)	38,774
Net earnings	<u>\$ 70,740</u>	<u>\$ (2,867)</u>	<u>\$ 67,873</u>	<u>\$ 64,128</u>	<u>\$ (2,353)</u>	<u>\$ 61,775</u>
<b>Earnings per share:</b>						
Basic	<u>\$ 0.86</u>	<u>\$ (0.04)</u>	<u>\$ 0.82</u>	<u>\$ 0.73</u>	<u>\$ (0.02)</u>	<u>\$ 0.71</u>
Diluted	<u>\$ 0.84</u>	<u>\$ (0.04)</u>	<u>\$ 0.80</u>	<u>\$ 0.71</u>	<u>\$ (0.03)</u>	<u>\$ 0.68</u>

ACXIOM CORPORATION AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2008, 2007 AND 2006

19. RESTATEMENT OF FINANCIAL STATEMENTS (continued):

	March 31, 2007			March 31, 2006		
	(Reported)	(Adjustment)	(Restated)	(Reported)	(Adjustment)	(Restated)
Cash flows from operating activities:						
Net earnings	\$ 70,740	\$ (2,867)	\$ 67,873	\$ 64,128	\$ (2,353)	\$ 61,775
Adjustments to reconcile net earnings to net cash provided by operating activities:						
Depreciation, amortization and impairment of long-lived assets	229,566	-	229,566	231,137	-	231,137
Gain on disposal of assets, net	(1,718)	-	(1,718)	(1,797)	-	(1,797)
Deferred income taxes	16,127	(1,758)	14,369	18,893	(1,442)	17,451
Income tax benefit of stock options and warrants exercised	-	-	-	19,097	-	19,097
Non-cash share-based compensation expense	3,823	-	3,823	1,313	-	1,313
Changes in operating assets and liabilities:						
Accounts receivable	(30,140)	4,625	(25,515)	(21,162)	3,795	(17,367)
Deferred costs	-	(41,581)	(41,581)	-	(43,524)	(43,524)
Other assets	(19,101)	-	(19,101)	(26,197)	-	(26,197)
Accounts payable and other liabilities	3,960	-	3,960	(15,148)	-	(15,148)
Deferred revenue	(13,305)	-	(13,305)	5,569	-	5,569
Net cash provided by operating activities	<u>259,952</u>	<u>(41,581)</u>	<u>218,371</u>	<u>275,833</u>	<u>(43,524)</u>	<u>232,309</u>
Cash flows from investing activities:						
Proceeds received from the disposition of operations	-	-	-	4,844	-	4,844
Proceeds received from the disposition of assets	-	-	-	5,123	-	5,123
Payments received from investments	2,758	-	2,758	3,760	-	3,760
Capitalized software development costs	(27,443)	-	(27,443)	(21,903)	-	(21,903)
Capital expenditures	(14,225)	-	(14,225)	(6,848)	-	(6,848)
Cash collected from the sale and license of software	10,000	-	10,000	20,000	-	20,000
Deferral of costs and data acquisition costs	(66,687)	66,687	-	(70,454)	70,454	-
Data acquisition costs	-	(25,106)	(25,106)	-	(26,930)	(26,930)
Net cash paid in acquisitions	<u>(33,067)</u>	<u>-</u>	<u>(33,067)</u>	<u>(144,626)</u>	<u>-</u>	<u>(144,626)</u>
Net cash used in investing activities	<u>(128,664)</u>	<u>41,581</u>	<u>(87,083)</u>	<u>(210,104)</u>	<u>43,524</u>	<u>(166,580)</u>
Cash flows from financing activities:						
Proceeds from debt	649,756	-	649,756	437,870	-	437,870
Payments of debt	(471,670)	-	(471,670)	(307,120)	-	(307,120)
Dividends paid	(18,174)	-	(18,174)	(17,406)	-	(17,406)
Sale of common stock	33,464	-	33,464	58,614	-	58,614
Acquisition of treasury stock	(299,301)	-	(299,301)	(233,770)	-	(233,770)
Income tax benefit of stock options, warrants and restricted stock	4,142	-	4,142	-	-	-
Net cash used in financing activities	<u>(101,783)</u>	<u>-</u>	<u>(101,783)</u>	<u>(61,812)</u>	<u>-</u>	<u>(61,812)</u>
Effect of exchange rate changes on cash	566	-	566	(397)	-	(397)
Net increase in cash and cash equivalents	30,071	-	30,071	3,520	-	3,520
Cash and cash equivalents at beginning of period	\$ 7,705	-	\$ 7,705	\$ 4,185	-	\$ 4,185
Cash and cash equivalents at end of period	<u>\$ 37,776</u>	<u>-</u>	<u>\$ 37,776</u>	<u>\$ 7,705</u>	<u>-</u>	<u>\$ 7,705</u>

ACXIOM CORPORATION AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2008, 2007 AND 2006

20. UNAUDITED SELECTED QUARTERLY FINANCIAL DATA:

As explained in note 19, the Company has restated its consolidated financial statements for each of the years ended March 31, 2007 and 2006. The Company has also restated its unaudited consolidated financial statements for each of the quarterly periods ended December 31, 2007, September 30, 2007, June 30, 2007, March 31, 2007, December 31, 2006, September 30, 2006 and June 30, 2006 to reflect the correction of an error related to accrued services revenue. The adjustments to restate previously reported quarterly periods are included below (dollars in thousands, except per share data).

	Quarter ended June 30, 2007			Quarter ended September 30, 2007			Quarter ended March 31, 2008
	As reported	Adjustment	As restated	As reported	Adjustment	As restated	
Revenue	\$ 338,168	\$ (3,499)	\$ 334,669	\$ 351,026	\$ (2,172)	\$ 348,854	
Gross profit	72,197	(3,499)	68,698	85,331	(2,172)	83,159	
Income from operations	4,138	(3,499)	639	20,357	(2,172)	18,185	
Net earnings (loss)	(11,521)	(2,169)	(13,690)	10,542	(1,347)	9,195	
Basic earnings (loss) per share	\$ (0.15)	\$ (0.02)	\$ (0.17)	\$ 0.13	\$ (0.02)	\$ 0.11	
Diluted earnings (loss) per share	\$ (0.15)	\$ (0.02)	\$ (0.17)	\$ 0.13	\$ (0.02)	\$ 0.11	
							Quarter ended March 31, 2008
							As reported
Revenue	\$ 350,269	\$ 490	\$ 350,759				\$ 349,797
Gross profit	88,070	490	88,560				55,902
Income from operations	96,890	490	97,380				(75,958)
Net earnings (loss)	54,696	304	55,000				(58,284)
Basic earnings (loss) per share	\$ 0.69	\$ -	\$ 0.69				\$ (0.76)
Diluted earnings (loss) per share	\$ 0.69	\$ -	\$ 0.69				\$ (0.76)

ACXIOM CORPORATION AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2008, 2007 AND 2006

20. UNAUDITED SELECTED QUARTERLY FINANCIAL DATA (continued):

	Quarter ended June 30, 2006			Quarter ended September 30, 2006		
	As reported	Adjustment	As restated	As reported	Adjustment	As restated
Revenue	\$ 336,705	\$ (353)	\$ 336,352	\$ 348,319	\$ (1,098)	\$ 347,221
Gross profit	91,060	(353)	90,707	95,873	(1,098)	94,775
Income from operations	36,315	(353)	35,962	41,865	(1,098)	40,767
Net earnings	17,808	(219)	17,589	21,716	(681)	21,035
Basic earnings (loss) per share	\$ 0.20	\$ -	\$ 0.20	\$ 0.25	\$ (0.01)	\$ 0.24
Diluted earnings (loss) per share	\$ 0.20	\$ (0.01)	\$ 0.19	\$ 0.25	\$ (0.01)	\$ 0.24
	Quarter ended December 31, 2006			Quarter ended March 31, 2007		
	As reported	Adjustment	As restated	As reported	Adjustment	As restated
Revenue	\$ 352,841	\$ (2,301)	\$ 350,540	\$ 357,271	\$ (873)	\$ 356,398
Gross profit	100,133	(2,301)	97,832	94,450	(873)	93,577
Income from operations	51,293	(2,301)	48,992	29,297	(873)	28,424
Net earnings	24,945	(1,427)	23,518	6,271	(540)	5,731
Basic earnings (loss) per share	\$ 0.32	\$ (0.02)	\$ 0.30	\$ 0.08	\$ (0.01)	\$ 0.07
Diluted earnings (loss) per share	\$ 0.31	\$ (0.02)	\$ 0.29	\$ 0.08	\$ (0.01)	\$ 0.07

In the fourth quarter of 2008, the Company recorded a total of \$69.2 million of expense in restructuring charges and adjustments included in gains, losses and other items in the consolidated statement of operations. The expense includes severance and other associate-related payments of \$13.4 million, lease accruals of \$19.1 million, contract accruals of \$6.7 million, asset disposal and write-offs of \$29.6 million, and other related costs of \$0.4 million. Additional expenses included in gains, losses and other items include \$4.0 million for a legal contingency and \$3.9 million for the disposal of a leased aircraft, which is offset by a \$2.1 million gain for the reversal of a legal contingency accrual related to the disposition of operations in Spain and \$0.6 million of adjustments to the gain on the disposition of operations in France.

In the third quarter of 2008, the Company recorded a total of \$63.5 million of gains in gains, losses and other items, which included a \$65.0 million gain for the merger termination, a gain of \$2.5 million for the disposition of operations in France and a gain for recovery from Montgomery Ward of \$0.2 million. These gains were offset by expense of \$3.0 million for an executive retirement payment, \$0.3 million in terminated merger expense, \$0.1 million in loss on Spain divestiture and \$0.8 million of adjustments to prior period restructuring.

20. UNAUDITED SELECTED QUARTERLY FINANCIAL DATA (continued):

In the second quarter of 2008, the Company recorded a total of \$9.9 million of expense in gains, losses and other items which includes \$5.2 million of expense in restructuring charges and adjustments for severance and other associate-related payments. Also included in gains, losses and other items were \$2.2 million in terminated merger expense, \$2.3 million of expense on disposal of leased aircraft and \$0.2 million of expense in loss on Spain divestiture.

In the first quarter of 2008, the Company recorded a total of \$15.4 million of expense in gains, losses and other items which includes \$0.2 million in adjustments for severance and other associate-related payments related to the fourth quarter 2007 restructuring event. Also included in gains, losses and other items were \$15.1 million in terminated merger expense and \$0.1 million in loss on Spain divestiture.

Also during fiscal 2008, the Company recorded charges in cost of operations related to impairments of capitalized costs of \$5.2 million in the first quarter, \$4.4 million in the second quarter, and \$34.0 million in the fourth quarter. The Company also recorded a charge in Other, net of \$2.7 million for an investment impairment in the fourth quarter.

For the quarter ended March 31, 2007, net earnings includes \$2.5 million in restructuring, \$6.6 million for the disposal of the business operations in Spain and a \$0.6 million non-cash financing charge associated with early retirement of debt. The quarter ended December 31, 2006 included a recovery from Montgomery Ward of \$0.2 million. All of the above were recorded in gains, losses and other items with the exception of the non-cash financing charge, which was recorded in interest expense.

**AMENDED AND RESTATED  
BYLAWS  
OF  
ACXIOM CORPORATION**

ARTICLE I. OFFICES

The registered office of ACXIOM CORPORATION (referred to herein as the "Corporation") shall be located in the City of Wilmington, County of New Castle, State of Delaware. The principal office of the Corporation shall be located in the City of Little Rock, County of Pulaski, State of Arkansas. The Corporation may have such other offices, either within or without the States of Delaware and Arkansas, as the Board of Directors may designate or as the business of the Corporation may require from time to time.

ARTICLE II. SHAREHOLDERS

SECTION 1. Annual Meeting. The annual meeting of the shareholders shall be held after the Corporation's fiscal year end on such date and at such time as determined annually by the Board of Directors for the purpose of electing directors and for the transaction of such other business as may properly come before the meeting.

SECTION 2. Inspectors of Election. The Corporation shall, in advance of any meeting of the shareholders, appoint one or more inspectors to act at the meeting and to make a written report thereof. The Corporation may designate one or more persons as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate is able to act at a meeting of the shareholders, the person presiding at the meeting shall appoint one or more inspectors to act at the meeting. The inspectors shall: (i) ascertain the number of shares outstanding and the voting power of each; (ii) determine the shares represented at a meeting and the validity of proxies and ballots; (iii) count all votes and ballots; (iv) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspector(s); and (v) certify their determination of the number of shares represented at the meeting, and the count of all votes and ballots. The inspector(s) may appoint or retain other persons or entities to assist the inspector(s) in the performance of the duties set forth in this Section 2.

SECTION 3. Special Meetings. Special meetings of the shareholders, for any purpose or purposes, may be called by the Chief Executive Officer, the President, the Board of Directors, or by a committee of the Board of Directors that has been duly designated by the Board and whose power and authority, as expressly provided in these Bylaws or in a resolution of the Board, include the power to call such meetings, and a special meeting shall be called by the Chief Executive Officer or the President at the request of the holders of a majority of all the votes entitled to be cast on any issue proposed to be considered at such special meeting, if such holders have signed, dated, and delivered to the Secretary of the Corporation one or more written demands for the meeting describing the purpose or purposes for which it is to be held.

SECTION 4. Place of Meeting. Unless otherwise prescribed by statute, the Board of Directors may designate any place, either within or without the States of Delaware or Arkansas, as the place of meeting for any annual or special meeting of the shareholders. Notwithstanding the foregoing, the Board of Directors may determine that any annual or special meeting of the shareholders shall not be held at any place, but may instead be held by means of remote communications to the extent permitted by Delaware law. A waiver of notice signed by all shareholders entitled to vote at a meeting may designate any place, whether within or without the States of Delaware or Arkansas, unless otherwise prescribed by statute, as the place for the holding of such meeting or that the meeting shall not be held at any place but instead by means of remote communication. If no designation is made, the place of meeting shall be the principal office of the Corporation in the State of Arkansas.

SECTION 5. Notice of Meeting. Unless otherwise prescribed by applicable law, written notice stating the place, date and time of the meeting, and in case of a special meeting the purpose or purposes for which the meeting is called, shall be given either by mail, electronically, or in person to each shareholder of record entitled to vote at such meeting, not less than ten (10) days nor more than sixty (60) days before the date of the meeting. If mailed, such notice shall be deemed to have been given and delivered when deposited in the United States Mail, postage prepaid, and addressed to the shareholder at the shareholder's address as it appears on the stock transfer books of the Corporation.

SECTION 6. Date for Determination of Shareholders of Record. In order that the Corporation may determine the shareholders (i) entitled to notice of or to vote at any meeting of shareholders or any adjournment thereof or to express consent to corporate action in writing without a meeting, (ii) entitled to receive payment of any dividend or other distribution or allotment of any rights, (iii) entitled to exercise any rights in respect of any change, conversion, or exchange of stock, or (iv) for the purpose of any other lawful action, the Board of Directors may fix, in advance, a record date, which shall not be more than sixty (60) days nor less than ten (10) days before the date of any such meeting, nor more than sixty (60) days prior to any other action. If no record date is fixed: (i) the record date for determining shareholders entitled to notice of or to vote at a meeting of shareholders shall be at the close of business on the day next preceding the day on which notice is given or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held; (ii) the record date for determining shareholders entitled to consent to corporate action in writing without a meeting, when no prior action by the Board of Directors is required under the General Corporation Law of the State of Delaware, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Corporation by delivery to its registered office in the State of Delaware, its principal place of business, or the Secretary of the Corporation; and (iii) the record date for determining shareholders for any other purpose shall be at the close of business on the date on which the Board of Directors adopts a resolution relating thereto. A determination of shareholders of record entitled to notice of or to vote at a meeting of shareholders shall apply to any adjournment of the meeting; provided, however, the Board of Directors may fix a new record date for the adjourned meeting.

SECTION 7. List of Shareholders Entitled to Vote. After fixing the record date for a meeting, the Secretary shall prepare an alphabetical listing of the names of all of the shareholders of the Corporation who are entitled to notice of the shareholders' meeting, which list must be arranged by voting group and must show the address of and number of shares held by each such shareholder. The shareholders' list shall be open to the examination of any shareholder, for any purpose germane to the meeting for a period of at least ten (10) days prior to the meeting, either (i) on a reasonably accessible electronic network, or (ii) during ordinary business hours, at the principal office of the Corporation. If the

meeting is to be held at a place, the shareholders' list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any shareholder who is present.

SECTION 8. Quorum; Vote Required For Action . Unless otherwise provided by applicable law, the Certificate of Incorporation, or these Bylaws, a majority of the votes entitled to be cast on a matter by the shareholders of the Corporation represented in person or by proxy shall constitute a quorum for purposes of such matter at any meeting of shareholders. A majority of the votes cast at any meeting at which a quorum is present shall decide every question or matter submitted to the shareholders at such meeting, unless otherwise provided by applicable law, the Certificate of Incorporation, or these Bylaws.

SECTION 9. Proxies. Each shareholder entitled to vote at a meeting of shareholders may authorize another person or persons to act for such shareholder by proxy, but no such proxy shall be voted or acted upon after three (3) years from its effective date, unless the proxy expressly provides for a longer period. A duly executed proxy shall be revocable unless the appointment form conspicuously states that it is irrevocable and is coupled with an interest sufficient at law to support an irrevocable power. An irrevocable proxy is revoked when the interest with which it is coupled is extinguished. A shareholder may revoke any proxy which is not irrevocable by attending the meeting and voting in person or by filing with the Secretary of the Corporation an instrument in writing revoking the proxy or another duly executed proxy bearing a later date. Proxies shall be dated and shall be filed with the records of the meeting.

SECTION 10. Adjournments. Any meeting of shareholders, annual or special, at which a quorum is present may adjourn from time to time to reconvene at the same or some other place or by means of remote communication, and notice need not be given of any such adjourned meeting if the time and place, if any, thereof and the means of remote communication, if any, are announced at the meeting at which the adjournment is taken. If a quorum is not present at any meeting of shareholders, the shareholders entitled to vote at such meeting, present in person or represented by proxy, may adjourn the meeting from time to time (without notice other than announcement at the meeting) until a quorum is present. At the adjourned meeting the Corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty (30) days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each shareholder of record entitled to vote at the meeting in the manner provided in these Bylaws.

SECTION 11. Organization. Meetings of shareholders shall be presided over by the Chairman of the Board of Directors, the Chief Executive Officer or the President, or in the absence of the foregoing persons by a presiding officer designated by the Board of Directors, or in the absence of such designation by a presiding officer chosen at the meeting. The Secretary shall act as secretary of the meeting, but in the absence of the Secretary the presiding officer of the meeting may appoint any person to act as secretary of the meeting.

SECTION 12. Voting of Shares. Subject to the provisions of these Bylaws, and particularly the following section hereof, each outstanding share of common stock of the Corporation entitled to vote with respect to a particular matter shall be entitled to one vote upon such matter when submitted to a vote of shareholders.

SECTION 13. Voting of Shares by Certain Holders .

(a) Shares standing in the name of another corporation may be voted by such officer, agent or proxy as the bylaws of such corporation may prescribe, or, in the absence of such provision, as the board of directors of such corporation may determine.

(b) Shares held by an administrator, executor, guardian or conservator may be voted by such person, either in person or by proxy, without a transfer of such shares into such person's name. Shares standing in the name of a trustee may be voted by the trustee, either in person or by proxy, but no trustee shall be entitled to vote shares held as trustee without a transfer of such shares into such trustee's name.

(c) Shares standing in the name of a receiver may be voted by such receiver and shares held by or under the control of a receiver may be voted by such receiver without the transfer thereof into the receiver's name, if authority so to do is contained in an appropriate order of the court by which such receiver was appointed.

(d) Persons whose stock is pledged shall be entitled to vote the shares so pledged, unless in the transfer by the pledgor on the books of the Corporation such person has expressly empowered the pledgee to vote such shares, in which case only the pledgee, or such pledgee's proxy, may represent and vote such shares.

(e) Shares of the Corporation's own stock and held as treasury shares or otherwise belonging to the Corporation shall not be voted, directly or indirectly, at any meeting, and shall not be counted in determining the total number of outstanding shares at any given time.

SECTION 14. Action by Shareholders. Any action required or permitted to be taken at a meeting of shareholders may be taken without a meeting if one or more written consents, setting forth the action so taken, shall be signed by all of the shareholders entitled to vote with respect to the subject matter thereof. All written consents executed by one or more shareholders shall be included in the minutes or filed with the corporate records. If it is required by law that notice of the proposed action be given to non-voting shareholders and the action is to be taken by written consent of the voting shareholders, the Corporation shall give its non-voting shareholders written notice of the proposed action in accordance with the law requiring the giving of such notice.

SECTION 15. Nominations for Directors .

(a) Nominations for election to the Board of Directors may be made by the Board of Directors, or by a committee of the Board of Directors which has been duly designated by the Board of Directors and whose powers and authority, as expressly provided in these Bylaws or in a resolution of the Board of Directors, include the power to nominate directors, or by any shareholder of any outstanding class of capital stock of the Corporation entitled to vote for the election of directors who complies with the notice procedures set forth in this section.

(b) Nominations by a shareholder shall be made pursuant to timely notice in writing to the Secretary of the Corporation. To be timely, a shareholder's notice shall be delivered to or mailed and received at the principal office of the Corporation (i) with respect to an election to be held at an annual meeting of shareholders, not less than 60 nor more than 90 calendar days prior to the first anniversary of the preceding year's annual meeting of shareholders; provided, however, that if the date of the annual meeting is advanced more than 30 calendar days prior to or delayed by more than 30 calendar days after the anniversary of the preceding year's annual meeting, notice by the shareholder to be timely must be so

delivered not later than the close of business on the later of the 90<sup>th</sup> calendar day prior to such annual meeting or the 10<sup>th</sup> calendar day following the day on which public disclosure of the date of such meeting is first made; and (ii) with respect to an election to be held at a special meeting of shareholders, not later than the close of business on the 90<sup>th</sup> calendar day prior to such special meeting or the 10<sup>th</sup> calendar day following the day on which public disclosure of the date of such meeting is first made. For purposes of this Section 15 of Article II and Section 16 of Article II, "public disclosure" means disclosure in a press release reported by the Dow Jones News Service, Associated Press or a comparable national news service or in a document filed by the Corporation with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or furnished by the Corporation to its shareholders. In no event will the public announcement of an adjournment of an annual or special meeting commence a new time period for the making of a shareholder's nomination as described above.

(c) A shareholder's notice under this Section 15 of Article II shall set forth (i) as to each person whom the shareholder proposes to nominate for election or reelection as a director, (A) the name, age, business address, and residence address of such person, (B) the principal occupation or employment of such person, (C) the class and number of shares of the Corporation which are beneficially owned by such person, and (D) any other information regarding each such person as would be required under the proxy solicitation rules of the Securities and Exchange Commission if proxies were to be solicited for the election of such person so proposed (including, without limitation, such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected); (ii) as to the shareholder giving the notice (A) the name and address, as they appear on the Corporation's books, of such shareholder, and (B) the class and number of shares of the Corporation which are beneficially owned by such shareholder; (iii) a representation that the shareholder is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice; and (iv) a description of all arrangements or understandings between the shareholder and each nominee and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by the shareholder.

(d) Notwithstanding the foregoing provisions of this Section 15 of Article II, a shareholder must comply with all applicable requirements of the Exchange Act with respect to matters set forth in this Section 15 of Article II.

(e) To be eligible to be a shareholder nominee for election as a director of the Corporation, a person must deliver in writing (in accordance with the time periods prescribed above for delivery of notice of a shareholder nomination for director) to the Secretary of the Corporation a representation as to whether the person (i) intends, if elected as a director, to promptly tender to the Board of Directors an irrevocable resignation effective upon (A) his or her failure to receive the required vote for re-election at the next meeting of shareholders of the Corporation at which he or she would face re-election, and (B) acceptance of such resignation by the Board of Directors, in accordance with a publicly disclosed policy adopted by the Board of Directors in this regard; (ii) is or intends to become a party to any agreement, arrangement or understanding with any other person or entity regarding the manner in which the person, if elected as a director, will vote on any matter coming before the Board of Directors; and (iii) is or intends to become a party to any agreement, arrangement or understanding with any other person or entity (other than the Corporation) regarding any direct or indirect compensation, reimbursement or indemnification in connection with his or her service as a director of the Corporation.

(f) At the request of the Board of Directors, any person nominated for election as a director shall furnish to the Secretary of the Corporation that information required to be set forth in a shareholder's

notice of nomination which pertains to the nominee. No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the procedure set forth in this Section. The chairman of the meeting shall, if the facts warrant, determine and declare to attendees of the meeting that a nomination was not made in accordance with the procedures prescribed by the Bylaws of the Corporation, and in such event, the defective nomination shall be disregarded.

SECTION 16. Notice of Shareholder Business .

(a) At an annual meeting of shareholders, only such business shall be conducted as shall have been properly brought before the meeting. To be properly brought before an annual meeting, business (other than a nomination of a candidate for election as a director, which is covered in Section 15 of the Article II, must be (i) specified in the notice of the meeting given by or at the direction of the Board of Directors, (ii) otherwise properly brought before the meeting by or at the direction of the Board of Directors, or (iii) otherwise properly brought before the meeting by a shareholder. For business to be properly brought before an annual meeting by a shareholder, a shareholder must have given timely notice thereof in writing to the Secretary of the Corporation. To be timely, a shareholder's notice must be delivered to or mailed and received at the principal office of the Corporation not less than 60 nor more than 90 calendar days prior to the first anniversary of the preceding year's annual meeting of shareholders; provided, however, that if the date of the annual meeting is advanced more than 30 calendar days prior to or delayed by more than 30 calendar days after the anniversary of the preceding year's annual meeting, notice by the shareholder to be timely must be so delivered no later than the close of business on the date of the 90<sup>th</sup> calendar day prior to such annual meeting or the 10<sup>th</sup> calendar day following the day on which public disclosure of the date of such meeting is first made. In no event shall the public disclosure of an adjournment of an annual meeting commence a new time period for the giving of a shareholder's notice as described above.

(b) A shareholder's notice under this Section 16 of Article II shall set forth as to each matter the shareholder proposes to bring before the annual meeting (i) a brief description of the business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting, (ii) the name and address, as they appear on the Corporation's books, of the shareholder proposing such business, (iii) the class and number of shares of stock of the Corporation which are beneficially owned by the shareholder, (iv) any material interest of the shareholder in such business, and (v) any other information required by Rule 14a-8 of the Exchange Act.

(c) Notwithstanding the foregoing provisions of this Section 16 of Article II, a shareholder must also comply with all applicable requirements of the Exchange Act with respect to matters set forth in this Section 16 of Article II. Nothing in this Section 16 of Article II will be deemed to affect any rights of shareholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act.

(d) Notwithstanding anything in these Bylaws to the contrary, no business shall be conducted at any annual meeting except in accordance with the procedures set forth in this section. The chairman of the annual meeting shall, if the facts warrant, determine and declare to the attendees of the meeting that business was not properly brought before the meeting in accordance with the provisions of this section, and in such event such business not properly brought before the meeting shall not be transacted.

SECTION 1. General Powers. The business and affairs of the Corporation shall be managed by its Board of Directors.

SECTION 2. Number, Election and Terms .

(a) The Board of Directors of the Corporation shall consist of not less than three (3) nor more than fifteen (15) individuals, the exact number within such minimum and maximum limits to be fixed and determined from time to time by resolution of a majority of the entire Board of Directors.

(b) Except as provided below in Section 9 of this Article III (“Vacancies”) and as may be provided in the terms of any series of preferred stock authorized for issuance pursuant to the Corporation’s Amended and Restated Certificate of Incorporation, each nominee for director in an election in which the number of nominees is equal to the number of open board seats (an “Uncontested Election”) shall be elected by a vote of the majority of the votes cast with respect to that nominee’s election at any shareholders’ meeting at which a quorum is present. If, as of the fourteenth (14<sup>th</sup>) day preceding the date the Corporation first distributes its notice of meeting for such meeting to its shareholders, the number of nominees exceeds the number of open board seats (a “Contested Election”), the directors shall be elected by the vote of a plurality of the votes cast, whether or not such election becomes an Uncontested Election after such date. For purposes of this Section 2, a majority of votes cast shall mean that the number of shares voted “for” a nominee’s election exceeds the number of shares voted “against” that nominee’s election. “Abstentions” and “broker non-votes,” if applicable, although counted for quorum purposes, shall not be included in the total number of votes cast or be counted as votes cast “for” or “against” any nominee’s election. At a meeting of shareholders at which directors are to be elected by a plurality of the votes cast, shareholders shall not be permitted to cast votes “against” any nominee, but rather shall either vote for or withhold their votes with respect to any nominee. With regard to Uncontested Elections, the Board has established procedures pursuant to which any nominee who fails to receive a majority of the votes cast will tender his or her resignation to the Board. The Board will act upon a tendered resignation within ninety (90) days of the date on which the election results were certified and will promptly make public disclosure of the results of its actions. If the Board accepts a director’s resignation, or if a nominee for director is not elected and the nominee is not an incumbent director, then the Board may fill the resulting vacancy in accordance with Section 9 of this Article III.

SECTION 3. Regular Meetings. The Board of Directors may provide, by resolution, the time and place for the holding of regular meetings without other notice than such resolution.

SECTION 4. Special Meetings. Special meetings of the Board of Directors may be called by the Chairman of the Board of Directors, the Chief Executive Officer or the President, and shall be called by the Chairman of the Board of Directors, the Chief Executive Officer or the President upon receipt of a written request therefore from two (2) or more directors.

SECTION 5. Place of Meetings. Regular meetings of the Board of Directors shall be held at the place designated in the resolution of the Board of Directors providing for the holding of such meetings. Other meetings of the Board of Directors shall be held at such place as is designated in the notice of the meeting. A waiver of notice signed by all directors entitled to vote at a meeting may designate any place as the place for holding such meeting. If no designation is made, the Board of Directors’ meeting shall be held at the principal office of the Corporation in Arkansas.

SECTION 6. Notice. Notice of the date, time and place of any special meeting of the Board of Directors shall be given at least two (2) days prior to the meeting by written notice delivered personally, by mail or electronically to each director at his/her business address. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage thereon prepaid, provided the same is so mailed at least five (5) days prior to the meeting. If notice be given electronically, such notice shall be deemed to be delivered upon transmission by the sender. Any director may waive notice of any meeting pursuant to Section 4 of Article VIII..

SECTION 7. Quorum; Vote Required for Action . A majority of the directors shall constitute a quorum at any meeting, except when otherwise provided by applicable law, the Certificate of Incorporation or these Bylaws. If less than a quorum of the directors is present at any meeting, then a majority of the directors present may vote to adjourn such meeting, from time to time, and the meeting may be held, as adjourned, without further notice other than announcement at the meeting. Except in cases in which the Certificate of Incorporation or these Bylaws provide otherwise, the vote of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

SECTION 8. Organization. Meetings of the Board of Directors shall be presided over by the Chairman of the Board, or in the absence of the Chairman, by Chief Executive Officer or the President, if same are members of the Board of Directors, or by the Lead Independent Director,, if any. In the absence of all of the foregoing, meetings shall be presided over by a chairman chosen at the meeting. The Secretary shall act as secretary of the meeting, but in the absence of the Secretary, the chairman of the meeting may appoint any person to act as secretary of the meeting.

SECTION 9. Vacancies. Newly created directorships resulting from any increase in the number of directors and any vacancy occurring on the Board of Directors may be filled by the affirmative vote of a majority of the remaining directors then in office, though less than a quorum of the Board of Directors, unless otherwise provided by applicable law. A director elected to fill a vacancy shall be elected for the unexpired term of his or her predecessor in office and until such director's successor shall have been elected and qualified. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

SECTION 10. Compensation. By resolution of the Board of Directors, each director may be compensated for his or her service on the Board and any committee thereof, and may be reimbursed for reasonable expenses directly incurred in connection with such service.

SECTION 11. Presumption of Assent. A director of the Corporation who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless the director's dissent or abstention shall be entered in the minutes of the meeting, or unless the director objects at the beginning of the meeting (or promptly upon his or her arrival) to the holding of the meeting or to the transaction of business at the meeting.

SECTION 12. Action by Unanimous Written Consent. Unless the Certificate of Incorporation or these Bylaws otherwise expressly provide, any action required or permitted to be taken at any meeting of the Board of Directors, or any committee thereof, may be taken without a meeting if all members of the Board or such committee, as the case may be, consent thereto in writing, and the consents are filed with the minutes of the proceedings of the Board or such committee. Action taken under this Section is effective when the last director signs the consent, unless the consent specifies a different effective date.

SECTION 13. Advisory Directors. The Board of Directors may appoint one or more advisory directors who will not actually serve as members of the Board. Such advisory directors shall only act in an advisory capacity and shall have no power of final decision in any matters concerning the corporation.

SECTION 14. Telephonic Meetings Permitted. Members of the Board of Directors, or any committee designated by the Board, may participate in a meeting of such Board or committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can simultaneously hear each other, and participation in a meeting pursuant to this section shall constitute presence in person at such meeting.

#### ARTICLE IV. COMMITTEES OF THE BOARD OF DIRECTORS

SECTION 1. Committees. The Board of Directors may designate such standing and special committees as and when it deems necessary and appropriate. The Board of Directors may appoint one or more rotating members of any committee and may appoint one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. The Board of Directors shall designate one member of each committee to serve as chairman. Each committee must have two or more members, each of whom shall serve at the pleasure of the Board of Directors, and only members of the Board of Directors may serve on a committee. Any such committee, to the extent provided by resolution of the Board of Directors or in its charter, and to the extent not otherwise prohibited by applicable law, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation. Committees shall have such name or names as may be determined from time to time by resolution adopted by the Board of Directors.

SECTION 2. Committee Rules and Minutes. Unless the Board of Directors otherwise provides, each committee designated by the Board of Directors may make, alter and repeal rules for the conduct of its business. In the absence of such rules, each committee shall conduct its business in the same manner as the Board of Directors conducts its business pursuant to Article III of these Bylaws. Each committee shall keep regular minutes of its meetings and report the same to the Board of Directors.

#### ARTICLE V. OFFICERS

The officers of the Corporation may consist of a chief executive officer, a president, a chief operating officer, a chief financial officer, a chief legal officer, one or more executive vice presidents, one or more senior vice presidents, one or more vice presidents, a secretary and a treasurer, one or more assistant secretaries, one or more assistant treasurers, as well as such other officers as may from time to time be designated in accordance with this Article V. The Board of Directors shall in every case elect a chief executive officer, president and secretary, and may designate (if applicable) and elect all such other officers as it may from time to time deem necessary or appropriate. The Board of Directors may authorize the chief executive officer or president to designate (if applicable) and elect officers other than the chief executive officer, president, chief operating officer, chief financial officer, chief legal officer and secretary. The officers of the Corporation shall have such titles, authority and powers designated by the Board of Directors (in the case of officers elected by the Board of Directors) or the chief executive officer or president (in the case of officers elected by the chief executive officer or president, respectively). The officers of the Corporation shall serve for a term of one year, or until their successors are elected and

qualified, or their earlier death, resignation, disqualification or removal. Any officer may be removed at any time by the Board of Directors. In addition, any officer elected by the chief executive officer or president may be removed at any time by the chief executive officer, and any officer elected by the president may be removed at any time by the president. Any number of offices may be held by the same person.

ARTICLE VI. CERTIFICATES FOR SHARES  
AND THE TRANSFER THEREOF

SECTION 1. Certificates for Shares .

(a) Certificates representing shares of stock in the Corporation shall be in such form as shall be determined by the Board of Directors. Such certificates shall be signed by the Chairman, the Chief Executive officer, or the President and by the Secretary or an Assistant Secretary or by the Treasurer or an Assistant Treasurer or by such other officers authorized by applicable law and by the Board of Directors and sealed with the corporate seal, if any. Any or all of the signatures on a certificate may be facsimile. All certificates for shares shall be consecutively numbered or otherwise identified. The name of the person to whom the shares represented thereby are issued, with the number of shares and date of issue, shall be entered on the stock transfer books of the Corporation. All certificates surrendered to the Corporation or its transfer agent for transfer shall be cancelled and no new certificate shall be issued until the former certificate for a like number of shares shall have been surrendered and cancelled, except that in case of a lost, destroyed or mutilated certificate a new certificate may be issued therefor upon such terms and indemnity to the Corporation as these Bylaws and the Board of Directors may prescribe.

(b) Notwithstanding any other provision of these Bylaws, the Corporation may adopt a system of issuance, recordation and transfer of its shares by electronic or other means not involving any issuance of physical certificates, including provisions for notice to purchasers in substitution for any required statements on certificates, and as may be required by applicable corporate securities laws, which system has been approved by the Securities and Exchange Commission. Any system so adopted shall not become effective as to issued and outstanding certificated securities until the certificates therefor have been surrendered to the Corporation. Except as may be otherwise provided by law, the rights and obligations of the holders of uncertificated shares and the rights and obligations of the holders of certificated shares of the same class and series shall be identical.

SECTION 2. Transfer of Shares. Transfer of shares of stock in the Corporation shall be made only on the stock transfer books of the Corporation by the holder of record thereof or by his or her legal representative, who shall furnish proper evidence of authority to transfer, or by the holder's attorney thereunto authorized by power of attorney duly executed and filed with the Corporation or its transfer agent, and only upon the surrender for cancellation of the certificate for such shares. The person in whose name shares stand on the books of the Corporation shall be deemed by the Corporation to be the owner thereof for all purposes.

SECTION 3. Lost, Destroyed or Mutilated Stock Certificates; Issuance of New Certificates. The Corporation may issue a new certificate of stock in the place of any certificate theretofore issued by it which is alleged to have been lost, destroyed or mutilated upon receipt by the Corporation of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen or destroyed, and the Corporation may require the owner thereof, or his or her legal representative, to give the Corporation a

bond sufficient to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, destruction or mutilation of any such certificate or the issuance of such new certificate.

SECTION 4. Classes of Stock - Designation . If the Corporation shall be authorized to issue more than one class of stock or more than one series of any class, the designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences or rights shall be set forth in full or summarized on the face or back of the certificate which the Corporation shall issue to represent such class or series of stock; provided, however, except as otherwise provided by law, in lieu of the foregoing requirements there may be set forth on the face or back of the certificate which the Corporation shall issue to represent such class or series of stock a statement that the Corporation will furnish without charge to each shareholder who so requests the designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences or rights. In the case of uncertificated shares, the Corporation will make available electronically a description of the designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences or rights.

#### ARTICLE VII. INDEMNIFICATION OF OFFICERS AND DIRECTORS

SECTION 1. Right to Indemnification. Every person who was or is a party or is threatened to be made a party to or is involved in any action, suit, or proceeding, whether civil, criminal, administrative, or investigative, by reason of the fact that he is or was a director or officer of the Corporation or is or was serving at the request of the Corporation as a director or officer of another corporation, or as its representative in a partnership, joint venture, trust, or other enterprise, shall be indemnified and held harmless to the fullest extent legally permissible under and pursuant to any procedures specified in the General Corporation Law of the State of Delaware, as amended from time to time, against all expenses, liabilities, and losses (including attorneys' fees, judgments, fines, and amounts paid or to be paid in settlement) reasonably incurred or suffered by him or her in connection therewith. Such right of indemnification shall be a contract right that may be enforced in any lawful manner by such person. Such right of indemnification shall not be exclusive of any other right which such directors or officers may have or hereafter acquire and, without limiting the generality of such statement, they shall be entitled to their respective rights of indemnification under any agreement, vote of stockholders, provision of law, or otherwise, as well as their rights under this paragraph.

SECTION 2. Insurance. The Board of Directors may cause the Corporation to purchase and maintain insurance on behalf of any person who is or was a director or officer of the Corporation, or is or was serving at the request of the Corporation as a director or officer of another corporation, or as its representative in a partnership, joint venture, trust, or other enterprise against any liability asserted against such person and incurred in any such capacity or arising out of such status, whether or not the Corporation would have the power to indemnify such person.

SECTION 3. Advancement of Expenses. Expenses incurred by a director or officer of the Corporation in defending a civil or criminal action, suit or proceeding by reason of the fact that he or she is or was a director or officer of the Corporation (or was serving at the Corporation's request as a director or officer of another corporation, or as its representative in a partnership, joint venture, trust or other

enterprise) shall be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such person to repay such amount if it shall ultimately be determined that he or she is not entitled to be indemnified by the Corporation as authorized by relevant sections of the General Corporation Law of the State of Delaware.

SECTION 4. Non-Exclusivity of Rights. The rights to indemnification and to the advancement of expenses conferred in these Bylaws is not exclusive of any other right that any person may have or hereafter acquire under the Certificate of Incorporation, any statute, agreement, vote of shareholders or disinterested directors or otherwise.

#### ARTICLE VIII. MISCELLANEOUS PROVISIONS

SECTION 1. Fiscal Year. The fiscal year of the Corporation shall be fixed by resolution of the Board of Directors.

SECTION 2. Dividends. The Board of Directors may from time to time declare, and the Corporation may pay, dividends on its outstanding shares in the manner and upon the terms and conditions provided by applicable law and the Certificate of Incorporation.

SECTION 3. Corporate Seal. The Board of Directors may provide a corporate seal which shall be circular in form and shall have inscribed thereon the name of the Corporation, the year of its organization, the state of incorporation and the words "Corporate Seal." A corporate seal shall not be mandatory for the validity of any contract, instrument or other document properly executed by an authorized officer or officers of the Corporation.

SECTION 4. Waiver of Notice. Any written waiver of notice, signed by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, unless the person at the beginning of the meeting objects to holding the meeting or transacting business at the meeting. In addition, a person waives objection to consideration of a particular matter that is not within the purpose or purposes described in the meeting notice if such person attends the meeting and does not object to consideration of such matter when it is presented. All waivers of notice shall be filed with the minutes of the meeting.

SECTION 5. Inspection of Bylaws. A copy of these Bylaws, with all amendments thereto, shall at all times be kept in a convenient place at the principal office of the Corporation, and shall be open for inspection to all shareholders during normal business hours.

SECTION 6. Interested Directors; Quorum. No contract or transaction between the Corporation and one or more of its directors or officers, or between the Corporation and any other corporation, partnership, association, or other organization in which one or more of its directors or officers are directors or officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of the Board of Directors or committee thereof which authorizes the contract or transaction, or solely because such person's votes are counted for such purposes, if: (1) the material facts regarding such person's relationship or interest in the contract or transaction are disclosed or known to the Board of Directors or the committee, and the Board or committee in good faith authorizes the contract or transaction by the

affirmative vote of a majority of the disinterested directors, even though the number of disinterested directors constitute less than a quorum; or (2) the material facts as to such person's relationship or interest in the contract or transaction are disclosed or are known to the shareholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by a vote of the shareholders; or (3) the contract or transaction is fair to the Corporation as of the time it is authorized, approved or ratified. Interested directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorizes the contract or transaction.

SECTION 7. Form of Records. Any records maintained by the Corporation in the regular course of its business, including a stock ledger, books of account, and minute books, may be kept electronically, provided that the records so kept can be converted into clearly legible form and printed within a reasonable time. The Corporation shall so convert any records so kept upon the request of any person entitled to inspect the same.

SECTION 8. Amendments of Bylaws. Subject to the laws of the State of Delaware and the provisions of the Certificate of Incorporation, these Bylaws may be altered, amended or repealed at any regular meeting of shareholders (or at any special meeting thereof duly called for that purpose) by a vote of the shareholders in accordance with Article II, provided that in the notice of such meeting, notice of such purpose shall be given. Subject to the laws of the State of Delaware, the Certificate of Incorporation and these Bylaws, the Board of Directors may by a majority vote of the entire Board of Directors amend these Bylaws, or waive any provisions hereof, or enact such other Bylaws as in their judgment may be advisable for the regulation of the conduct of the affairs of the Corporation.

**Acxiom Corporation**  
**FY2009 Executive Officer Leadership Cash Incentive Plan**

**Part One**1.1 Base Compensation

Base compensation represents salary that is paid semi-monthly.

1.2 Variable Compensation

A variable compensation opportunity reflecting a designated percentage of base pay is available through attainment of Company revenue, operating income and free cash flow to equity targets. The Company may also establish new targets or change existing targets as it deems necessary. Payment will be made within 60 days of the end of the fiscal year, subject to completion of the annual audit.

1.3 Funding

Funding of the variable compensation opportunity begins after the threshold operating income target is met. The maximum payment at the threshold target is 90% of opportunity. Additional funding beyond the 90% payment is contingent upon meeting operating income targets beyond the threshold target. The maximum payment under the plan is 200% of opportunity, provided the maximum targets are met for revenue, operating income and free cash flow to equity.

**Part Two**2.1 Terms & Conditions

- This plan is for FY2009 only. Provisions may or may not carry over to the next year.
- This plan does not alter an associate's at-will status, nor does it create, imply or mean to imply a term of employment or a contract for continued employment.
- The version of this plan posted online on the Associate Resource Center will be used as the controlling document. It is the associate's responsibility to review revisions announced in writing and subsequently posted on the Associate Resource Center.
- Payments are contingent upon employment with the Company on the date of payment, unless otherwise specified by law.
- Leaders new to the plan are eligible to participate in the plan beginning with the next full month after their leadership appointment and are eligible to receive a prorated payout for that quarter.

For current leaders, the variable opportunity will be calculated based on base pay as of April 1, 2008. In the event base pay is adjusted in the first half of the fiscal year, variable opportunity will be recalculated and pro-rated for the remainder of the fiscal year.

In the event of retirement, layoff, or death, leaders or their beneficiaries may, at the Company's discretion, receive a prorated payout based on the actual employment period.

Leaders on an approved leave of absence (STD, FMLA, military, jury, or approved unpaid leave) are eligible to participate if they worked any portion of the plan period, and are eligible to receive a prorated payout based on the actual time worked.

- The plan is administered by the Corporate Internal Compensation Committee based upon the terms established by the Acxiom Board of Directors' Compensation Committee, which is authorized to modify or discontinue the plan as it deems necessary.

## EXECUTIVE SECURITY AGREEMENT

This Executive Security Agreement is made and entered into effective as of the 8th day of April, 2008 ("Effective Date"), by and between \_\_\_\_\_ ("Executive"), an individual, and Acxiom Corporation, a Delaware corporation having its principal place of business at 1 Information Way, Little Rock, Arkansas 72202, and its successors and assigns ("Company").

WHEREAS, Executive is a senior leader or key executive of the Company and has made and is expected to continue to make significant contributions to the short and long term success of the Company;

WHEREAS, the Company considers the establishment and maintenance of a sound and vital management to be essential to protecting and enhancing the best interests of the Company and its shareholders;

WHEREAS, the Company recognizes that, as is the case for most publicly held companies, the possibility of a Change of Control (as defined herein) exists, and that possibility, together with the uncertainty and questions that it may raise among management, may result in the departure or distraction of the Company's leadership to the detriment of the Company and its shareholders;

WHEREAS, the Board of Directors of the Company has determined that appropriate steps should be taken to reinforce and encourage the continued attention and dedication of certain members of the Company's leadership to their assigned duties without distraction in the face of potentially disturbing circumstances arising from the possibility of a Change of Control of the Company;

WHEREAS, the Company desires to assure itself and its stockholders of both the present and future continuity of its management and desires to establish certain minimum severance benefits for its officers and other key executives, including Executive, applicable in the event of a Change in Control; and

WHEREAS, the Company desires to provide additional inducement for Executive to continue to remain in the employ of the Company.

NOW, THEREFORE, the Company and Executive agree as follows:

1. Defined Terms. For purposes of this Agreement, the following terms shall have the meanings indicated below:

(a) "Cause." Termination by the Company of Executive's employment for "Cause" means termination upon (i) Executive's willful and continued failure to satisfactorily perform his or her material duties with the Company (other than any failure resulting from Executive's incapacity due to physical or mental illness), after a written demand for satisfactory performance is delivered to Executive by the Executive's leader

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or the chief executive officer ("CEO") (or if Executive is the CEO, then by the Chairman of the Compensation Committee of the Board of Directors) that specifically identifies the manner in which the Company believes that Executive has not satisfactorily performed his or her material duties; or (ii) Executive's willfully engaging in misconduct that is materially injurious to the Company, monetarily or otherwise. For purposes of this Section 1(a), no act, or failure to act, on Executive's part will be considered "willful" unless done, or omitted to be done, by Executive not in good faith and without reasonable belief that Executive's action or omission was in the best interest of the Company. Notwithstanding the above, Executive will not be deemed to have been terminated for Cause unless and until Executive has been given a copy of a the notice of termination specified herein, after reasonable notice to Executive and an opportunity for Executive, together with Executive's counsel, to be heard before: (x) the direct leader of Executive's leader or (y) if Executive is an elected officer of the Company, the Board of Directors of the

Company; and a finding that in the good faith opinion of the leader of Executive's leader or, in the case of an elected officer, a finding that in the good faith opinion of two-thirds of the Board of Directors, Executive committed the conduct set forth above in clauses (i) or (ii) of this Section 1(a) and specifying the particulars of that finding in detail.

(b) "Change of Control." A "Change of Control" shall mean the occurrence of any of the following events during the period in which this Agreement remains in effect:

(i) the acquisition by any person, entity or "group," within the meaning of Sections 13(d) or 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), other than the Company, any of its subsidiaries or other entities controlled by the Company, or any employee benefit plan maintained by the Company or by any of its subsidiaries or other entities controlled by the Company, of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 50% or more of the total voting power represented by the then outstanding Voting Securities, regardless of whether the transaction or event by which the foregoing 50% level is exceeded is approved by the Incumbent Board; or

(ii) the Company files a report with the Securities and Exchange Commission disclosing in response to a Current Report on Form 8-K or Schedule 14A (or successor form, report or schedule) that a change in control (as defined by such forms, reports or schedules) has occurred; or

(iii) individuals who, as of the date hereof, constitute the Board of Directors of the Company (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board of Directors of the Company, provided (a) that any person becoming a member of the Board of Directors of the Company subsequent to the date hereof whose election (or nomination for election by the Company's stockholders) was approved by a vote of at least a majority of the members then comprising the Incumbent Board shall be, for purposes of this Agreement, considered as though such person were a member of the Incumbent

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Board, or (b) that any member of the Board of Directors of the Company who is nominated in any definitive proxy statement furnished to stockholders of the Company in connection with the solicitation of proxies on behalf of the Board of Directors of the Company shall be, for purposes of this Agreement, considered as a member of the Incumbent Board; provided however, that any individual who has been elected a member of the Company's Board of Directors in opposition to a solicitation of proxies by or on behalf of the members of the Incumbent Board, or a committee thereof, shall not be deemed a member of the Incumbent Board; or

(iv) the Company is merged, combined, consolidated or reorganized with or into another corporation or other legal person ("Acquiring Person"), or the Company sells or otherwise transfers all or substantially all of its assets to an Acquiring Person, and, as a result of such merger, combination, consolidation or reorganization or sale or transfer of assets, less than a majority of the combined voting power of the then outstanding securities of the Acquiring Person are held in the aggregate by holders of Voting Securities (as that term is defined) immediately prior to such transaction; or

(v) the Company is dissolved or liquidated.

(c) "Disability." "Disability" shall mean that at the time Executive's employment is terminated he or she shall have been unable to perform the duties of his or her position for a period of at least six (6) consecutive months as the result of total and permanent incapability due to physical or mental illness or injury.

(d) "Good Reason." Termination for "Good Reason" means termination by Executive of his or her employment within three years (if a Change of Control occurs between April 8, 2008 and March 31,

2009) or two years (if a Change of Control occurs between April 1, 2009 and March 31, 2010) following the initial existence of at least one of the following conditions without the consent of the Executive:

(i) A material diminution in the title, offices or authority or in the nature of Executive's responsibilities as they existed immediately prior to a Change of Control, except in connection with the termination of Executive's employment for Cause or Disability or as a result of Executive's death or by Executive other than for Good Reason; or

(ii) A material diminution by the Company in Executive's base salary as in effect immediately prior to the Change of Control unless such reduction is made to all other similarly situated employees; or

(iii) The Company's requiring Executive to be based more than forty-five (45) miles from the location where he or she is based immediately prior to a Change of Control, except for required travel on the Company's business to an extent substantially consistent with Executive's business travel obligations prior to the Change in Control, or if Executive consents to that relocation, the failure by

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the Company to pay (or reimburse Executive for) all reasonable moving expenses incurred by Executive or to indemnify Executive against any loss realized in the sale of Executive's principal residence in connection with that relocation; or

(iv) The taking of any action by the Company with respect to any incentive compensation plan(s) or agreements in which Executive is participating or in effect, immediately prior to a Change of Control, which has the effect of a material diminution in the total benefits provided to the Executive under all such incentive compensation plans; provided however, that plan modifications or terminations, changes in participation levels or payment changes applying equally to all similarly situated employees, including Executive, do not satisfy this section; or

(v) The taking of any action by the Company with respect to any retirement plan, life insurance plan, health and accident plan, disability plan, fringe benefit, paid days off benefit or another benefit plan in which Executive is participating immediately prior to a Change of Control which has the effect of a material diminution in the total benefits provided to the Executive under all such benefit plans; or

(vi) The failure by the Company to obtain the assumption of the Company's obligations under this Agreement by any successor, as contemplated in Section 7.

Provided however, that Executive must provide written notice of the condition giving rise to the right to terminate for Good Reason within 90 days of the initial existence of such condition. The Company has thirty (30) days (the "Cure Period") to cure the acts or omissions giving rise to such condition. In the event that such a cure is effectuated by the end of the Cure Period, any resignation by Executive shall no longer qualify as a Good Reason termination under the terms of this Agreement.

(e) "Voting Securities." "Voting Securities" shall mean all outstanding classes of voting capital stock of the Company entitled to vote generally in the election of directors of the Company.

2. Term. Subject to the provisions of Sections 3 and 4 hereof, this Agreement shall continue until the earlier of: i) either party provides written notice to the other of its intention to unilaterally terminate the Agreement as specified in section 4(a); ii) Executive's resignation without Good Reason; iii) Executive's other termination of employment unless termination of the Agreement would be invalid under section 4(b); iv) Executive's death; or (v) March 31, 2010; *provided, however*, that if prior to March 31, 2010 the Company has commenced discussions with any third person(s) that ultimately results in a Change of Control which occurs after March 31, 2010, the Agreement shall remain in effect. At the time of the

occurrence of any of these events, this Agreement shall be deemed terminated without further action required by either party.

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3. Payments following Change of Control and Termination of Employment.

(a) In the event a Change of Control of the Company occurs between April 8, 2008 and March 30, 2009, and if Executive's employment with the Company is terminated other than for Cause or Disability by the Company or the Acquiring Person or if Executive resigns for Good Reason within three years after such Change of Control, the Company shall, within ten calendar days of the date of any such termination of employment ("Termination Date"), make a single, lump sum cash severance payment to Executive equal to: (i) if the Termination Date occurs within one year of the Change of Control, 2 times Executive's annualized includible compensation for the base period consisting of the most recent five taxable years ending before the date on which the Change of Control occurs; (ii) if the Termination Date occurs between one and two years of the Change of Control, 1 times Executive's annualized includible compensation for the base period consisting of the most recent five taxable years ending before the date on which the Change of Control occurs; or (iii) if the Termination Date occurs between two and three years of the Change of Control, .5 times Executive's annualized includible compensation for the base period consisting of the most recent five taxable years ending before the date on which the Change of Control occurs.

(b) In the event a Change of Control of the Company occurs between March 31, 2009 and March 31, 2010, and if Executive's employment with the Company is terminated other than for Cause or Disability by the Company or the Acquiring Person or if Executive resigns for Good Reason within two years after such Change of Control, the Company shall, within ten calendar days of the date of any such termination of employment ("Termination Date"), make a single, lump sum cash severance payment to Executive equal to: (i) if the Termination Date occurs within one year of the Change of Control, 1 times Executive's annualized includible compensation for the base period consisting of the most recent five taxable years ending before the date on which the Change of Control occurs; or (ii) if the Termination Date occurs between one and two years of the Change of Control, .5 times Executive's annualized includible compensation for the base period consisting of the most recent five taxable years ending before the date on which the Change of Control occurs.

(c) For purposes of this Section 3, the phrases "annualized includible compensation" and "base period," and any terms relating to such phrases shall have the meanings set forth in Section 280G of the Internal Revenue Code of 1986 (the "Code"), as amended, or any subsequent provision, and the Treasury regulations promulgated thereunder. In the event Executive has been employed with the Company for less than five taxable years prior to a Change of Control, the base period for calculating the payments called for in this Section 3 shall be determined in accordance with Section 280G of the Code and the Treasury regulations promulgated thereunder. Notwithstanding the foregoing, the Company shall have no obligation to make any payment to Executive under this Agreement if Executive's employment is terminated for Cause, due to Executive's death or Disability, or as a result of Executive's retirement or resignation other than for Good Reason.

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4. Termination of Agreement.

(a) This Agreement and/or the employment of Executive hereunder may be unilaterally terminated by the Company, without incurring any obligation under Section 3 above, at any time for any reason whatsoever prior to the occurrence or pendency of a Change of Control.

(b) Notwithstanding paragraph 4(a) of this Agreement, any termination of this Agreement or the employment of Executive by the Company following the commencement of discussions with a third person that ultimately results in a Change of Control shall be deemed to be a termination of this Agreement

or Executive's employment after a Change of Control for purposes of this Agreement, and any attempt by the Company to terminate this Agreement shall be rendered null and void. Any termination by Executive for Good Reason following commencement of discussions with the third party that ultimately results in a Change of Control with that third party shall be deemed a termination of Executive's employment after a Change of Control, provided that, the events qualifying the termination as one for Good Reason were as a result of such discussions with a third party regarding a possible Change of Control and the leader making the decision and/or approving the occurrence of such events was aware of such discussions with a third party.

5. Additional Payments by the Company. In the event that all or any portion of any payment or benefit paid to Executive under the terms of Section 3 or otherwise paid or payable or distributed to Executive in connection with, or arising out of, his or her employment with the Company or a Change of Control or effective control of the Company (collectively the "Payments") would be subject to the excise tax imposed by Section 4999 of the Code, or any successor provision, by reason of being considered an "excess parachute payment" as defined in Section 280G of the Code, or any successor provision, or to any similar tax imposed by state or local law, or any interest or penalties with respect to such tax (such tax or taxes, together with any such interest and penalties, being collectively referred to as the "Excise Tax"), then Executive shall be entitled to receive from the Company an additional payment or payments (collectively, the "Gross-Up Payment"), such that the net amount retained by Executive, after deduction and/or payment of any Excise Tax on the Payments and the Gross-Up Payment and any federal, state and local income tax on the Gross-Up Payment, including penalties and interest, shall be equal to the Payments. All Gross Up Payments must be paid by the Company within two and a half (2 ½) months after the close of the Executive's taxable year which includes the Termination Date ("Due Date"). Notwithstanding the foregoing sentence to the contrary, if it becomes administratively impracticable to make all the Gross Up Payments by the Due Date and as of the Termination Date such impracticability was unforeseeable, then all of such Gross-Up Payments shall be made as soon as administratively practicable after the Due Date. For purposes of determining whether it is administratively impracticable to make all the Gross Up Payments by the Due Date, an action or failure to act of the Executive or a person under the Executive's control, such as a failure to timely provide necessary information or documentation, is

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not an unforeseeable event. Actions or failures to act by the Executive or a person under the Executive's control that result in the inability of the Company to make payment by the Due Date will result in a forfeiture of the Gross Up Payment specified by this section. The intent of the parties is that Executive shall receive no more or no less than what Executive would have received had the Payments not been subject to the Excise Tax.

All determinations required to be made under this Section 5, including whether an Excise Tax is payable by Executive and the amount of such Excise Tax, and whether a Gross-Up Payment is required to be paid by the Company to Executive and the amount of such Gross-Up Payment, if any, shall be made by the accounting firm that is the Company's independent auditor as of the date immediately prior to the Change of Control, or such other nationally recognized accounting firm mutually agreeable to the Company and Executive (the "Accounting Firm"). The Accounting Firm shall submit its determination and detailed supporting calculations to both the Company and Executive within thirty (30) calendar days after the Termination Date of Executive's service with the Company. If the Accounting Firm determines that any Excise Tax is payable by Executive, the Company shall pay the required Gross-Up Payment to Executive within five (5) business days after receipt of such determination and calculations with respect to any Payment to Executive. If the Accounting Firm determines that no Excise Tax is payable by Executive, it shall, at the same time as it makes such determination, furnish the Company and Executive an opinion that Executive has substantial authority not to report any Excise Tax on his or her federal, state or local income or other tax return. As a result of the uncertainty in the application of Section 4999 of the Code (or any successor provision thereto) and the possibility of similar uncertainty regarding applicable state or local tax laws at the time of any determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments which will not have been made by the Company should in fact have been made (an "Underpayment"), consistent with the calculations required to be made hereunder. In the event that Executive thereafter is ever required to make a payment of any Excise Tax, Executive shall direct the

Accounting Firm to determine the amount of the Underpayment that has occurred and to submit its determination and detailed supporting calculations to both the Company and Executive as promptly as possible. Any such Underpayment shall be promptly paid by the Company to, or for the benefit of, Executive within five (5) business days after receipt of such determination and calculations. The Company shall be solely responsible for paying any fees charged by the Accounting Firm for its services in connection herewith.

6. Costs of Enforcement. If the Company breaches this Agreement, or if within three (3) years following a Change of Control that occurs between April 8, 2008 and March 30, 2009, or if within two (2) years of a Change of Control that occurs between March 31, 2009 and March 31, 2010 (a) Executive's employment is terminated by the Company other than for Cause or Disability, or (b) Executive terminates his or her employment for Good Reason, the Company will reimburse Executive for all legal fees and expenses reasonably incurred by him or her by the last day of Executive's second taxable year following the taxable year which includes his or her Termination Date as a result of that termination (including all those fees and expenses, if any, incurred in contesting or disputing the termination or in seeking to obtain or enforce any right or

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benefit provided by this Agreement). All reimbursements made hereunder must be made on or before the last day of the Executive's third taxable year following the taxable year which includes his or her Termination Date as a result of that termination. Failure of Executive to submit such expenses for reimbursement at least sixty (60) days prior to the last day of the applicable taxable year will result in forfeiture of the expense.

7. Successor Liability and Non-Assignment.

(a) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation, reorganization or otherwise) to all or substantially all of the business or assets of the Company expressly to assume and agree to perform this Agreement in the same manner and to the same extent the Company would be required to perform if no such succession had taken place. Failure of the Company to obtain that agreement prior to the effectiveness of any succession will be a breach of this Agreement and will entitle Executive to compensation from the Company in the same amount and on the same terms as he or she would be entitled under this Agreement if he or she terminated employment for Good Reason within three (3) years following a Change of Control, except that for purposes of implementing the foregoing, the date on which that succession becomes effective will be deemed the Termination Date. This Agreement will be binding upon and inure to the benefit of the Company and any successor acquiring, directly or indirectly, all or substantially all of the business assets of the Company whether by purchase, merger, consolidation, reorganization or otherwise, but this Agreement will not otherwise be assignable, transferable or delegable by the Company.

(b) This Agreement will inure to the benefit of and be enforceable by Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees and legatees.

(c) This Agreement is personal in nature and neither of the parties hereto shall, without the consent of the other, assign, transfer or delegate this Agreement or any rights or obligations hereunder except as expressly provided herein. Without limiting the generality or effect of the foregoing, Executive's right to receive payments hereunder will not be assignable, transferable or delegable, whether by pledge, creation of a security interest, or otherwise, other than by a transfer by Executive's will or by the laws of descent and distribution and, in the event of any attempted assignment or transfer contrary to this Section 7(c), the Company shall have no liability to pay any amount so attempted to be assigned, transferred or delegated.

8. Employment At Will. Notwithstanding anything to the contrary contained herein, Executive's employment with the Company is not for any specified term and may be terminated by Executive or by the Company at any time, for any reason, with or without cause, without liability except with respect to the payments provided hereunder or as required by law or any other contract or benefit plan.

9. Compliance with Section 409A of the Code. This Agreement is intended to meet the short-term deferral exception to Section 409A of the Code, as amended, or

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any subsequent provision, and shall be interpreted consistent with the requirements of such exception as provided in the Code, the Treasury regulations promulgated thereunder and any other interpretative guidance issued thereunder.

10. Offset Against Other Payments. Any payment due to Executive under the terms of this Agreement shall be decreased by the amount due and/or paid to Executive as severance, separation or similar type payments made in connection with his or her termination of employment from Company.

11. Modification or Waiver. No amendment, modification or waiver of this Agreement shall be binding or effective for any purpose unless it is made in writing and signed by the party against whom enforcement of such amendment, modification or waiver is sought. No course of dealing between the parties to this Agreement shall be deemed to affect or to modify, amend or discharge any provision or term of this Agreement. No delay on the part of the Company or Executive in the exercise of any of their respective rights or remedies shall operate as a waiver thereof, and no single or partial exercise by the Company or Executive of any such right or remedy shall preclude other or further exercise thereof. A waiver of right or remedy on any one occasion shall not be construed as a bar to or waiver of any such right or remedy on any other occasion.

12. Severability. Whenever possible each provision and term of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision or term of this Agreement shall be held to be prohibited by or invalid under such applicable law, then such provision or term shall be ineffective only to the extent of such prohibition or invalidity, without invalidating or affecting in any manner whatsoever the remainder of such provision or term or the remaining provisions or terms of this Agreement.

13. Entire Agreement. This Agreement constitutes the entire agreement of the parties hereto with respect to this transaction, may be modified only by a written agreement signed by both parties, and supersedes any prior agreements and representations pertaining to the subject matter hereof. This Agreement is not intended, however, to supercede or modify any other existing written employment agreement between Executive and the Company.

14. Governing Law. Except as may otherwise be specifically provided in any related agreements referenced herein or explicitly required by law, this Agreement shall be governed by the laws of the State of Delaware.

15. Counterparts. This Agreement may be executed in one or more counterparts, all of which taken together shall constitute one and the same instrument.

16. Captions. The caption headings are used in this Agreement only as a matter of convenience and for reference, and the parties hereto agree that the caption headings do not define, limit, or describe the scope of this Agreement nor determine the intent of any provision.

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17. Notices. Any notice given with respect to this Agreement shall be in writing and shall be given by personal delivery, by electronic transmission (facsimile or email) or by deposit in the United States Mail or FedEx, addressed to the respective addresses of the parties as set forth herein or at such other addresses as may be provided by any party to the other in writing in the manner herein stated, and, if to the Company, addressed to the attention of the Company's Secretary. All notices shall be effective only upon receipt by the addressee.

18. Good Faith. In all matters in connection herewith, the parties agree that each shall act in good faith in providing information to or dealing with another party hereunder, and in complying with the requirements of this Agreement and otherwise consummating the transactions herein contemplated.

19. Employment by a Related Entity. Either the Company or a subsidiary or other entity ultimately controlled by the Company may be Executive's legal employer. For purposes of this Agreement, any reference to Executive's termination of employment with the Company means termination of employment with the Company and all subsidiaries or other entities ultimately controlled by the Company, and does not include a transfer of employment between any of them. The actions referred to under the definition of "Good Reason" in Section 1(d) include the actions of the Company or Executive's employing entity, as applicable. The obligations created under this Agreement are obligations of the Company. A change in control of a subsidiary or other entity which employs Executive will not constitute a Change in Control for purposes of this Agreement unless there is also a contemporaneous Change in Control of the Company.

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IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have executed this Agreement effective as of the date first above written.

**ACXIOM CORPORATION**

Jerry C. Jones, Business Development/Legal Leader

Catherine L. Hughes, Secretary

**EXECUTIVE**

(signature)

Name:

Address:

(please print address)

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ASSET PURCHASE AND LICENSE AGREEMENT

ASSET PURCHASE AND LICENSE AGREEMENT (this "Agreement") dated as of December 29, 2005 (the "Effective Date"), by and between Acxiom Corporation, a Delaware corporation ("Acxiom" or "Seller"), and EMC Corporation, a Massachusetts corporation, and EMC (Benelux) B.V., S.à.r.l., a Luxembourg limited liability company (together, "EMC" or "Buyer").

In consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Seller and Buyer each hereby agree as follows:

1. Acquired Assets. Seller, by this Agreement, does hereby convey, sell, transfer, assign, grant, release, set over, confirm and deliver to Buyer all of Seller's right, title and interest in and to the following assets, properties, privileges, business and rights (of every nature and description, tangible or intangible, real, personal or mixed and wherever situated, located or existing) (collectively, the "Acquired Assets"):

(a) The technology described on Exhibit 1(a) hereto, including without limitation all current, future and prior versions of such technology and all derivative works of such technology (collectively, the "Base Technology"), and all know how, trade secrets, proprietary information, product documentation, software, methodologies, processes, tools, diagnostic, test and maintenance aids that are or have been used in connection with the development, licensing, maintenance or distribution of the Base Technology or are necessary for Buyer to develop, manufacture, maintain or distribute the Base Technology or any derivative works thereof, in each case, in order to permit Buyer, to the maximum extent possible, to develop, manufacture, maintain, distribute, or engage in similar activities with respect to the Base Technology in the future, or any derivative works thereof;

(b) (i) All patents and patent applications, issued or pending, worldwide assigned to Seller claiming subject matter related to the Base Technology, if any; and (ii) all copyrighted materials and works-for-hire owned by Seller related to the Base Technology. Seller shall execute and deliver such instruments and take such other action as may be requested by Buyer to perfect or protect Buyer's intellectual property rights in the Acquired Assets and to carry out the assignments contemplated in this Section 1, and shall reasonably assist Buyer at Buyer's expense and their respective nominees to secure, and maintain, for Buyer's own benefit all such intellectual property rights in the Acquired Assets in any and all countries. Seller shall reasonably cooperate with Buyer at Buyer's expense in the filing and prosecution of any patent or copyright applications that Buyer may elect to file on the Acquired Assets.

(c) To the extent permitted under such agreements, the software license and maintenance agreements (and all rights and obligations of Seller thereunder) of Seller for third party software and/or technology included in or related to the Base Technology (collectively, the "Included License Agreements"); provided that all software license and maintenance agreements for third party software and/or technology included in or related to the Base Technology which are not assignable or transferable hereunder or sufficient in scope to cover the Acquired Assets and the Business (as defined below) (collectively, the "Excluded License Agreements") and, together with the Included License Agreements, the "License Agreements") shall be listed in Exhibit 1(c) hereto along with the Included License Agreements and, with respect to each such Excluded License Agreement, Seller agrees that (i) within two (2) years of the date of this Agreement or upon Buyer's exercise of its option to acquire the Division in accordance with the provisions of this Agreement, whichever shall occur sooner, Seller shall, at its own expense,

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either negotiate an Included License Agreement with respect to the content of such Excluded License Agreement or develop internally or obtain from an alternate source and under an Included License Agreement substantially equivalent technology for inclusion in the Acquired Assets and assign such Included License to Buyer as an Acquired Asset at no additional charge, provided that any applicable license fees and/or royalties shall be treated in a manner consistent with the treatment of such fees in such Excluded License Agreement and provided further that Buyer and Seller shall mutually agree in the Marketing Agreement (as described in Section 16 below) for the appropriate pass through of such license fees and / or royalties or other appropriate treatment, (ii) in the interim, Seller shall provide, at its own expense, such licenses to the content of each Excluded License Agreement as Buyer, the Division and its customers may require to conduct the Business and (iii) in the event that Buyer determines, within 45 days of the date of this Agreement that Exhibit 1(c) should include the listing of additional licenses, Seller shall reasonably cooperate with Buyer to amend such Exhibit 1(c) and to comply with the provisions of this Section 1(c) with respect to any such additional licenses;

(d) All of Seller's development and partnership agreements (and all rights and obligations of Seller thereunder) related to the Base Technology, each of which is listed on Exhibit 1(d) hereto, if any (collectively, the "Development Agreements" and, together with the License Agreements, the "Acquired Contracts");

(e) With respect to the Base Technology, electronic versions (paper version if electronic version not available) of Seller's (i) source code, whether in print, magnetically stored, or in some other form, and related materials in the possession of or available to Seller, including, but not limited to, comments, flow charts, documentation, and manuals, and implementation specifics (collectively, "Source Code"), it being understood that Seller's obligation to deliver actual electronic versions of such Source Code shall be satisfied upon the delivery to Buyer of all versions of such Source Code currently used or relied upon in connection with the development, manufacture, maintenance or distribution of any product or any successor product; provided that Buyer shall have the right to require that Seller deliver, promptly upon Buyer's request, any prior version or versions of such Source Code in the possession of or available to Seller; (ii) system software which is a part of the Base Technology, except that with respect to system software/build software covered by an Excluded License Agreement, Seller's obligation to Buyer shall be as set forth in 1(c); (iii) build software (package and build tree) except that with respect to build software covered by an Excluded License Agreement, Seller's obligation to Buyer shall be as set forth in 1(c); (iv) release scripts, procedures and documentation; (v) test suites, scripts, procedures and process documentation; (vi) performance documentation, programs and results sets; (vii) product specifications; (viii) functional specifications; (ix) design specifications; and (x) customer service and support documentation and call history (database, if applicable);

(f) Copies of all competitive analysis or business development information for the Base Technology and any correspondence of Seller related thereto; and

(g) Copies of all marketing and sales materials of Seller for the Base Technology.

For purposes of this Section 1, EMC Corporation shall be deemed to be the acquiror of all such right, title and interest in the Base Technology in North America and EMC (Benelux) B.V., S.à.r.l. shall be deemed to be the acquiror of all such right, title and interest in the Base Technology everywhere else in the world.

2. Excluded Assets. Notwithstanding the provisions of Section 1, the Acquired Assets shall not include, without limitation, any assets, properties or privileges of Seller not included in the Acquired Assets including without limitation and for purposes of clarification only, the assets listed on Exhibit 2

hereto and any other part of Seller's business (the "Excluded Assets"). Without in any way limiting the foregoing and for clarification purposes only, know how, trade secrets, proprietary information, product documentation, software, methodologies, processes, tools, diagnostic, test and maintenance aids that are not included in the Acquired Assets and are or have been used in connection with the development, licensing, maintenance or distribution of the Other Technology and any other part of Seller's business shall be considered to be Excluded Assets.

3. Assumed Liabilities. Subject to the terms and conditions of this Agreement, at the Closing, Buyer shall assume and agree to pay, perform, fulfill and discharge the liabilities and obligations associated with the Acquired Assets, if any, which are listed on Exhibit 3 hereto (such liabilities and obligations are hereinafter referred to as the "Assumed Liabilities").

4. Excluded Liabilities.

(a) Notwithstanding the provisions of Section 3, Buyer is not assuming or in any way becoming liable or responsible for any liability of Seller not included in the Assumed Liabilities (collectively, the "Excluded Liabilities").

(b) Seller shall retain and be responsible for the performance and discharge of all liabilities and obligations (i) relating to the Excluded Assets or (ii) arising from the ownership of the Acquired Assets prior to the Closing (as defined below).

(c) Seller agrees that Buyer is purchasing the assets debt-free and will reimburse the Buyer for any debt with respect to the Acquired Assets that is not an Assumed Liability.

5. Purchase Price. In consideration of the sale, transfer and delivery by Seller to Buyer of the Acquired Assets and of the other agreements of the parties set forth in this Agreement, and subject to the assumption by Buyer of the Assumed Liabilities, if any, Buyer agrees to pay to Seller an aggregate amount of Thirty Million Dollars (\$30,000,000.00) (the "Purchase Price") in cash as follows: (i) Twenty Million Dollars (\$20,000,000.00) at Closing; (ii) Five Million Dollars (\$5,000,000.00) on April 1, 2006; and (iii) Five Million Dollars (\$5,000,000.00) on July 1, 2006, with EMC Corporation contributing Nineteen Million Nine Hundred Forty-Three Thousand Dollars (\$19,943,000.00) and EMC (Benelux) B.V., S.à.r.l. contributing Ten Million Fifty-Seven Thousand Dollars (\$10,057,000.00) of such aggregate amount. Each payment shall be made by wire transfer of immediately available funds to the account designated by Seller. Seller's sale of the Acquired Assets constitutes an isolated sale of a non-inventory asset.

6. Closing. The closing ("Closing") of the transactions contemplated by this Agreement shall be held at 10:00 A.M. local time at the offices of Buyer, 176 South Street, Hopkinton, Massachusetts as of the Effective Date (the "Closing Date").

(a) Deliveries at Closing.

(i) At the Closing, Seller shall deliver to Buyer the following:

(A) a duly executed counterpart of this Agreement;

(B) all of the software, product documentation and related marketing material via electronic means;

(C) all of the Acquired Contracts, with such assignments thereof and consents to assignments (as and if permitted by such agreements) as are

necessary or appropriate to assure Buyer of the full benefit of the same; and

(D) such other instruments of sale, transfer, conveyance and assignment as Buyer shall reasonably request including, without limitation, assignment agreements with respect to all patent, trademark and copyright rights of Seller, if any.

(ii) At the Closing, Buyer shall deliver to Seller the following:

(A) a duly executed counterpart of this Agreement;

(B) such other instruments of assumption as Seller may reasonably request; and

(C) the portion of the Purchase Price due at Closing by wire transfer of immediately available funds to the account designated by Seller.

7. Rights of Buyer. Seller hereby constitutes and appoints Buyer the true and lawful attorney of Seller, with full power of substitution, in the name of Seller or Buyer, by, on behalf of and for the benefit of Buyer: (a) to demand and receive from time to time all or any portion of the Acquired Assets and to make endorsements and give receipts and releases for and in respect of the same and any part thereof, (b) to institute, prosecute, compromise and settle any and all actions, litigations (other than litigation against Seller and its affiliates, officers, directors, employees and authorized agents) or governmental or administrative proceedings that Buyer may deem proper in order to collect, assert or enforce any claim, right or title of any kind in or to any Acquired Assets, (c) to defend or compromise any or all actions, litigations or governmental or administrative proceedings in respect of any Acquired Assets, provided, however, that with respect to any claim for which Buyer intends to seek indemnification from Seller under this Agreement, Buyer shall not compromise or settle any such action or litigation without Seller's prior written consent, which consent shall not be unreasonably withheld, and (d) to do all such acts and things in relation to the matters set forth in the preceding clauses (a) through (c) as Buyer shall reasonably deem appropriate.

8. Further Assurances. Each of Seller and Buyer shall, from time to time after the Closing and at the reasonable request of the other party and without further consideration, execute and deliver such further instrumentation of transfer and assignment or take such other actions as may be reasonably necessary in order to more effectively consummate the transactions contemplated hereby in an effort to vest in Buyer good and valid title to the Acquired Assets and to give full force and effect to the intent of the parties reflected hereby.

9. Representations and Warranties by Seller. Seller represents and warrants to Buyer that the representations and warranties contained in this Section 9 are true, correct and complete as of the Effective Date.

(a) Organization and Standing. Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has full corporate power and authority to conduct its business as presently conducted and as proposed to be conducted by it. Seller has at all times complied with all provisions of its Certificate of Incorporation and By-laws, each as currently in effect, and is not in default under, or in violation of, any such provision.

(b) Authority for Agreement. Seller has full corporate power and authority to execute and deliver this Agreement and to carry out its obligations thereunder. The execution,

delivery and performance by Seller of this Agreement has been duly authorized by all necessary corporate action of Seller and no other action on the part of Seller is required in connection herewith. This Agreement has been duly executed and delivered by Seller and constitutes the valid and legally binding obligation of Seller. The execution and delivery of this Agreement, the compliance with the provisions hereof by Seller, and the consummation of the transactions contemplated hereby, will not (i) conflict with, result in a breach of, constitute (with or without due notice or lapse of time or both) a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify or cancel, or require any notice, consent or waiver under the Certificate of Incorporation and By-laws of Seller or under any contract, lease, sublease, sublicense, franchise, permit, indenture, agreement or mortgage for borrowed money, Security Interest or other interest to which Seller is a party or by which Seller is bound or to which its assets are subject, (ii) result in the imposition of any Security Interest upon any assets of Seller or (iii) violate any order, writ, injunction, decree, rule or regulation applicable to Seller, or any of its properties or assets, except in each case, where such conflict, breach, default or other violation would not have a material adverse effect on the ability of Buyer to consummate the transactions contemplated hereby and thereby. For purposes of this Agreement, "Security Interest" means any mortgage, security interest, encumbrance, claim, charge, or other lien (whether arising by contract or by operation of law), other than liens for taxes not yet due.

(c) Title to Acquired Assets. Except as set forth on Exhibit 1(c), Seller owns the Acquired Assets and Seller has and is conveying to Buyer hereunder, upon delivery to Buyer of the instruments of transfer referred to in Section 6, good and valid title to the Acquired Assets. Except as set forth on Exhibit 9(c), none of the Acquired Assets includes any software distributed under a license that requires as a condition of use, modification or distribution of the software that such software or other software distributed with or combined with the software be (i) disclosed or distributed in source code form; (ii) licensed for the purpose of making the derivative works or (iii) redistributable at no charge ("Open Source Software").

(d) Contracts. Seller has furnished to Buyer a correct and complete copy of each Acquired Contract listed on Exhibits 1(c) and 1(d), if any, and identified thereon what if any consents of any person are required to assign the Acquired Contracts to Buyer. Seller has performed all obligations under the Acquired Contracts required to be performed by it prior to the Closing. Seller is not in breach of any material term or provision of any Acquired Contract. To the knowledge of Seller, there does not exist under any Acquired Contract any event of default, except for any event which has not had and is not reasonably likely to have a material adverse effect on the Acquired Assets, and no claim has been made against Seller alleging any event of default. All Acquired Contracts are in full force and effect and enforceable against each party thereto.

(e) Consents. No consent of any third party is required to be obtained by Seller and no consent, approval, order authorization of, or registration, qualification, designation, declaration or filing with any governmental authority is required in connection with the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby.

(f) Intellectual Property. All patents, patent applications, copyrights, trade names, trademarks and trademark applications which are owned by or licensed to Seller or in which Seller has an interest that is directly related to the Base Technology (collectively and, together with the know how, trade secrets and proprietary information included in the Base Technology, the "Intellectual Property") are listed on Exhibit 9(f). All of Seller's patents and registered trademarks that are directly related to the Base Technology have been duly registered in, filed in or issued by the applicable patent office of each country identified in Exhibit 9(f), and have been properly maintained and renewed in accordance with all applicable laws and regulations of each

such country. The use of the Intellectual Property contemplated by this Agreement does not require the consent of any other Person except to the extent that any such consent has already been provided by contract or license or except as noted in Exhibit 1(c). Except as noted in Exhibit 1(c), all of Seller's rights to and interest in the Intellectual Property are freely transferable (except as otherwise provided by law) and are owned exclusively by Seller free and clear of any Security Interests. Except for those items identified in Exhibit 1(c), no other Person has an interest in or right or license to use, or right to acquire or the right to license any other Person to use (whether contingent or otherwise), any Intellectual Property; no claims or demands of any other Person pertaining thereto have been asserted against Seller in writing, and no proceedings have been instituted or are pending or, to the knowledge of Seller, threatened, which challenge Seller's rights in respect thereof; to the knowledge of Seller, none of the Intellectual Property of Seller is being infringed by another Person, nor are any of them subject to any outstanding order, decree, ruling, charge, injunction, judgment or stipulation; and no claim has been made, or to the knowledge of Seller, is threatened, charging Seller with infringement of any adversely held patent, trademark, trade secret or copyright or other intellectual property. Seller has and is transferring to Buyer valid licenses for all third party software and technology included in the Acquired Assets. All personnel, including employees, agents, consultants and contractors, who have contributed to or participated in the conception and development of any part of Seller's Intellectual Property rights on behalf of Seller have executed confidentiality, non-disclosure and intellectual property ownership agreements, representative copies of which have, or will be, furnished to Buyer. No current or former partner, director, officer, employee, consultant, independent contractor or affiliate of Seller (or any predecessor in interest) will, after giving effect to the transactions contemplated herein, own or retain any rights in or to any Intellectual Property. No security measures have been implemented in the software of Seller included in the Acquired Assets which would impair operation thereof, except such measures as have been disclosed to Buyer. The Base Technology does not contain any device or feature designed to disrupt, disable, or otherwise impair the functioning of any such software.

(g) Trade Secrets and Customer Lists. Seller has the right to use, free and clear of any claims or rights of any other Person, all trade secrets, customer lists and secret processes and know-how included in the Acquired Assets required for or used in the marketing of the Base Technology. With regard to the Base Technology and to the knowledge of Seller, Seller is not in any way making an unlawful or wrongful use of any confidential information, know-how, or trade secrets of any other Person.

(h) Litigation. There is no litigation or governmental or administrative action, suit, proceeding or investigation (domestic or foreign) pending or, to the knowledge of Seller, threatened against Seller and directly related to the Base Technology, Source Code or Acquired Contracts. No claims or demands of any other Person pertaining thereto have been asserted against Seller in writing, and no proceedings have been instituted or are pending or, to the knowledge of Seller, threatened, which challenge Seller's rights in respect thereof.

(i) Sufficiency. Seller hereby represents and warrants that this Agreement is sufficient to transfer and convey title to the Acquired Assets to Buyer under applicable law.

(j) Export Licenses. Seller acknowledges that the Acquired Assets are subject to the export jurisdiction of the United States, specifically the Export Administration Regulations and Export Control Classification Number (ECCN) 5D002. Seller represents that, to Seller's knowledge, it has complied with all applicable international laws and regulations, including, without limitation, the US Export Administration regulations in the development, use and marketing of the Acquired Assets and in its business relations with third parties concerning the Acquired Assets

(k) EXCEPT AS OTHERWISE SET FORTH IN THIS SECTION 9, THE ACQUIRED ASSETS AND THE OTHER TECHNOLOGY LICENSE PROVIDED BY THIS AGREEMENT ARE PROVIDED “AS IS”, WITHOUT WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, BY SELLER OR ITS AFFILIATES, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, COMPLETENESS, ACCURACY, AVAILABILITY, TITLE, NON-INFRINGEMENT, TRADE USAGE, COURSE OF DEALING, OR COURSE OF PERFORMANCE. THE ENTIRE RISK AS TO PERFORMANCE OF THE ACQUIRED ASSETS AND THE OTHER TECHNOLOGY LICENSE ARE WITH BUYER AND THERE IS NO GUARANTEE THAT THE ACQUIRED ASSETS AND THE OTHER TECHNOLOGY LICENSE PROVIDED UNDER THE TERMS OF THIS AGREEMENT WILL MEET THE REQUIREMENTS OF BUYER, BE ERROR FREE, OR OPERATE WITHOUT INTERRUPTION.

10. Representations and Warranties by Buyer. Buyer represents and warrants to Seller that, to Buyer’s actual knowledge, the representations and warranties contained in this Section 10 are true, correct and complete as of the Effective Date.

(a) Organization and Standing. Buyer is a corporation duly organized, validly existing and in good standing under the laws of the Commonwealth of Massachusetts and has full corporate power and authority to conduct its business as presently conducted. Buyer is not in default under, or in violation of, any provision of its Articles of Organization or Restated By-laws, each as currently in effect.

(b) Authority for Agreement. Buyer has full corporate power and authority to execute and deliver this Agreement and to carry out its obligations hereunder. The execution, delivery and performance by Buyer of this Agreement has been duly authorized by all necessary corporate action of Buyer and no other action on the part of Buyer is required in connection herewith. This Agreement has been duly executed and delivered by Buyer and constitutes the valid and legally binding obligation of Buyer. The execution and delivery of this Agreement, the compliance with the provisions hereof by Buyer, and the consummation of the transactions contemplated hereby, will not (i) conflict with, result in a breach of, constitute (with or without due notice or lapse of time or both) a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify or cancel, or require any notice, consent or waiver under the Articles of Organization or Restated By-laws of Buyer or under any contract, lease, sublease, sublicense, franchise, permit, indenture, agreement or mortgage for borrowed money, Security Interest or other interest to which Buyer is a party or by which Buyer is bound or to which its assets are subject, (ii) result in the imposition of any Security Interest upon any assets of Buyer, or (iii) violate any order, writ, injunction, decree, rule or regulation applicable to Buyer, or any of its properties or assets, except in each case, where such conflict, breach, default or other violation would not have a material adverse effect on the ability of Seller to consummate the transactions contemplated hereby.

11. Division; Advisory Board; Additional Development.

(a) As soon as practicable after the Effective Date, Seller hereby agrees to organize and constitute a division of Seller (the “Division”) in which all operations of Seller related to the Business shall be operated and managed. During the term of this Agreement, the Division shall be the sole vehicle for activities of the Seller relating to the Business. The Division shall develop the Business in accordance with the business plan and roadmap (the “Plan”) attached as Exhibit 11(a) (which shall be reviewed by an independent third party mutually selected by Buyer and

Seller as directed by the Advisory Board with respect to those matters identified on Exhibit 11(a)). Seller shall contribute to the Division such assets, including, without limitation, facilities, labs and equipment, and other interests and rights as Seller and Buyer shall mutually agree within thirty (30) days after the Effective Date, as well as such other assets as the Advisory Board shall recommend or require from time to time. Seller agrees that it shall fund research and development efforts within the Division for the Business in accordance with the Plan and at the direction of the Advisory Board (as such terms are defined below). Such assets shall constitute the assets, interests and rights that are necessary or advisable to develop, operate, maintain and grow the Business.

(b) At the Effective Date, Seller shall assign not fewer than 100 research and development associates (each of whom is identified on Exhibit 11(b)) (the “Assigned Employees”) to work full time on the development of the Business within the Division, which number of employees shall be maintained as full-time employees of the Division during the term of this Agreement from the Effective Date until (i) such time as Buyer and Seller agree to redeploy such associates, or (ii) Buyer elects not to acquire the Division in accordance with Section 13. The Assigned Employees shall report to management of the Division and the Advisory Board (as defined below). In the event of the voluntary resignation by an Assigned Employee from employment with Seller or the dismissal of an Assigned Employee from employment with Seller for misconduct (*e.g.*, fraud, drug abuse, theft) or for good cause shown, Seller will use commercially reasonable efforts to replace such Assigned Employee with an associate of comparable skill and ability as soon as practical. For purposes of this Agreement, “Business” shall mean the development and commercialization of a joint solution for a business intelligence grid (“BIG”), as more fully described in the Plan.

(c) Seller agrees no later than the date that is thirty (30) days after the Effective Date to establish an advisory board (the “Advisory Board”), which shall have full and complete advisory responsibility for the direction of the operations of the Division including without limitation all matters relating, directly or indirectly to the development, operation, commercialization, maintenance and growth of the Business. The Advisory Board shall consist of six (6) members, three (3) of whom will be designated by each of Buyer and Seller. The Advisory Board shall advise on any of the following: (i) any change, amendment or modification to the Plan, (ii) any allocation by Seller of any indebtedness to the Division; (iii) any sale, transfer, sale or license of any of the assets of the Division, provided that this Section (b)(iii) shall not apply to an indirect sale of the Division as a result of any merger, consolidation, acquisition, sale of substantially all of sellers assets, or any other change of control of Seller; (iv) taking any action or omitting to take any action a result of which would reasonably be expected to be materially detrimental to the business relationships or goodwill of the Division; or (v) establishing the terms of any transactions or allocations of liabilities between Seller and the Division. Management of the Division shall meet with the Advisory Board not less often than each fiscal quarter for a quarterly business review at which projected and actual Division budget and financial information, as well as relevant information concerning progress against the Plan, information about Assigned Employees and such other matters as the Advisory Board shall determine, shall be discussed and evaluated.

(d) Dispute Resolution.

(i) The parties acknowledge that several aspects of the relationships among the parties will require mutual agreement and cooperation. In this connection, the parties agree to work together reasonably and in good faith to resolve disagreements and disputes as rapidly as practicable so as not to impair the performance or operations of Business.

(ii) In the event of a disagreement between EMC and Acxiom arising out of or related to this Agreement, the parties agree to submit such disagreement to the Advisory Board for resolution. The members of the Advisory Board shall negotiate reasonably and in good faith to resolve such disagreement.

(iii) In the event that the Advisory Board is unable to resolve the disagreement within five (5) business days of the date the issue is submitted to it, the parties agree to submit the disagreement to the Business Sponsors identified on Exhibit 11(d)(iii) for resolution. The Business Sponsors shall negotiate in good faith to resolve the disagreement.

(iv) In the event that the Business Sponsors are unable to resolve the disagreement within ten (10) business days of the date the issue is submitted to it, the parties agree to submit the disagreement to the Executive Sponsors identified on Exhibit 11(d)(iv). The Executive Sponsors shall negotiate in good faith to resolve the disagreement.

(e) From time to time, Buyer may engage the Division to perform certain development with respect to Buyer's proprietary technology, on mutually acceptable terms and conditions. The Hosted Services License and the Division License notwithstanding (as such terms are defined below), in the event that Buyer licenses any additional technology or rights to Seller, in furtherance of any such development by the Division or Seller to perform such development, whether or not in connection with developing or commercializing the Business, including without limitation any license of technology of EMC / Smarts or of VMware, any such additional license (including without limitation any license to any work which constitutes, in whole or in part, a derivative work of such technology) shall not include any independent right of Seller to such technology other than for such development for the exclusive use and benefit of Buyer unless Buyer and Seller shall otherwise expressly agree to license terms therefor.

## 12. Licenses; Non-Use of Acquired Assets.

(a) Seller grants to Buyer a perpetual, transferable, assignable, sublicensable, reproducible license to use the assets and technology identified on Exhibit 12(a) (the "Other Technology") and all derivative rights of the Other Technology solely in connection with the development or commercialization of the Base Technology to manage and operate the Business (the "Other Technology License"); provided, that Seller agrees that it shall not grant any license to the Other Technology to any person other than Buyer for use in connection with the development or commercialization of the Base Technology.

(b) Subject to the terms of this Agreement, Buyer grants a non-exclusive, transferable, assignable, sublicensable, reproducible, irrevocable, perpetual, royalty-free license to use the Base Technology and Source Code, and all know how, trade secrets, proprietary information, product documentation, software, methodologies, processes, tools, diagnostic, test and maintenance aids conveyed to Buyer in accordance with Section 1(a) (i) to Seller, on behalf of the Division, to make, use, modify, distribute, create derivative works of and otherwise develop and commercialize the Base Technology and derivative works of the Base Technology solely at the Sellers' facilities by Seller and solely in order to manage and operate the Business (the "Division License"); and (ii) to Seller to use, modify, create derivative works of, and develop and commercialize the Base Technology and such derivative works for use solely in connection with the Hosted Services business of Seller (the "Hosted Services License"). For purposes of this Agreement, "Hosted Services" shall mean (i) a business relationship in which Acxiom provides a customer with data center or computer management operation services that includes the

manipulation or transformation of information that provides a customer with business intelligence, and/or (ii) internal business operations of Acxiom that include the manipulation or transformation of information that provides Acxiom with business intelligence for Acxiom's own use, an Acxiom customer's use, or for re-sale to third parties; provided, however, that Hosted Services shall not include products or services which are designed primarily to provide information lifecycle management services or products such as those offered by EMC, and shall not include, without limitation, local/remote replication or storage and/or content management software. THE DIVISION LICENSE AND HOSTED SERVICE LICENSE PROVIDED BY THIS PARAGRAPH ARE PROVIDED "AS IS", WITHOUT WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, BY BUYER OR ITS AFFILIATES, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, COMPLETENESS, ACCURACY, AVAILABILITY, TITLE, NON-INFRINGEMENT, TRADE USAGE, COURSE OF DEALING, OR COURSE OF PERFORMANCE. THE ENTIRE RISK AS TO PERFORMANCE OF THE BASE TECHNOLOGY AND SOURCE CODE ARE WITH SELLER AND THERE IS NO GUARANTEE THAT THE LICENSES PROVIDED UNDER THE TERMS OF THIS AGREEMENT WILL MEET THE REQUIREMENTS OF SELLER, BE ERROR FREE OR OPERATE WITHOUT INTERRUPTION.

(c) Except with respect to any Open Source software, Seller will hold the confidential and trade secret portions of the Base Technology and Source Code and other Acquired Assets in confidence, and will not allow access to, divulge, disclose, copy or publish any such information to any third party without the prior written approval of Buyer. The obligations of this Section 12(c) will survive in perpetuity.

(d) Except with respect to any Open Source software, Buyer will hold the confidential and trade secret portions of the Other Technology in confidence, and will not allow access to, divulge, disclose, copy or publish any such information to any third party without the prior written approval of Seller. The obligations of this Section 12(d) will survive in perpetuity.

(e) For purposes of the Hosted Services License, upon any change of control of Acxiom, the Hosted Services business of Seller shall be deemed to include any Hosted Services business of the entity acquiring control of Acxiom, as in existence on the date of such change of control for existing and future customers; provided, that such entity agrees that it shall and shall cause Acxiom to license and make available to EMC on a royalty free basis no less frequently than on a quarterly basis all derivative works of the Base Technology that are created after the date of such change of control.

(f) For purposes of the Division License, upon the earlier to occur of (i) an election by EMC not to acquire the Division in accordance with Section 13; or (ii) any change of control of Acxiom that is followed by an election by EMC not to acquire the Division in accordance with Section 13, the Division License shall continue in effect, provided, that as a condition of such continuation, each of Acxiom and any entity acquiring control of Acxiom agrees that it will and, as appropriate, will cause Acxiom and the Division to license and make available to EMC on a royalty free basis no less frequently than on a quarterly basis all derivative works of the Base Technology that are created after the effective date of such continuation for such time as the Division License is in effect.

13. Option to Acquire Division; Employees.

(a) Buyer shall have the option, exercisable in its absolute and sole discretion at any time after the Effective Date and prior to the date that is thirty (30) days after the second

anniversary of the Effective Date (the “Option Period”), to acquire all of Acxiom’s right, title and interest in and to the Division (excluding buildings, furniture, and fixtures) for a purchase price not to exceed \$20 million pursuant to an asset purchase agreement containing provisions substantially identical to those set forth in Exhibit 13(a) with respect to the assets of the Division, including those assets identified on Exhibit 11 to this Agreement, as such exhibit shall be amended from time to time. Buyer agrees to pay the following purchase price if the option is exercised during the time period represented in the table below:

<b>Exercise Occurs in the Following Months of the Option Period</b>	<b>Amount of Purchase Price Owed to Seller</b>
Effective Date to end of the 5 <sup>th</sup> month	\$5,000,000.00
Beginning of 6 <sup>th</sup> month to end of 11 <sup>th</sup> month	\$10,000,000.00
Beginning of 12 <sup>th</sup> month to end of 17 <sup>th</sup> month	\$15,000,000.00
Beginning of 18 <sup>th</sup> Month to end of Option Period	\$20,000,000.00

Buyer’s right to give notice of the exercise of such option shall terminate upon the expiration of thirty (30) days following the second anniversary of the Effective Date. In the event that Seller proposes to engage in a transaction that would constitute a change in control of Seller, Seller shall give Buyer twenty (20) days written notice prior to the consummation of any such transaction.

(b) In the event that Buyer exercises such option to acquire the Division, it shall give written notice of such exercise to Seller and Seller and Buyer agree to consummate such acquisition no later than 30 days after the date of such notice in accordance with the terms of Section 12(a).

(c) In addition to the option described in Section 13(a), Buyer shall have the option, exercisable in its absolute and sole discretion at any time after the second anniversary of the Effective Date and prior the date that is thirty (30) days after the second anniversary of the Effective Date (the “Notice of Extension Period”), to extend the Option Period for a period of one (1) year (the “Extension Period”). To exercise such option, Buyer shall deliver notice of such exercise within the Notice of Extension Period along with an amount in cash equal to \$20 million to Seller as a nonrefundable deposit. In the event that Buyer elects to so extend the Option Period, Buyer and Seller agree that if Buyer elects to acquire the Division at the end of the Extension Period, the purchase price of the Division at the end of the Extension Period shall be \$40 million, comprised of \$20 million in the form of such previously delivered non-refundable deposit and \$20 million that shall be delivered at the consummation of the acquisition of the Division. Seller agrees that it shall fund research and development efforts within the Division for the Business during the Extension Period in accordance with the Plan and at the direction of the Advisory Board.

(d) Personnel.

(i) For a period of ninety (90) days commencing upon the receipt by Seller of notice of the election by Buyer to acquire the Division (the “Transition Period”), Buyer shall have the exclusive right to offer employment to the Assigned Employees.

(ii) During the Transition Period and for a period of sixty (60) days thereafter, Seller will actively encourage such individuals to join Buyer and will otherwise assist and support the transition hiring process consistent with the parties' intentions.

(iii) In the event that any individual to whom Buyer has made a good faith offer of employment pursuant to this Section 13(c), rejects such offer and accepts an offer of employment with Seller after Buyer's election, Seller shall provide Buyer with such individual's salary and other compensation information in order to permit Buyer to make a revised offer of employment to each such individual within thirty (30) days of the date of receipt of such salary and other compensation information.

(iv) If more than five percent (5%) of the individuals to whom Buyer has made a good faith offer of employment pursuant to this Section 13 in the aggregate, rejects Buyer's offer of employment and accepts an offer of employment with Seller, Buyer shall have the right but not the obligation to cause Seller to continue to engage such individuals in the Business at the expense of Seller for a period of up to one (1) year after the date such individuals reject Buyer's offer. If neither of the individuals identified on Exhibit 13(d)(iv) accepts Buyer's offer of employment and each individual instead accepts an offer of employment with Seller, Buyer shall have the right but not the obligation to cause Seller to continue to engage such individuals in the Business at the expense of Seller for a period of up to two (2) years after the date such individuals reject Buyer's offer. If one of such individuals listed on Exhibit 13(d)(iv) accepts Buyer's offer of employment, the foregoing restriction with respect to such individuals shall not apply. Seller agrees during the Transition Period and for a period of one year thereafter, Seller shall not make an offer of compensation to either such individual at a rate in excess of their compensation at the time of the second anniversary of the Effective Date; provided that the foregoing restriction shall not apply to raises made in the ordinary course of business consistent with past practices.

(v) Seller will not assign any individual who has rejected a good faith offer of employment by Buyer and elects to accept an offer of employment with Seller on any engagement that is competitive with the Business for a period of one (1) year after such rejection.

(d) Operation of the Division. Seller covenants and agrees that, during the period from the Effective Date and continuing until such time as Buyer exercises the option to acquire the Division in accordance with Section 12, unless Buyer shall otherwise agree in writing, Seller shall cause the Division to conduct the Business and any other matters, and Seller shall not cause the Division to take any action except in the ordinary course of business and in a manner consistent with the direction of the Advisory Board and the intent of the parties expressed in this Agreement and the Joint Sales and Marketing Agreement; and Seller shall use commercially reasonable efforts to preserve intact the Division and the Business, to keep available to the Division the services of any Assigned Employees and to preserve the present relationships of the Division or the Business with customers, suppliers, channel partners or other persons with which Seller, the Division or the Business have significant business relations.

14. Nonsolicitation. In the event that Buyer exercises the option to acquire the Division, Seller agrees that for a period of eighteen (18) months following the consummation of such acquisition it shall not and shall not permit any of its subsidiaries or affiliates to solicit or hire any employee of Buyer or any past or current employee of Seller who was engaged in the Business during the period beginning on the Effective Date and ending on the date that Buyer's acquisition of the Division is consummated.

During the term of this Agreement and except as otherwise expressly provided for herein, each of Buyer and Seller agrees it shall not solicit any employee of the other party for employment without the written permission of such other party and at such time as Buyer exercises the option to acquire the Division or in the event that Buyer does not exercise such option, each of Buyer and Seller agrees that for a period of one year following the second anniversary of the Effective Date it shall not solicit any employee of the other party for employment without the written permission of such other party. The foregoing notwithstanding, restrictions on a party's ability to solicit employees for hire shall not apply to or restrict general solicitation or recruitment advertising not targeted at any specific individual or group of individuals.

15. Option to Repurchase Base Technology.

(a) At any time following (i) expiration of the Option Period or the Extension Period, as the case may be, or (ii) Seller's receipt of written notification from Buyer that Buyer either waives Buyer's right to purchase the Division or that Buyer has elected not to purchase the Division, Seller shall have the right to offer to acquire Buyer's right, title and interest in and to the Base Technology. Buyer shall have the right, but not the obligation, to negotiate with Seller with regard to terms, if any, upon which Buyer would sell such right, title and interest to Seller. If Buyer is willing to sell, transfer and deliver such right, title and interest to Seller and Buyer and Seller cannot agree upon the purchase price therefor, each of Buyer and Seller shall submit a proposed purchase price to an independent third party firm which (i) is recognized for valuation work, (ii) shall be mutually selected by Buyer and Seller and (iii) shall be obligated to determine the valuation of the Base Technology and the purchase price therefor to be paid by Seller to Buyer. Such determination shall not be binding upon Buyer and Seller.

(b) Upon any acquisition by Seller of the Base Technology in accordance with this Section 15, the following licenses shall expire: (i) the Division License and (ii) the Hosted Services License. In addition, the parties will use commercially reasonable efforts to promptly return or destroy the confidential information of the other party (with any such destruction certified by an authorized representative of a party to the disclosing party).

(c) Nothing contained in this Agreement shall restrict a party from the use of any general ideas, concepts, know-how, or techniques retained in the unaided mental impressions of such party's personnel which either party, individually or jointly, develops or discloses under this Agreement, provided that in doing so such party does not breach its obligations under the Confidentiality Agreement described in Section 27 below or infringe the intellectual property rights of the other party or third parties who have licensed or provided materials to the other party.

16. Joint Sales and Marketing Agreement. The parties agree to use commercially reasonable and good faith efforts to agree upon appropriate go-to-market and product support arrangements with respect to the Business such that, at a minimum, the parties will commercialize products based upon the Base Technology no later than two years from the Effective Date. Such arrangements shall contemplate, among other things, an agreement of Buyer and Seller to arrange for end users to license the Base Technology from Buyer in exchange for appropriate royalty payments in connection with revenue sales generated from leads provided by Buyer. Such arrangements shall also contemplate Buyer's commitment to partner with Seller for go-to-market purposes for BIG for a period of at least three (3) years following any acquisition of the Division by Buyer, subject to Seller's performance of its obligations in such connection. Unless otherwise extended by the parties in writing, the Joint Sales and Marketing Agreement (the "Marketing Agreement") shall be executed no later than sixty (60) days from the Effective Date. Nothing contained herein shall be construed as preventing either party from developing, acquiring, marketing, selling, supporting or maintaining additional products, solutions or services for

commercialization in combination with the Base Technology, the Other Technology or the Acquired Assets, as the case may be, (including by means of nonlimiting example products or services similar to or competitive with the products used by Seller in its Hosted Services business), or from entering into agreements with or providing the Base Technology, the Other Technology or the Acquired Assets to other parties (including those who may be competitors of Buyer or Seller, as the case may be, in certain markets), provided that in so doing, neither Buyer nor Seller breaches its obligations under this Section 16 or the Marketing Agreement.

17. Survival of Representations and Warranties. Except as otherwise set forth in this Agreement, all representations, warranties and agreements of Seller and Buyer contained herein or in any document, certificate or other instrument required to be delivered hereunder in connection with the transactions contemplated hereby shall survive the Closing for the period ending on the fifth anniversary of this Agreement.

18. Indemnification.

(a). Indemnity by Seller. Seller hereby agrees to indemnify, defend and hold harmless Buyer and its directors, officers and affiliates against and in respect of any damage (a) that results from the inaccuracy of any representation or warranty made by Seller herein, (b) resulting from any misrepresentation, breach of warranty or non-fulfillment of any agreement or covenant of Seller contained herein, and any and all actions, suits and proceedings resulting from any of the foregoing, (c) relating to Excluded Assets or (d) arising from ownership of the Acquired Assets prior to the Closing, other than Assumed Liabilities, if any (hereinafter called a "Buyer Claim" or collectively "Buyer Claims").

(b) Certification of Claims. If Buyer is of the opinion that any Buyer Claim has occurred or will or may occur, Buyer shall so notify Seller, and each such notice shall be in writing and shall describe with reasonable specificity the nature of such asserted Buyer Claim.

(c) Termination of Rights Hereunder. Notwithstanding any other provision hereof, no Buyer Claim may be made or lawsuit instituted under the provisions of this Section 18 or in any way arising in connection with this Agreement or any representation or warranty hereunder (except for Reserved Claims (as defined below)) after the fifth anniversary of this Agreement. "Reserved Claims" shall mean any Buyer Claims which have been asserted, in accordance with this Section 18, within the applicable periods set forth above.

(d) Third Party Actions. In the event any claim is made, suit is brought against Buyer, Seller, or any of their respective directors, officers or affiliates which involves or appears reasonably likely to involve a Buyer Claim for which indemnification may be sought against Seller hereunder, such party will promptly (and in any event within three (3) business days) after receipt of notice of any such claim, suit or proceeding, notify Buyer or Seller, as the case may be, of the commencement thereof. Any failure by Buyer to so notify Seller of the commencement of any such claim, suit or proceeding will relieve Seller from liability only to the extent that such failure materially and adversely affects the ability of Seller to defend Seller's interests in such claim, action or proceeding. Seller (at Seller's expense) shall have the right and shall be given the opportunity to assume and control the defense of such claim, suit or proceeding with counsel of their choice reasonably satisfactory to Buyer so long as (i) Seller notifies Buyer in writing within ten (10) days after Buyer has given notice of the claim that Seller will indemnify Buyer from and against the entirety of any damages Buyer may suffer resulting from, arising out of, relating to, in the nature of, or caused by such claim, (ii) such claim involves only money damages and does not seek an injunction or other equitable relief, (iii) Seller conducts the defense of such claim actively and diligently, (iv) Seller has the financial resources to conduct an active

and diligent defense and to pay, if necessary, the maximum amount of the damages sought and furnishes such documents and other information with respect to such financial resources as may be reasonably requested by Buyer, and (v) Seller promptly provides Buyer and its counsel with all documents and other information relating to the claim and defense thereof as may be reasonably requested by Buyer or its counsel; provided that Buyer and its counsel (at Buyer's expense) may participate in (but not control the conduct of) all matters pertaining to the defense or settlement of such claim, suit or proceeding. Whether or not Seller elects to assume such defense, Buyer shall not, except at its own cost, make any settlement with respect to any such claim, suit or proceeding without the prior written consent of Seller. Buyer's consent to the settlement of any such claim, suit or proceeding by Seller shall be required and shall not be unreasonably withheld or delayed, but such consent shall not be required if (or to the extent that) such settlement only requires the payment of a monetary amount by Seller and includes a full release of claims by the claimant and Seller against Buyer and does not include a statement as to or admission of fault, culpability or failure to act by or on behalf of Buyer.

In the event any of the conditions set forth in clauses (i) to (iv) above is or becomes unsatisfied, or if Seller elects not to conduct the defense of the claim, then (A) the Buyer may defend against, and consent to the entry of any judgment or enter into any settlement with respect to, such claim in any manner it may deem appropriate (and the Buyer need not consult with, or obtain any consent from, Seller or any of its affiliates in connection therewith), (B) Seller will reimburse the Buyer promptly and periodically for the costs of defending such claim (including reasonable attorneys' fees and expenses), and (C) Seller will remain responsible for any damages the Buyer may suffer resulting from, arising out of, relating to, in the nature of, or caused by such claim to the fullest extent provided in this Section 18.

(e) Definition of Damages. For purposes of this Section 18, the term "damages" shall mean the amount of any loss, claim, demand, damage, deficiency, assessment, judgment, remediation, cost or expense (including reasonable attorneys', consultants' and experts' fees and expenses) actually incurred, less the sum of any amount recovered under any insurance policy carried by the party or parties seeking indemnification. In the event that Buyer pays a claim covered by Buyer's insurance for which it is entitled to indemnification by Seller hereunder, Buyer shall pay such claim and Seller shall reimburse Buyer the full amount of such claim (less the amount of any insurance proceeds previously recovered by the Buyer with respect to such claim). In the event the Seller pays a claim and Buyer subsequently receives insurance proceeds with respect to such claim, Buyer shall pay Seller such insurance proceeds up to the amount actually paid by Seller.

(f) The foregoing provisions of this Section 18 notwithstanding, in no event shall the liability of Seller in connection with the Agreement exceed an aggregate amount equal to \$50 million.

19. No Third Party Beneficiaries. Nothing in this Agreement, express or implied, is intended or shall be construed to confer upon, or to give to, any person, firm, limited liability company or corporation other than Buyer and its successors and assigns, any remedy or claim under or by reason of this Agreement. All terms, covenants, promises and agreements contained in this Agreement shall be for the sole and exclusive benefit of Buyer and its successors and assigns.

20. Expenses. Each of Seller and Buyer shall assume and bear all expenses, costs and fees incurred or assumed by such party in the preparation and execution of this Agreement and the performance of the transactions contemplated hereby, whether or not the transactions shall be consummated; and Buyer and Seller shall indemnify and hold each other harmless from and against any and all liabilities and claims in respect of any such expenses, costs or fees not the responsibility of or

assumed by the other party.

21. Publicity; Disclosures; Confidential Information; Use of Name. Except as expressly provided herein, no press release or other public disclosure, whether written, electronic or oral, of the transactions contemplated hereby shall be made by either party or any of their respective affiliates or representatives without the express prior written consent of the other party.

22. Binding Nature of Agreement. This Agreement shall be binding upon Seller, Buyer and their respective successors and assigns.

22. Notices. All notices, requests, demands, consents and communications necessary or required under this Agreement shall be delivered by hand or sent by registered or certified mail, return receipt requested, or by overnight courier, or by facsimile (receipt confirmed) to:

if to Buyer:                   EMC Corporation  
176 South Street  
Hopkinton, MA 01748  
Attention:   Office of the General Counsel  
Telecopier: (508) 497-6915

if to Seller:                   Acxiom Corporation  
1 Information Way  
P.O. Box 8180  
Little Rock, AR 72203  
Attention: Company Legal Leader  
Telecopier: (501) 342-5610

All such notices, requests, demands, consents and other communications shall be deemed to have been duly given or sent five (5) days following the date on which mailed, or two (2) days following the date mailed if sent by overnight courier, or on the date on which delivered by hand or by facsimile transmission (receipt confirmed), as the case may be, and addressed as aforesaid.

23. Successors and Assigns. All covenants and agreements set forth in this Agreement and made by or on behalf of any of the parties hereto shall bind and inure to the benefit of the successors, heirs and assigns of such party, whether or not so expressed. Neither party may assign or transfer any of its rights or obligations under this Agreement without the prior written consent of the other party.

24. Severability. In the event that any one or more of the provisions of this Agreement is held invalid, illegal or unenforceable in any respect for any reason in any jurisdiction, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions hereof shall not be in any way impaired or affected, it being intended that each of parties' rights and privileges shall be enforceable to the fullest extent permitted by law, and any such invalidity, illegality and unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

25. Governing Law. This Agreement shall be governed by and construed and enforced exclusively in accordance with the laws of The Commonwealth of Massachusetts, without giving effect to the principles of conflicts of laws thereof.

26. Entire Agreement. This Agreement, including the Exhibits, is complete, and all promises, representations, understandings, warranties and agreements with reference to the subject matter hereof, and all inducements to the making of this Agreement relied upon by all the parties hereto, have

been expressed herein or in such Exhibits. This Agreement may not be amended except by an instrument in writing signed by Seller and Buyer.

27. Confidentiality. The terms of the Confidentiality Agreement, dated February 3, 2003, shall remain in full force and effect and such terms not otherwise in conflict with the provisions of this Agreement are hereby incorporated herein by this reference.

28. Headings; Counterparts. The headings of the sections and subsections of this Agreement are for convenience of reference only and shall not be deemed to be a part of this Agreement. This Agreement may be executed in two or more counterparts which, when taken together, shall constitute one Agreement.

SELLER:

ACXIOM CORPORATION

By: /s/ Richard Howe  
Name: Richard Howe  
Title: Officer

BUYER:

EMC CORPORATION

By: /s/ Michael J. Cody  
Name: Michael J. Cody  
Title: V.P., Corporate Development

EMC (BENELUX) B.V., S.à.r.l.

By: /s/ William J. Teuber  
Name: William J. Teuber  
Title: EVP and Chief Financial Officer

Acquired Assets**Exhibit 1(a) – Base Technology.**

The following list of technology components is indexed and corresponds with the attached Customer Information Infrastructure Grid Component Descriptions document dated December 20, 2005 (the “Technology Detail”) which includes the detailed information on each component, including (i) a general description of the component; (ii) Features/Functions; (iii) Benefits; (iv) Competition; (v) Advantages; (vi) Future Plans; (vii) Languages and Dependencies; and (viii) Glossary terms.

The Technology Detail includes a Technology List Document which sets for those components which are Base Technology and those which are Other Technology as such terms are defined in the Agreement and cross-references with the contents section of the Technology Detail. Assets identified as Other Technology in the Technology List Document are Excluded Assets.

<b>1 Infrastructure Components</b>		
1.1	Apiary REX (Grid OS)	- Base Technology
1.2	Apiary REX - Monitoring	- Base Technology
1.3	Apiary Rex - Hive-Node	- Base Technology
1.4	Parallel Virtual File System (PVFS)	- Base Technology
1.5	DataGrid FTP Daemon	- Base Technology
1.6	EDGE-External Data Gateway	- Base Technology
1.7	Interactive Hive	- Base Technology
1.8	Hydra	- Base Technology
1.9	Anubis	- Base Technology
1.1	Hivebuilder	- Base Technology
1.11	J2EE Hive	- Base Technology
1.12	CORBA Naming Service	- Base Technology
1.13	Cascade	- Base Technology
1.14	Advanced Package Tool (APT)	- Base Technology
1.15	Software Server	- Base Technology
1.16	SystemImager	- Base Technology
1.17	LDAP- Lightweight Directory Access Protocol	- Base Technology
1.18	HiveForHire	- Base Technology
1.19	Workflow Grid Environment	- Base Technology
1.20	Workflow Grid Environment Tools	- Base Technology
1.21	Acxiom Grid Scheduler	- Base Technology
1.23	WorkFlow Grid Job Submission and Execution Infrastructure	- Base Technology
1.24	Acxiom Metadata Repository Subsystem	- Base Technology
1.25	Workflow Grid (WFG) Batch Components	- Base Technology
1.26	Interactive Delivery 2	- Base Technology
1.27	DataBase Grid	- Base Technology

1.28	Generic Service	- Base Technology
1.29	CIGAR	- Base Technology
1.30	CII Security	- Base Technology
<b>3 Enterprise Interface</b>		
3.1	Acxelerate – Convert Manager	- Base Technology
3.2	Acxelerate – File Manager	- Base Technology
3.3	Acxelerate – Job Activity	- Base Technology
3.4	Acxelerate – Layout Manager	- Base Technology
3.5	Acxelerate – Project Manager	- Base Technology
3.6	Acxelerate - Navigator	- Base Technology
3.7	Acxelerate – Policy Manager	- Base Technology
3.14	Orbiter	- Base Technology
<b>4 B.I. Management</b>		
4.5	SAS Interactive Modeling Service	- Base Technology
4.6	SAS WFG Scoring	- Base Technology
<b>5 Data Hygiene and Transformation</b>		
5.1	FOCAL – Function Oriented Custom Application Language	- Base Technology
5.2	Perl Operator	- Base Technology
5.7	Hydra/Tesla Operator Wrapper	- Base Technology
<b>6 Data Enhancement</b>		
6.5	InfoBase Data Grid Service (aka Hercules)	- Base Technology
6.6	Helios/Horizon	- Base Technology

**Exhibit 1(c) – License Agreements**

All of the Licenses identified in the Third Party Software Spread Sheet below (and the code that they cover ) except the licenses identified as Excluded Licenses (and the code they cover):

**THIRD PARTY SOFTWARE SPREADSHEET**

Product	Product Module / Component List module names	Product Version	3rd party software vendor name	3rd party software vendor product name	3rd party software product version
<b>DROLAND</b>					
Activate	Navigator	1			
			RedHat	Linux	7.3, RHEL 3.0, RHEL 4.0
			Sun Microsystems	JAVA	
			JBOSS	JBOSS	3.2.4 ?
			Sun Microsystems	JSF	?
			MySQL	MySQL	4.?

		GNU/Redhat ?	C compiler	?
		Apache	ANT	?
		RedHat	RPM	?
		Apache	AXIS	?
Policy Manager	1			7.3, RHEL 3.0, RHEL 4.0
		RedHat	Linux	4.0
		Sun Microsystems	JAVA	
		JBOSS	JBOSS	3.2.4 ?
		Sun Microsystems	JSF	?
		MySQL	MySQL	4.?
		GNU/Redhat ?	PERL	?
		Apache	ANT	?
		RedHat	RPM	?
		Apache	AXIS	?
File Manager	1			7.3, RHEL 3.0, RHEL 4.0
		RedHat	Linux	4.0
		Sun Microsystems	JAVA	
		JBOSS	JBOSS	3.2.4 ?
		Sun Microsystems	JSF	?
		GNU/Redhat ?	C compiler	?
		Apache	ANT	?
		RedHat	RPM	?
		Apache	AXIS	?
Project Manager	1			7.3, RHEL 3.0, RHEL 4.0
		RedHat	Linux	4.0
		Sun Microsystems	JAVA	
		JBOSS	JBOSS	3.2.4 ?
		Sun Microsystems	JSF	?
		MySQL	MySQL	4.?
		Apache	ANT	?
		RedHat	RPM	?
		Apache	AXIS	?
Convert Manager	1			7.3, RHEL 3.0, RHEL 4.0
		RedHat	Linux	4.0
		Sun Microsystems	JAVA	
		JBOSS	JBOSS	3.2.4 ?
		Sun Microsystems	JSF	?
		MySQL	MySQL	4.?
		Apache	ANT	?
		RedHat	RPM	?
		Apache	AXIS	?
Job Activity	1			

		RedHat	Linux	7.3, RHEL 3.0, RHEL 4.0
		Sun Microsystems	JAVA	
		JBOSS	JBOSS	3.2.4 ?
		Sun Microsystems	JSF	?
		MySQL	MySQL	4.?
		Apache	ANT	?
		RedHat	RPM	?
		Apache	AXIS	?
Layout Manager	1			
		RedHat	Linux	7.3, RHEL 3.0, RHEL 4.0
		Sun Microsystems	JAVA	
		JBOSS	JBOSS	3.2.4 ?
		Sun Microsystems	JSF	?
		MySQL	MySQL	4.?
		Apache	ANT	?
		RedHat	RPM	?
		Apache	AXIS	?
Activate framework	1			
		RedHat	Linux	7.3, RHEL 3.0, RHEL 4.0
		Sun Microsystems	JAVA	
		JBOSS	JBOSS	3.2.4 ?
		Sun Microsystems	JSF	?
		MySQL	MySQL	4.?
		Apache	ANT	?
		RedHat	RPM	?
		Apache	AXIS	?
Orbiter	2.6			
		Sun Microsystems	JAVA	
		Apache	Tomcat	
		GNU/Redhat ?	PERL	
		MySQL	MySQL	
		Apache	Log4j	
		Apache	Commons ?	
		Apache	Struts	
		CodeZoo?	Tyrex	
		Oracle	Oracle JDBC	
		?	wsdl4j	
		?	saaj	
		?	jaxrpc	
		castor	castor	
		Apache	AXIS	
		Apache	xalan	
		?	jaxen	

dom4j	dom4j
?	Xerces

### MBOTNE

InfoBase Data Grid	OCI	TAO	1.3,1.4
		Xerces XML C++	2.2,2.6
		Boost	1.29,1.30
	GNU/Redhat ?	Perl	5.61,5.8
Helios	OCI	TAO	1.3
		Xerces XML C++	2.2
		Boost	1.29
		GNU automake	1.54
		GNU autoconf	2.13
		GNU libtool	1.4.2

### RFARME

SAS	Base	8.x / 9.x	SAS	SAS/Base	8.x / 9.x
	Stat	8.x / 9.x	SAS	SAS/Stat	8.x / 9.x
	OR	8.x / 9.x	SAS	SAS/OR	8.x / 9.x
	Connect	8.x / 9.x	SAS	SAS/Connect	8.x / 9.x
	Secure	8.x / 9.x	SAS	SAS/Secure	8.x / 9.x
	Access for ODBC	8.x / 9.x	SAS	???	8.x / 9.x
	Access for Oracle	8.x / 9.x	SAS	???	8.x / 9.x
	sasauth	8.x / 9.x	SAS	sasauth	8.x / 9.x
BigIP	???	???	???	???	???

### RTHORN

EDGE/GIS		1.1/2.0	Sterling Commerce	Gentran Integration Suite	4.0.2-5/4.0.3-6
LDAP Authentication	CII Identity Authentication	1.1	kernel.org	Linux-PAM	0.77
Nexus	Nexus Scheduled Processes	2.4	Arcana Development	Arcana	2.3
	Nexus Hub	2.4	OpenSSH Project	OpenSSH	3.61
AGS	Logging Service	1.0	Apache Software Foundation	Log4J	

AGS Service	1.0	Apache Software Foundation	Log4Cxx	
AGS Service/Job Monitor	1.0	Apache Software Foundation	Xerces	
AGS Service/Job Monitor	1.0	Apache Software Foundation	Xalan	
MySQL	1.0	MySQL Database	MySQL	4.1
Soap::Lite	1.0	PERL Module	?	
Acxiom Job XML Submission System (AJXSS)	1.0	SourceForge.net	LibXML++	1.0.0
AJXSS	1.0		Log4cxx	<described above>
AJXSS	1.0	xmlsoft.org	libxml2	2.4.19-4
Validation Service		Microsoft Corporation	Perl Microsoft XML parser	<described elsewhere> 4.0
WorkFlow Infrastructure Services (WFIS)	1.0		Perl	<described elsewhere>
	1.0		JBOSS	<described elsewhere>
	1.0		SOAP	<described elsewhere>
Engine Adapter		SourceForge.net SourceForge.net	Perl Expat XML Parser LibXML++	<described elsewhere> 5.4.1/1.95.2 1.0.0
Transfer Service			Perl	<described elsewhere>
Acxiom Metadata Repository System	2.0	Acxiom Metadata Client		
		Repository Database (required)	Microsoft Corporation	Microsoft SQL Server
		Repository Database (optional)	Oracle Corporation	Oracle
				SQL 2000 SP4
				9i

Anubis	?	OCI	TAO	1.1 & 1.3a
Apiary		Apache	ANT	1.3.27
		RedHat	mod_perl	1.26
		RedHat	mod_gzip	1.3.26
		Acxiom	mod_ssl	2.8.12
		RedHat	mod_auth_pam	1.1.1
		MySQL	MySQL	4.0.12
			perl_date_business	1.2
			perl_gd	1.19
			perl_gd_graph	1.39
			perl_gd_textutil	0.82
			perl_net_snmp	3.6
			perl_libwww_perl	5.76
			perl_libnet	1.0901
			perl_mailtools	1.47
			perl_dbd_mysql	2.1026
			perl_dbi	1.35
			perl_soap_lite	0.56
			perl_extutils_autoinstall	0.59
			perl_apache_authexpire	0.39.1
			perl_authen_pam	0.14
			perl_mime_tools	5.411
			perl_io_stringy	2.108
			perl_algorithm_numerical_shuffle	1.4
		net_snmp	5.0.3	
		dmidecode	2.3	
	HP	arrayinfo	0.12	
	Dell	afacli	2.7	
apiary_ldap			perl_io_socket_ssl	0.96
			perl_net_ssleay	1.25
			perl_net_ldap	0.28
			perl_mailtools	1.47
apiary_rex			apache	1.3.27
			mod_perl	1.26
			mod_gzip	1.3.26
			mod_ssl	2.8.12
			mod_auth_pam	1.1.1
			mysql	4.0.12
			perl_date_business	1.2
			perl_gd	1.19
			perl_gd_graph	1.39
			perl_gd_textutil	0.82
			perl_net_snmp	3.6
			perl_libwww_perl	5.76
		perl_libnet	1.0901	

		perl_mailtools	1.47
		perl_dbd_mysql	2.1026
		perl_dbi	1.35
		perl_soap_lite	0.56
		perl_extutils_autoinstall	0.59
		perl_apache_authexpire	0.39.1
		perl_authen_pam	0.14
		perl_mime_tools	5.411
		perl_io_stringy	2.108
		perl_algorithm_numerical_shuffle	1.4
		net_snmp	5.0.3
apt_server		apt_rpm	0.5.15cnc6
		wget	1.8.2
Corba Tools	OCI	TAO	1.1 & 1.3a
DB Wrapper	MySQL	MySQL	4.0.12
Grid FTP Server		perl_net_ftpsrvr	1.116
Hive for Hire		perl_expect	1.15
		perl_io_tty	1.02
		perl_io_socket_ssl	0.96
		perl_net_ssleay	1.25
		perl_net_ldap	0.28
		perl_mailtools	1.47
		perl_mime_base64	2.12
		openssh	3.8p1
Hydra Top		perl_libwww_perl	5.76
LDAP Admin		perl_io_socket_ssl	0.96
		perl_net_ssleay	1.25
		perl_net_ldap	0.28
		perl_mailtools	1.47
		perl_cgi	2.752
		perl_expect	1.15
		perl_net_snmp	3.6
		perl_algorithm_numerical_shuffle	1.4
		perl_convert_asn1	0.17
LDAP Cert		openssh	3.8p1
LDAP Master		perl_cgi	2.752
		perl_net_ldap	0.28
		perl_mailtools	1.47
LDAP Migrate		perl_io_socket_ssl	0.96

			perl_net_ssleay	1.25
			perl_net_ldap	0.28
			perl_term_readkey	2.17
			openldap	2.0.27
LDAP Slave			perl_cgi	2.752
LDAP Utils			perl_io_socket_ssl	0.96
			perl_net_ssleay	1.25
			perl_net_ldap	0.28
LDAP Wrapper			openldap	2.0.27
Naming Service Util	OCI		TAO	1.1 & 1.3a
Naming Service Wrapper	OCI		TAO	1.1 & 1.3a
Perl SNMP Graph			perl_gd_graph	1.39
Pod LDAP			openldap	2.0.27
			perl_xml_parser	2.30
Propolis			perl_crypt_ssleay	0.51.1
Service Finder Policy	OCI		TAO	1.1 & 1.3a
Software Server			apt_rpm	0.5.15cnc6
			rpm	4.0.4
TAO Development	OCI		TAO	1.1 & 1.3a
TAO Runtime	OCI		TAO	1.1 & 1.3a
XML2HCL			perl_xml_parser	2.30
PVFS	Clemson University		PVFS Library	1.6.3.3
			PVFS Server and Kernel	1.6.3.3

**GAVSMI**

FOCAL	3	RedHat	RedHat Linux	RHEL3/7.3
		IBM	WebSphere (DataStage)	7.5.1A
		Apache	ANT	2.0.46
		HP	Tru64	5.1
PERL	3	RedHat	RedHat Linux	RHEL3/7.3
		IBM	WebSphere (DataStage)	7.5.1A
		Apache	ANT	2.0.46

		HP	Tru64	5.1
Generic Service	3	RedHat	RedHat Linux	RHEL3/7.3
		IBM	WebSphere (DataStage)	7.5.1A
		OCI	TAO	1.1 & 1.3a
		GNU Perl		5.8.0
		Apache Xalan		1.9.0
		Apache Xerces		2.6.0
		GNU SOAP		2.7

And, all of the Licenses identified in the Development Tool Spread Sheet below (and the code that they cover )except the licenses identified as Excluded Licenses (and the code they cover):

**DEVELOPMENT TOOL SPREAD SHEET**

<b>Development tool name</b>	<b>Vendor</b>	<b>Purpose the tool is used for</b>
GNU Compiler (gcc, g++)	RedHat - GNU Open Source	Code compilation
gdb/DDD	RedHat - GNU Open Source	debugging
Editors - vi and emacs	RedHat - GNU Open Source	editing
TotalView	Etnus Corp.	debugging
ValGrind	Freeware	debugging - memory leaks, array bounds etc.
Jboss	Jboss	development/debugging
JDK	Sun and IBM - Freeware	development/debugging
Eclipse	IBM - Freeware	development/debugging
CARS	Compuware	Regression testing
HiveBuilder	Acxiom	Build grid applications - grid application code generator
SourceForge Enterprise	VA Software	Developer portal
SubVersion	Greeware	Source code repository
GNU Make	RedHat - GNU Open Source	Make binaries
RPM	RedHat - Open Source	Package management
Insure++	ParaSoft	debugging - memory leaks, array bounds etc.
RedHat Linux command line tools	RedHat - GNU Open Source	Various debugging purposes
Vantage	Compuware	Performance testing (not widely used yet)
Tempest	Acxiom	Orbiter testing
DAART	Acxiom	InfoBase build testing
Perl Debugger	RedHat - GNU Open Source	Perl debugging
LDAP Browser\Editor 2.8.2		
Ethereal - Network Protocol Analyzer ver 0.10.11		
tcpdump-3.7.2-7.E3.2		
phpLDAPadmin is version 0.9.6c		

VMWare		
ld		
UltraEdit		
Visual Studio	Microsoft	Visual IDE
Query Browser	MySQL	
Putty	Freeware (MIT License)	
WinSCP3	GNU license	
CookTop (xml editor)	freeware	Editing xml and xslt coding
Secure shell client	Freeware	
Tortoise SVM	Subversion client	
SOAP::Lite		
Access	Microsoft	Testing ODBC/Data Preview in Rapidus/Building from ODBC source in Rapidus
Active Perl 5.8.3	ActiveState	Rapidus Scheduler Scripting
autoconf	RedHat - GNU Open Source	
automake	RedHat - GNU Open Source	
bison	RedHat - GNU Open Source	
DataStage	IBM	
Dundas Ultimate Grid 97	Dundas Software	Grid control in Rapidus and in the SBF Queue Manager
flex	RedHat - GNU Open Source	
GraphicsServer 5.0	GraphicsServer	Rapidus
JBuilder	Borland	
OmniORB v4.0.3	RedHat - GNU Open Source	
Oracle	Oracle	GBF, Planner
Oracle ProC	Oracle	GBF
Oracle SQL Plus	Oracle	GBF, Planner
Stingray Objective Studio 6.0.3	RogueWave	Window Controls for Rapidus GUI
TOAD	Quest Software	
Visual Studio .NET 2003	Microsoft	GBF, Planner
Visual Source Safe	Microsoft	Source Control
GNU automake	RedHat - GNU Open Source	
GNU autoconf	RedHat - GNU Open Source	
GNU libtool	RedHat - GNU Open Source	

And, all of the Licenses identified in the Second Development Tool Spread Sheet below (and the code that they cover) except the licenses identified as Excluded Licenses (and the code they cover):

**SECOND DEVELOPMENT TOOL SPREAD SHEET**

Development tool name	Vendor	Purpose the tool is used for
Access	Microsoft	Testing ODBC/Data Preview in Rapidus/Building from ODBC source in Rapidus
Active Perl 5.8.3	ActiveState	Rapidus Scheduler Scripting
autoconf	RedHat - GNU Open Source	
automake	RedHat - GNU Open Source	
bison	RedHat - GNU Open Source	
CookTop (xml editor)	freeware	Editing xml and xslt coding
DataStage	IBM	
Dundas Ultimate Grid 97	Dundas Software	Grid control in Rapidus and in the SBF Queue Manager
Eclipse	Open Source, IBM	ASIPosting, ASI Business Logic
flex	RedHat - GNU Open Source	
gcc	Linux	
GraphicsServer 5.0	GraphicsServer	Rapidus
JBuilder	Borland	
make	Linux	
OmniORB v4.0.3	RedHat - GNU Open Source	
Oracle	Oracle	GBF, Planner
Oracle ProC	Oracle	GBF
Oracle SQL Plus	Oracle	GBF, Planner
Putty	Open Source (MIT License)	
Stingray Objective Studio 6.0.3	RogueWave	Window Controls for Rapidus GUI
TOAD	Quest Software	
UltraEdit	UltraEdit	Shell and SQL scripts
vi	n/a	
Visual C++ v6.0	Microsoft	GBF, Planner
Visual Source Safe	Microsoft	Source Control
Visual Studio .NET 2003	Microsoft	GBF, Planner
MySQL	Open Source, ABData	Datagrid, MySQL Hive
Oracle Universal Installer	Oracle	Installation of Oracle products
rpm	RedHat - GNU Open Source	Installation package creation and management

**Excluded License Agreements**

- Ascential/IBM Websphere (Datastage XE Parallel Extender)
- Sterling Software (Connect & GIS Software)
- Red Hat (Linux) support services agreement

**Exhibit 1(d) – Development Agreements**

None

**Excluded Assets**

1. Other Technology as described in the Technology Detail as follows:

The Technology Detail includes a Technology List Document which sets for those components which are Base Technology and those which are Other Technology as such terms are defined in the Agreement and cross-references with the contents section of the Technology Detail. Assets identified as Other Technology in the Technology List Document are Excluded Assets.

<b>1 Infrastructure Components</b>		
1.22	Nexus Scheduler	- Other Technology
<b>2 Identity Management</b>		
2.1	DataMatch	- Other Technology
2.2	FlashLink	- Other Technology
2.3	AbiliTec – Link Append	- Other Technology
2.4	Grouping Module	- Other Technology
2.5	Recognition	- Other Technology
<b>3 Enterprise Interface</b>		
3.8	ASI – Change Manager	- Other Technology
3.9	ASI – Contact Manager	- Other Technology
3.1	ASI – Document Manager	- Other Technology
3.11	ASI – Inbound File Manager	- Other Technology
3.12	ASI – Layout Manager	- Other Technology
3.13	ASI – Outbound File Manager	- Other Technology
<b>4 B.I. Management</b>		
4.1	ASI – Campaign Manager	- Other Technology
4.2	Grid-Based Fulfillment	- Other Technology
4.3	Rapidus®	- Other Technology
4.4	Acxiom Planner	- Other Technology
<b>5 Data Hygiene and Transformation</b>		
5.3	Address Hygiene	- Other Technology
5.4	Country Identification	- Other Technology
5.5	Line Identification	- Other Technology
5.6	Name Parsing	- Other Technology
<b>6 Data Enhancement</b>		
6.1	E-Mail Append	- Other Technology
6.2	Fraud Management Platform (Sentricx)	- Other Technology
6.3	InfoBase Enhancement	- Other Technology
6.4	InfoBase – Telesource	- Other Technology

2. All other Acxiom technology and software that is not included in the Acquired Assets, including but not limited to, Seller’s data products, AbiliTec®, Seller-proprietary data model(s), Seller-proprietary business rules and related adapters, as well as all computer programs, code elements, routines, libraries, tools, methodologies, processes, or technologies created, adapted, or used by Seller in its business generally; and (ii) any software programs (including, but not limited to,

matching logic, grouping logic, or householding logic), data processing systems, mechanisms, hardware configurations, or other tools or processes created by Seller and utilized by Seller to create a database(s) or perform integration of customer data, including all associated intellectual property rights.

**Assumed Liabilities**

None

Excluded Liabilities

None

**Intellectual Property**

Any and all copyrights associated with the Base Technology

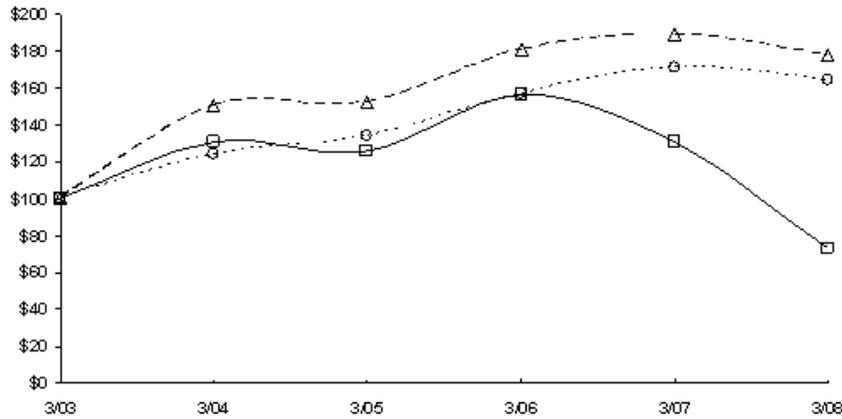
**The Plan**

Items with which a third party consultant shall provide review and assistance:

1. Code quality
2. Structure of product
3. Development process
4. Such other items as the Advisory Board shall determine.

**COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN\***

Among Axiom Corporation, The NASDAQ Composite Index  
And The NASDAQ Computer & Data Processing Index



—■— Axiom Corporation    - -△- - NASDAQ Composite    ···○··· NASDAQ Computer & Data Processing

\* \$100 invested on 3/31/03 in stock or index including reinvestment of dividends.  
Fiscal year ending March 31.



Business Sponsors

**EMC:** Jeff Nick

**Acxiom:** Richard Howe

**Executive Sponsors:**

**EMC:** Howard Elias

**Acxiom:** Charles Morgan

**Purchase Agreement Provisions**

The agreement under which EMC would acquire the Division in accordance with the provisions of this Agreement would include effective provisions substantially identical to the following:

1. **Acquired Assets.** Seller, by this Agreement, does hereby convey, sell, transfer, assign, grant, release, set over, confirm and deliver to Buyer all of Seller's right, title and interest in and to the following assets, properties, privileges, business and rights (of every nature and description, tangible or intangible, real, personal or mixed and wherever situated, located or existing) (collectively, the "**Acquired Assets**"):

(a) All right, title and interest in and to the assets that comprise the Division and the operations of Seller that constitute the business of the Division, including without limitation [ ], in each case, in order to permit Buyer, to the maximum extent possible, to develop, manufacture, maintain, distribute, or engage in similar activities with respect to the Business in the future, or any derivative works thereof;

(b) (i) All patents and patent applications, issued or pending, worldwide assigned to Seller claiming subject matter related to the Business; and (ii) all copyrighted materials and works-for-hire owned by Seller related to the Business. Seller shall execute and deliver such instruments and take such other action as may be requested by Buyer to perfect or protect Buyer's intellectual property rights in the Acquired Assets and to carry out the assignments contemplated in this Section 1, and shall reasonably assist Buyer at Buyer's expense and their respective nominees to secure, and maintain, for Buyer's own benefit all such intellectual property rights in the Acquired Assets in any and all countries. Seller shall reasonably cooperate with Buyer at Buyer's expense in the filing and prosecution of any patent or copyright applications that Buyer may elect to file on the Acquired Assets.

(c) To the extent permitted under such agreements, the software license and maintenance agreements (and all rights and obligations of Seller thereunder) of Seller for third party software and/or technology included in or related to the Business or the Division (collectively, the "**Included License Agreements**"); provided that all software license and maintenance agreements for third party software and/or technology included in or related to the Business which are not assignable or transferable hereunder or sufficient in scope to cover the Business (collectively, the "**Excluded License Agreements**" and, together with the Included License Agreements, the "**License Agreements**") shall be listed in Exhibit 1(c) hereto along with the Included License Agreements and, with respect to each such Excluded License Agreement, Seller agrees that (i) within two (2) years of the date of this Agreement, Seller shall, at its own expense, either negotiate an Included License Agreement with respect to the content of such Excluded License Agreement or develop internally or obtain from an alternate source and under an Included License Agreement substantially equivalent technology for inclusion in the Acquired Assets and assign such Included License to Buyer as an Acquired Asset at no additional charge; and (ii) in the interim, Seller shall provide, at its own expense, such licenses to the content of each Excluded License Agreement as Buyer, the Division and its customers may require to conduct the Business;

(d) All of Seller's development and partnership agreements (and all rights and obligations of Seller thereunder) related to the Business or the Division, each of which is listed on Exhibit 1(d) hereto, if any (collectively, the "**Development Agreements**" and,

together with the License Agreements, the “Acquired Contracts”);

(e) With respect to the any technology constituting part of the Business or the Division, electronic versions (paper version if electronic version not available) of Seller’s (i) source code, whether in print, magnetically stored, or in some other form, and related materials in the possession of or available to Seller, including, but not limited to, comments, flow charts, documentation, and manuals, and implementation specifics (collectively, “Source Code”), it being understood that Seller’s obligation to deliver actual electronic versions of such Source Code shall be satisfied upon the delivery to Buyer of all versions of such Source Code currently used or relied upon in connection with the development, manufacture, maintenance or distribution of any product or any successor product; provided that Buyer shall have the right to require that Seller deliver, promptly upon Buyer’s request, any prior version or versions of such Source Code in the possession of or available to Seller; (ii) system software which is a part of Business, except that with respect to system software/build software covered by an Excluded License Agreement, Seller’s obligation to Buyer shall be as set forth in 1(c); (iii) build software (package and build tree) except that with respect to build software covered by an Excluded License Agreement, Seller’s obligation to Buyer shall be as set forth in 1(c); (iv) release scripts, procedures and documentation; (v) test suites, scripts, procedures and process documentation; (vi) performance documentation, programs and results sets; (vii) product specifications; (viii) functional specifications; (ix) design specifications; and (x) customer service and support documentation and call history (database, if applicable);

(f) Copies of all competitive analysis or business development information for the Business and any correspondence of Seller related thereto; and

(g) Copies of all marketing and sales materials of Seller for the Business.

For purpose of this Section 1, EMC Corporation shall be deemed to be the acquiror of all such right, title and interest in the Division in North America and EMC (Benelux) B.V., S à.r.l. shall be deemed to be the acquiror of all such right, title and interest in the Division everywhere else in the world.

2. Excluded Assets. Notwithstanding the provisions of Section 1, the Acquired Assets shall not include, without limitation, any assets, properties or privileges of Seller not included in the Acquired Assets including without limitation and for purposes of clarification only, the assets listed on Exhibit 2 hereto and any other part of Seller’s business (the “Excluded Assets”). Without in any way limiting the foregoing and for clarification purposes only, the Acquired Assets shall not include know how, trade secrets, proprietary information, product documentation, software, methodologies, processes, tools, diagnostic, test and maintenance aids that are or have been used in connection with the development, licensing, maintenance or distribution of the Other Technology.

3. Assumed Liabilities. Subject to the terms and conditions of this Agreement, at the Closing, Buyer shall assume and agree to pay, perform, fulfill and discharge the liabilities and obligations associated with the Acquired Assets, if any, which are listed on Exhibit 3 hereto (such liabilities and obligations are hereinafter referred to as the “Assumed Liabilities”).

4. Excluded Liabilities.

(a) Notwithstanding the provisions of Section 3, Buyer is not assuming or in any way becoming liable or responsible for any liability of Seller not included in the Assumed Liabilities (collectively, the “Excluded Liabilities”).

(b) Seller shall retain and be responsible for the performance and discharge of all liabilities and obligations (i) relating to the Excluded Assets or (ii) arising from the ownership of the Acquired Assets prior to the Closing (as defined below).

(c) Seller agrees that Buyer is purchasing the assets debt-free and will reimburse the Buyer for any debt with respect to the Acquired Assets that is not an Assumed Liability.

5. Purchase Price. In consideration of the sale, transfer and delivery by Seller to Buyer of the Acquired Assets and of the other agreements of the parties set forth in this Agreement, and subject to the assumption by Buyer of the Assumed Liabilities, if any, Buyer agrees to pay to Seller an aggregate amount of [ ], with EMC Corporation contributing \$[ ] and EMC (Benelux) B.V., S.à.r.l. contributing \$[ ] of such aggregate amount. Each payment shall be made by wire transfer of immediately available funds to the account designated by Seller.

6. Closing. The closing ("Closing") of the transactions contemplated by this Agreement shall be held at 10:00 A.M. local time at the offices of Buyer, 176 South Street, Hopkinton, Massachusetts as of the Effective Date (the "Closing Date").

(a) Deliveries at Closing.

(i) At the Closing, Seller shall deliver to Buyer the following:

(A) a duly executed counterpart of this Agreement;

(B) all of the Acquired Contracts, with such assignments thereof and consents to assignments (as and if permitted by such agreements) as are necessary or appropriate to assure Buyer of the full benefit of the same; and

(C) such other instruments of sale, transfer, conveyance and assignment as Buyer shall reasonably request including, without limitation, assignment agreements with respect to all patent, trademark and copyright rights of Seller, if any.

(ii) At the Closing, Buyer shall deliver to Seller the following:

(A) a duly executed counterpart of this Agreement;

(B) such other instruments of assumption as Seller may reasonably request; and

(C) the portion of the Purchase Price due at Closing by wire transfer of immediately available funds to the account designated by Seller.

7. Rights of Buyer. Seller hereby constitutes and appoints Buyer the true and lawful attorney of Seller, with full power of substitution, in the name of Seller or Buyer, by, on behalf of and for the benefit of Buyer: (a) to demand and receive from time to time all or any portion of the Acquired Assets and to make endorsements and give receipts and releases for and in respect of the same and any part thereof, (b) to institute, prosecute, compromise and settle any and all actions, litigations (other than litigation against Seller and its affiliates, officers, directors, employees and authorized agents) or governmental or administrative proceedings that Buyer may deem proper in order to collect, assert or enforce any claim, right or title of any kind in or to any Acquired Assets, (c) to defend or compromise any or all actions, litigations or governmental or administrative proceedings in respect of any Acquired

Assets, provided, however, that with respect to any claim for which Buyer intends to seek indemnification from Seller under this Agreement, Buyer shall not compromise or settle any such action or litigation without Seller's prior written consent, which consent shall not be unreasonably withheld, and (d) to do all such acts and things in relation to the matters set forth in the preceding clauses (a) through (c) as Buyer shall reasonably deem appropriate.

8. Further Assurances. Each of Seller and Buyer shall, from time to time after the Closing and at the reasonable request of the other party and without further consideration, execute and deliver such further instrumentation of transfer and assignment or take such other actions as may be reasonably necessary in order to more effectively consummate the transactions contemplated hereby in an effort to vest in Buyer good and valid title to the Acquired Assets and to give full force and effect to the intent of the parties reflected hereby.

9. Representations and Warranties by Seller. Seller represents and warrants to Buyer that the representations and warranties contained in this Section 9 are true, correct and complete as of the Effective Date.

(a) Organization and Standing. Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has full corporate power and authority to conduct its business as presently conducted and as proposed to be conducted by it. Seller has at all times complied with all provisions of its Certificate of Incorporation and By-laws, each as currently in effect, and is not in default under, or in violation of, any such provision.

(b) Authority for Agreement. Seller has full corporate power and authority to execute and deliver this Agreement and to carry out its obligations thereunder. The execution, delivery and performance by Seller of this Agreement has been duly authorized by all necessary corporate action of Seller and no other action on the part of Seller is required in connection herewith. This Agreement has been duly executed and delivered by Seller and constitutes the valid and legally binding obligation of Seller. The execution and delivery of this Agreement, the compliance with the provisions hereof by Seller, and the consummation of the transactions contemplated hereby, will not (i) conflict with, result in a breach of, constitute (with or without due notice or lapse of time or both) a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify or cancel, or require any notice, consent or waiver under the Certificate of Incorporation and By-laws of Seller or under any contract, lease, sublease, sublicense, franchise, permit, indenture, agreement or mortgage for borrowed money, Security Interest or other interest to which Seller is a party or by which Seller is bound or to which its assets are subject, (ii) result in the imposition of any Security Interest upon any assets of Seller or (iii) violate any order, writ, injunction, decree, rule or regulation applicable to Seller, or any of its properties or assets, except in each case, where such conflict, breach, default or other violation would not have a material adverse effect on the ability of Buyer to consummate the transactions contemplated hereby and thereby. For purposes of this Agreement, "Security Interest" means any mortgage, security interest, encumbrance, claim, charge, or other lien (whether arising by contract or by operation of law), other than liens for taxes not yet due.

(c) Title to Acquired Assets. Seller owns the Acquired Assets and Seller has and is conveying to Buyer hereunder, upon delivery to Buyer of the instruments of transfer referred to in Section 6, good and valid title to the Acquired Assets. Except as set forth on Exhibit 9(c), none of the Acquired Assets includes any software distributed under a license that requires as a condition of use, modification or distribution of the software that such software or other software distributed with or combined with the software be (i) disclosed or distributed in source code form; (ii) licensed for the purpose of making the derivative works or (iii) redistributable at no charge

("Open Source Software").

(d) Contracts. Seller has furnished to Buyer a correct and complete copy of each Acquired Contract listed on Exhibits 1(d) and 1(e), if any, and identified thereon what if any consents of any person are required to assign the Acquired Contracts to Buyer. Seller has performed all obligations under the Acquired Contracts required to be performed by it prior to the Closing. Seller is not in breach of any material term or provision of any Acquired Contract. To the knowledge of Seller, there does not exist under any Acquired Contract any event of default, except for any event which has not had and is not reasonably likely to have a material adverse effect on the Acquired Assets, and no claim has been made against Seller alleging any event of default. All Acquired Contracts are in full force and effect and enforceable against each party thereto.

(e) Consents. No consent of any third party is required to be obtained by Seller and no consent, approval, order authorization of, or registration, qualification, designation, declaration or filing with any governmental authority is required in connection with the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby.

(f) Intellectual Property. All patents, patent applications, copyrights, trade names, trademarks and trademark applications which are owned by or licensed to Seller or in which Seller has an interest that is directly related to the Business (collectively and, together with the know how, trade secrets and proprietary information included in the Business, the "Intellectual Property") are listed on Exhibit 9(f). All of Seller's patents and registered trademarks that are directly related to the Business have been duly registered in, filed in or issued by the applicable patent office of each country identified in Exhibit 9(f), and have been properly maintained and renewed in accordance with all applicable laws and regulations of each such country. The use of the Intellectual Property contemplated by this Agreement does not require the consent of any other Person except to the extent that any such consent has already been provided by contract or license or except as noted in Exhibit 1(c). Except as noted in Exhibit 1(c), all of Seller's rights to and interest in the Intellectual Property are freely transferable (except as otherwise provided by law) and are owned exclusively by Seller free and clear of any Security Interests. Except for those items identified in Exhibit 1(c), no other Person has an interest in or right or license to use, or right to acquire or the right to license any other Person to use (whether contingent or otherwise), any Intellectual Property; no claims or demands of any other Person pertaining thereto have been asserted against Seller in writing, and no proceedings have been instituted or are pending or, to the knowledge of Seller, threatened, which challenge Seller's rights in respect thereof; to the knowledge of Seller, none of the Intellectual Property of Seller is being infringed by another Person, nor are any of them subject to any outstanding order, decree, ruling, charge, injunction, judgment or stipulation; and no claim has been made, or to the knowledge of Seller, is threatened, charging Seller with infringement of any adversely held patent, trademark, trade secret or copyright or other intellectual property. Seller has and is transferring to Buyer valid licenses for all third party software and technology included in the Acquired Assets. All personnel, including employees, agents, consultants and contractors, who have contributed to or participated in the conception and development of any part of Seller's Intellectual Property rights on behalf of Seller have executed confidentiality, non-disclosure and intellectual property ownership agreements, representative copies of which have, or will be, furnished to Buyer. No current or former partner, director, officer, employee, consultant, independent contractor or affiliate of Seller (or any predecessor in interest) will, after giving effect to the transactions contemplated herein, own or retain any rights in or to any Intellectual Property. No security measures have been implemented in the software of Seller included in the Acquired Assets which would impair operation thereof, except such measures as have been disclosed to Buyer. Any technology included within the Division does not contain any device or feature designed to

disrupt, disable, or otherwise impair the functioning of any such software.

(g) Trade Secrets and Customer Lists. Seller has the right to use, free and clear of any claims or rights of any other Person, all trade secrets, customer lists and secret processes and know-how included in the Acquired Assets required for or used in the marketing of the Business. With regard to such technology and to the knowledge of Seller, Seller is not in any way making an unlawful or wrongful use of any confidential information, know-how, or trade secrets of any other Person.

(h) Litigation. There is no litigation or governmental or administrative action, suit, proceeding or investigation (domestic or foreign) pending or, to the knowledge of Seller, threatened against Seller and directly related to the Division or the Acquired Assets. No claims or demands of any other Person pertaining thereto have been asserted against Seller in writing, and no proceedings have been instituted or are pending or, to the knowledge of Seller, threatened, which challenge Seller's rights in respect thereof.

(i) Sufficiency. Seller hereby represents and warrants that this Agreement is sufficient to transfer and convey title to the Acquired Assets to Buyer under applicable law.

(j) Export Licenses. Seller acknowledges that the Acquired Assets are subject to the export jurisdiction of the United States, specifically the Export Administration Regulations and Export Control Classification Number (ECCN) 5D002. Seller represents that, to Seller's knowledge, it has complied with all applicable international laws and regulations, including, without limitation, the US Export Administration regulations in the development, use and marketing of the Acquired Assets and in its business relations with third parties concerning the Acquired Assets

(k) EXCEPT AS OTHERWISE SET FORTH IN THIS SECTION 9, THE ACQUIRED ASSETS AND THE OTHER TECHNOLOGY LICENSE PROVIDED BY THIS AGREEMENT ARE PROVIDED "AS IS", WITHOUT WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, BY SELLER OR ITS AFFILIATES, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, COMPLETENESS, ACCURACY, AVAILABILITY, TITLE, NON-INFRINGEMENT, TRADE USAGE, COURSE OF DEALING, OR COURSE OF PERFORMANCE. THE ENTIRE RISK AS TO PERFORMANCE OF THE ACQUIRED ASSETS AND THE OTHER TECHNOLOGY LICENSE ARE WITH BUYER AND THERE IS NO GUARANTEE THAT THE ACQUIRED ASSETS AND THE OTHER TECHNOLOGY LICENSE PROVIDED UNDER THE TERMS OF THIS AGREEMENT WILL MEET THE REQUIREMENTS OF BUYER, BE ERROR FREE, OR OPERATE WITHOUT INTERRUPTION.

18. Indemnification.

(a). Indemnity by Seller. Seller hereby agrees to indemnify, defend and hold harmless Buyer and its directors, officers and affiliates against and in respect of any damage (a) that results from the inaccuracy of any representation or warranty made by Seller herein, (b) resulting from any misrepresentation, breach of warranty or non-fulfillment of any agreement or covenant of Seller contained herein, and any and all actions, suits and proceedings resulting from any of the foregoing, (c) relating to Excluded Assets or (d) arising from ownership of the Acquired Assets prior to the Closing, other than Assumed Liabilities (hereinafter called a "Buyer")

Claim” or collectively “Buyer Claims”).

(b) Certification of Claims. If Buyer is of the opinion that any Buyer Claim has occurred or will or may occur, Buyer shall so notify Seller, and each such notice shall be in writing and shall describe with reasonable specificity the nature of such asserted Buyer Claim.

(c) Termination of Rights Hereunder. Notwithstanding any other provision hereof, no Buyer Claim may be made or lawsuit instituted under the provisions of this Section 15 or in any way arising in connection with this Agreement or any representation or warranty hereunder (except for Reserved Claims (as defined below)) after the fifth anniversary of this Agreement. “Reserved Claims” shall mean any Buyer Claims which have been asserted, in accordance with this Section 18, within the applicable periods set forth above.

(d) Third Party Actions. In the event any claim is made, suit is brought against Buyer, Seller, or any of their respective directors, officers or affiliates which involves or appears reasonably likely to involve a Buyer Claim for which indemnification may be sought against Seller hereunder, such party will promptly (and in any event within three (3) business days) after receipt of notice of any such claim, suit or proceeding, notify Buyer or Seller, as the case may be, of the commencement thereof. Any failure by Buyer to so notify Seller of the commencement of any such claim, suit or proceeding will relieve Seller from liability only to the extent that such failure materially and adversely affects the ability of Seller to defend Seller’s interests in such claim, action or proceeding. Seller (at Seller’s expense) shall have the right and shall be given the opportunity to assume and control the defense of such claim, suit or proceeding with counsel of their choice reasonably satisfactory to Buyer so long as (i) Seller notifies Buyer in writing within ten (10) days after Buyer has given notice of the claim that Seller will indemnify Buyer from and against the entirety of any damages Buyer may suffer resulting from, arising out of, relating to, in the nature of, or caused by such claim, (ii) such claim involves only money damages and does not seek an injunction or other equitable relief, (iii) Seller conducts the defense of such claim actively and diligently, (iv) Seller has the financial resources to conduct an active and diligent defense and to pay, if necessary, the maximum amount of the damages sought and furnishes such documents and other information with respect to such financial resources as may be reasonably requested by Buyer, and (v) Seller promptly provides Buyer and its counsel with all documents and other information relating to the claim and defense thereof as may be reasonably requested by Buyer or its counsel; provided that Buyer and its counsel (at Buyer’s expense) may participate in (but not control the conduct of) all matters pertaining to the defense or settlement of such claim, suit or proceeding. Whether or not Seller elects to assume such defense, Buyer shall not, except at its own cost, make any settlement with respect to any such claim, suit or proceeding without the prior written consent of Seller. Buyer’s consent to the settlement of any such claim, suit or proceeding by Seller shall be required and shall not be unreasonably withheld or delayed, but such consent shall not be required if (or to the extent that) such settlement only requires the payment of a monetary amount by Seller and includes a full release of claims by the claimant and Seller against Buyer and does not include a statement as to or admission of fault, culpability or failure to act by or on behalf of Buyer.

In the event any of the conditions set forth in clauses (i) to (iv) above is or becomes unsatisfied, or if Seller elects not to conduct the defense of the claim, then (A) the Buyer may defend against, and consent to the entry of any judgment or enter into any settlement with respect to, such claim in any manner it may deem appropriate (and the Buyer need not consult with, or obtain any consent from, Seller or any of its affiliates in connection therewith), (B) Seller will reimburse the Buyer promptly and periodically for the costs of defending such claim (including reasonable attorneys’ fees and expenses), and (C) Seller will remain responsible for any damages the Buyer may suffer resulting from, arising out of, relating to, in the nature of, or caused by such

claim to the fullest extent provided in this Section 18.

(e) **Definition of Damages.** For purposes of this Section 18, the term “damages” shall mean the amount of any loss, claim, demand, damage, deficiency, assessment, judgment, remediation, cost or expense (including reasonable attorneys’, consultants’ and experts’ fees and expenses) actually incurred, less the sum of any amount recovered under any insurance policy carried by the party or parties seeking indemnification. In the event that Buyer pays a claim covered by Buyer’s insurance for which it is entitled to indemnification by Seller hereunder, Buyer shall pay such claim and Seller shall reimburse Buyer the full amount of such claim (less the amount of any insurance proceeds previously recovered by the Buyer with respect to such claim). In the event the Seller pays a claim and Buyer subsequently receives insurance proceeds with respect to such claim, Buyer shall pay Seller such insurance proceeds up to the amount actually paid by Seller.

(f) The foregoing provisions of this Section 18 notwithstanding, in no event shall the liability of Seller exceed an aggregate amount equal to \$50 million.

19. **No Third Party Beneficiaries.** Nothing in this Agreement, express or implied, is intended or shall be construed to confer upon, or to give to, any person, firm, limited liability company or corporation other than Buyer and its successors and assigns, any remedy or claim under or by reason of this Agreement. All terms, covenants, promises and agreements contained in this Agreement shall be for the sole and exclusive benefit of Buyer and its successors and assigns.

20. **Expenses.** Each of Seller and Buyer shall assume and bear all expenses, costs and fees incurred or assumed by such party in the preparation and execution of this Agreement and the performance of the transactions contemplated hereby, whether or not the transactions shall be consummated; and Buyer and Seller shall indemnify and hold each other harmless from and against any and all liabilities and claims in respect of any such expenses, costs or fees not the responsibility of or assumed by the other party.

21. **Publicity; Disclosures; Confidential Information; Use of Name.** Except as expressly provided herein, no press release or other public disclosure, whether written, electronic or oral, of the transactions contemplated hereby shall be made by either party or any of their respective affiliates or representatives without the express prior written consent of the other party.

22. **Binding Nature of Agreement.** This Agreement shall be binding upon Seller, Buyer and their respective successors and assigns.

22. **Notices.** All notices, requests, demands, consents and communications necessary or required under this Agreement shall be delivered by hand or sent by registered or certified mail, return receipt requested, or by overnight courier, or by facsimile (receipt confirmed) to:

if to Buyer:                    EMC Corporation  
   176 South Street  
   Hopkinton, MA 01748  
   Attention: Office of the General Counsel  
   Telecopier: (508) 497-6915

if to Seller:                    Acxiom Corporation  
   1 Information Way  
   P.O. Box 8180  
   Little Rock, AR 72203

All such notices, requests, demands, consents and other communications shall be deemed to have been duly given or sent five (5) days following the date on which mailed, or two (2) days following the date mailed if sent by overnight courier, or on the date on which delivered by hand or by facsimile transmission (receipt confirmed), as the case may be, and addressed as aforesaid.

23. Successors and Assigns. All covenants and agreements set forth in this Agreement and made by or on behalf of any of the parties hereto shall bind and inure to the benefit of the successors, heirs and assigns of such party, whether or not so expressed. Neither party may assign or transfer any of its rights or obligations under this Agreement without the prior written consent of the other party.

24. Severability. In the event that any one or more of the provisions of this Agreement is held invalid, illegal or unenforceable in any respect for any reason in any jurisdiction, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions hereof shall not be in any way impaired or affected, it being intended that each of parties' rights and privileges shall be enforceable to the fullest extent permitted by law, and any such invalidity, illegality and unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

25. Governing Law. This Agreement shall be governed by and construed and enforced exclusively in accordance with the laws of The Commonwealth of Massachusetts, without giving effect to the principles of conflicts of laws thereof.

26. Entire Agreement. This Agreement, including the Exhibits, is complete, and all promises, representations, understandings, warranties and agreements with reference to the subject matter hereof, and all inducements to the making of this Agreement relied upon by all the parties hereto, have been expressed herein or in such Exhibits. This Agreement may not be amended except by an instrument in writing signed by Seller and Buyer.

27. Confidentiality. The terms of the Confidentiality Agreement, dated February 3, 2003, shall remain in full force and effect and such terms not otherwise in conflict with the provisions of this Agreement are hereby incorporated herein by this reference.

**List of Individuals**

Chuck Howland

Terry Talley

**TRANSITION AMENDMENT  
BETWEEN  
EMC CORPORATION AND ACXIOM CORPORATION**

This Transition Amendment (this "Amendment") is made and entered into as of March 31, 2008 (the "Amendment Effective Date"), by and between **Acxiom Corporation**, a Delaware corporation, with a principal address of 601 East 3<sup>rd</sup> Street, Little Rock, AR 72201 ("Acxiom"), and **EMC Corporation**, a Massachusetts corporation with an office at 176 South Street, Hopkinton, Massachusetts 01748 and **EMC (Benelux) B.V., S.à.r.l.**, a Luxembourg limited liability company (together "EMC").

**WHEREAS**, EMC and Acxiom have entered into an Asset Purchase and License Agreement (the "Agreement") with an Effective Date of December 29, 2005;

**WHEREAS**, it is the intent of EMC and Acxiom with this Amendment to modify or delete certain terms of the Agreement, add new terms to the Agreement, while other terms of the Agreement shall remain the same;

Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Agreement. For any sections modified below, it is understood that the modification is only applicable to the specifically identified section, and not any header sections or sub-sections thereof, unless expressly set forth.

**NOW THEREFORE**, in consideration of the mutual covenants and agreements contained herein the parties agree as follows:

**ARTICLE ONE: LICENSES**

**1.1 EMC License to Acxiom.** Subject to the limitations set forth herein, EMC hereby grants to Acxiom a perpetual, non-transferable, non-assignable, sub-licensable, and reproducible license to use code and technology contained in versions 1.0 and 2.0 of the Base Technology as identified in **Exhibit 1** (the "Current Grid IP") to use, make, modify, distribute, create derivative works of and otherwise develop and commercialize the Current Grid IP but solely for use within or in addition to a whole or partial distribution of Acxiom Products. For purposes of this Amendment, "Acxiom Products" shall mean those products developed by Acxiom at Acxiom's facilities, which shall also include any products subsequently developed or obtained by Acxiom through acquisition by or merger of Acxiom with a third party and, for purposes of clarification, an Acxiom Product may include open source or other third party components, provided that 1) it also contains products developed by Acxiom at Acxiom's facilities or subsequently developed or obtained by Acxiom through acquisition or by merger or Acxiom with a third party; 2) the combination is packaged and distributed as a single Acxiom Product; and 3) the combination with such components does not create any additional licensing obligations with respect to the Current Grid IP under a license that requires, for example, that the Current Grid IP be disclosed or distributed in source code form or that EMC grant any rights or immunities under EMC's intellectual property or proprietary rights with respect to the Current Grid IP ("copyleft license"). However, Acxiom may include or distribute any software in the Acxiom Products with any software that is not subject to a copyleft license as described above, or that contains open source but does not subject the Current Grid IP to the terms of such an open source license.

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Except in connection with a distribution of the Acxiom Products directly and indirectly (except as set forth below) and related maintenance and support activities for the Acxiom Products (e.g., a commercial distribution behind an Acxiom end user's firewall), Acxiom's use of the Current Grid IP shall be limited to Acxiom employees and contractors.

1.1(a) Acxiom's distribution right in Section 1.1 above (EMC License to Acxiom) shall be deemed to provide Acxiom only with the right to distribute the Current Grid IP as part of or in addition to Acxiom Products, where the Acxiom Products are embedded or integrated with, or in addition to, all or a portion of the Excluded Assets or other Acxiom assets subsequently developed or obtained by Acxiom through acquisition by or merger of Acxiom with a third party.

1.1(b) Except as expressly stated in Section 1.1 (EMC License to Acxiom), Acxiom shall not be permitted to distribute the Current Grid IP: (i) embedded within other non-Acxiom product(s) or technology, (ii) with any branding other than that of Acxiom, or (iii) indirectly through or to those EMC competitors identified in **Exhibit 2** ("EMC Competitors").

1.1(c) Acxiom hereby acknowledges that EMC has no obligation to provide any (i) Base Technology created after December 20, 2007, or (ii) any technical or other support for the Current Grid IP to Acxiom. In addition, EMC hereby acknowledges and agrees that Acxiom has no obligation to provide any derivative works of the Base Technology created after December 20, 2007 or pursuant to the provisions of Section 1(a), Section 12(e) or Section 12(f) of the Agreement.

1.1(d) Notwithstanding this Section 1.1 (EMC License to Acxiom), Acxiom may deposit the source code for Current Grid IP as part of a comprehensive deposit of the source code for Acxiom Products with a third party escrow agent pursuant to a written escrow agreement ("Escrow Agreement"). The Escrow Agreement shall have only the following as release conditions (i) Acxiom files or has filed against it a proceeding under applicable bankruptcy laws for the purpose of liquidating the business and such proceedings are not dismissed within sixty (60) days of the commencement thereof, becomes insolvent, or discontinues business in the regular course; or (ii) Acxiom makes an assignment on behalf of creditors.

In the event the source code for the Current Grid IP is released along with source code for the Acxiom Products, in accordance with the release conditions above, to an existing Acxiom end user of the Acxiom Products, Acxiom will grant such end-user a written non-exclusive, non-transferable, non-sub-licensable license to internally use the Current Grid IP source code solely to support the end-users use of the Acxiom Products.

1.1(e) Acxiom hereby acknowledges and agrees that the foregoing license is provided "AS-IS" WITHOUT WARRANTY OF ANY KIND, EXPRESS OR IMPLIED BY EMC OR ITS AFFILIATES, INCLUDING BUT NOT LIMITED TO ANY IMPLIED PURPOSE, COMPLETENESS, ACCURACY, AVAILABILITY, TITLE, NON-INFRINGEMENT, TRADE USAGE, COURSE OF DEALING, OR COURSE OF PERFORMANCE, THE ENTIRE RISK AS TO THE PERFORMANCE OF THE GRID IP AND ACXIOM PRODUCTS ARE WITH ACXIOM AND THERE IS NOT GUARANTEE THAT THE LICENSE PROVIDED UNDER THE TERMS OF THIS AMENDMENT WILL MEET THE MINIMUM REQUIREMENT OF ACXIOM, BE ERROR FREE OR OPERATE WITHOUT INTERRUPTUION.

1.1(f) Except as otherwise expressly provided in this Amendment with respect to Acxiom's distribution rights, Section 12(c) of the Agreement remains in full force and effect as it relates to the Current Grid IP.

## ARTICLE TWO- NONSOLICITATION AND NON-COMPETE

2.1 **Nonsolicitation.** Section 14 (Nonsolicitation) of the Agreement is hereby waived for up to fifteen (15) current employees of Acxiom.

2.2 **Waiver of Non-Compete.** (a) In the event that Acxiom has any non-compete, confidentiality or similar agreements with Acxiom employees who are subsequently hired directly or indirectly (*e.g.*, as a contractor) by EMC (the "Former Associates"), Acxiom hereby expressly releases, waives and discharges the Former Associates who, Acxiom acknowledges and agrees, will be expressly allowed by this Section 2.2 to disclose to EMC the technical, proprietary and confidential information of Acxiom that is known by such employees with regard to how such information relates or interacts with the Current Grid IP. Further, and except with regard to a breach of this Section 2.2, Acxiom hereby expressly releases, waives and discharges EMC, its past, present and future directors, officers, stockholders, agents and employees, both individually and in their official capacities (hereafter individually or collectively the "releasees") from any and all claims, causes of action, arising directly and indirectly from Acxiom's agreements with the Former Associates. Notwithstanding anything in this Article 2 to the contrary, in no event shall the Former Associates disclose, nor shall EMC request of such employees, the following Acxiom confidential information:

- Security details, schematics, methods, vulnerabilities, and system layout of the Acxiom environment
- Confidential business plans of current and planned Acxiom products and services of which such Former Associates may have knowledge other than confidential business plans of Acxiom with regard to the use and integration of the Current Grid IP
- Details about specific client situations of Acxiom
- Any Acxiom developed intellectual property (*e.g.*, code, documentation, processes) developed since January 1 2008
- Technical interface details to any Acxiom customer data integration ("CDI") service

(b) In addition, in no event shall the Former Associates or EMC be allowed to utilize or disclose any of Acxiom's tangible intellectual property including, but not limited to, Acxiom-proprietary documentation, software code, marketing plans, manuals and equipment ("Acxiom Materials").

(c) Further, the parties agree that the exclusions set forth in Section 2 of that certain Confidentiality Agreement between the parties dated February 3, 2003, which agreement was incorporated into the Agreement by Section 27 of the Agreement (the "Confidentiality Agreement") shall apply to Acxiom's confidential information disclosed pursuant to this Article 2. The parties also agree that the Confidentiality Agreement should be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts. Except as expressly modified in this Article 2, the parties affirm that the provisions of the Confidentiality Agreement shall remain in full force and effect.

(d) By enumerating categories of Acxiom confidential information in Section 2.2 of this Amendment, EMC does not acknowledge that such Acxiom confidential information exists in all cases, but only that if it exists, corresponding confidentiality obligations also exist in accordance with the Agreement.

(e) Nothing contained in this Amendment shall restrict the Former Associates from the use of any general ideas, concepts, know-how, or techniques retained in their unaided mental impressions which either party, individually or jointly, has developed or disclosed under this Amendment, provided that in doing so such Former Associate does not breach its obligations under the Confidentiality Agreement or infringe the intellectual property rights of the other party or third parties who have licensed or provided materials to the other party.

#### ARTICLE THREE- MARKETING AND SERVICES

3.1 **Acxiom Marketing Services.** EMC will procure five hundred thousand dollars (\$500,000) of marketing services from Acxiom over the next two (2) calendar years, beginning as of January 1, 2008, pursuant to mutually agreed upon terms.

3.2 **Future Procurement of Acxiom Marketing Services.** In addition to the amount set forth in Section 3.1 above, EMC intends to use commercially reasonable efforts to procure an additional one million dollars (\$1,000,000) of marketing services from Acxiom over the next three (3) years, beginning as of January 1, 2008.

#### ARTICLE FOUR- EMC CREDITS

4.1 **EMC Credits.** In anticipation of Acxiom procuring and remitting payment for twenty-four million dollars (\$24,000,000) of EMC hardware and software products only (the "Products") (collectively the "Product Commitment") directly from EMC, pursuant to the terms and conditions of this Amendment and the Preferred Vendor Agreement between EMC and Acxiom with an effective date of April 1, 2006 (the "Preferred Vendor Agreement"), between the Amendment Effective Date and March 31, 2012, EMC will provide Acxiom up to eight-million dollars (\$8,000,000) of credit (the "EMC Credit") per this Amendment and in accordance with Sections 4.1(a) through (e) below.

4.1(a) Notwithstanding the foregoing Section 4.1 (**EMC Credits**), monies spent on the purchases of the following products shall not be applicable to the twenty-four million dollar Product Commitment or be considered as part of the calculation of the EMC Credit (and, therefore, Acxiom is not required to purchase the following products directly from EMC): (i) VMware products, (ii) EMC products sold under the Connectrix brand, (iii) products sold through the EMC Select program, or (iv) any products sold in the future by EMC that are obtained by EMC through acquisition of or merger of EMC with a third party.

4.1(b) Acxiom shall be eligible for the EMC Credit as set forth herein on or before the expiration of the Preferred Vendor Agreement.

4.1(c) Acxiom will earn the EMC Credit on a pro-rata basis based on the amount of Acxiom purchases of EMC Products pursuant to this Amendment up to the maximum of eight million dollars (\$8,000,000) as stated above. Acxiom will earn a credit of thirty-three cents (\$0.33) for every dollar Acxiom spends with EMC in accordance with the terms and conditions of this

Amendment. EMC shall apply the EMC Credit against the amounts of monies owed to EMC by Acxiom for purchases of the EMC Products, and Acxiom shall pay EMC the net amount.

4.1(c)(1) The following example, while not exhaustive of the application of the EMC Credit, is illustrative and is included for illustration only:

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Yearly total
Acxiom purchases	\$1,000,000	\$1,000,000	\$500,000	\$3,500,000	\$6,000,000
EMC Credit	\$300,000	\$300,000	\$150,000	\$1,050,000	\$1,800,000
Net Amount Due to EMC for EMC Product(s) purchases	\$700,000	\$700,000	\$350,000	\$2,450,000	\$4,200,000

4.1(d) EMC shall have no obligation to make the EMC Credit available, in whole or in part, if: (i) the Preferred Vendor Agreement is terminated, (ii) Acxiom fails to make a payment pursuant to the Preferred Vendor Agreement when due, or (iii) Acxiom breaches this Amendment. Acxiom acknowledges and agrees that if Acxiom fails to pay EMC for any EMC Products whose purchase amounts are used in the calculation of the EMC Credit, and EMC provides such EMC Credit to Acxiom, Acxiom shall pay back such EMC Credit(s) to EMC.

4.1(e) Pricing for the EMC Products shall be as set forth in the Preferred Vendor Agreement.

**ARTICLE FIVE – PREFERRED VENDOR AGREEMENT AMENDMENT**

5.1(a) EMC and Acxiom agree that the Preferred Vendor Agreement is hereby extended until March 31, 2012; provided, however, that in the event BUYER satisfies the Product Commitment (as defined in the Transition Amendment dated March 31, 2008 (the "Transition Amendment") prior to March 31, 2012, BUYER shall have the option of immediately terminating the Preferred Vendor Agreement upon notice to SELLER. In addition, EMC and Acxiom shall amend the Preferred Vendor Agreement contemporaneously with the Amendment Effective Date as follows:

5(a) (1) Section 1(a) of the Preferred Vendor Agreement shall be deleted and replaced with the following:

"Exclusive Rights to Supply" shall mean that SELLER shall be BUYER's exclusive vendor to provide EMC products and services in support of both (i) BUYER's internal requirements and (ii) services to Buyer's customers, including Outsourcing Services Agreements (as defined herein) BUYER has with its customers ("End-Users)."

5(a) (2) Section 2(a) of the Preferred Agreement is hereby amended to read as follows:

"BUYER grants SELLER the Exclusive Rights to Supply EMC products and services on EMC's current and future price list to BUYER for a term to expire on March 31, 2012. Provided however, that SELLER is not BUYER'S exclusive

vendor and BUYER shall have no obligation to purchase from SELLER products and services where:

- Requirements for applications having specific technical requirements or limitation that cannot be accommodated by SELLER;
- BUYER's End-User's existing IT architecture would have to be fundamentally and radically altered such that it would not be economically nor practically feasible to use SELLER's technology for such End-User;
- SELLER's pre-credit, discounted price for SELLER's products which are applicable to BUYER's technology needs is not materially competitive with other similarly situated products; or
- BUYER'S End-User specifically requests in writing (as part of a request for proposal or similar document that requires storage) technology other than SELLER's."

5(a) (3) Section 2. e) of the Preferred Vendor Agreement is hereby stricken in its entirety and replaced with "[Intentionally Omitted]."

5(a) (4) Section 3 (Hardware Pricing and Warranty) of the Preferred Vendor Agreement shall be deleted and replaced with the following:

"a) Hardware products will be offered to BUYER at the then current list price less the discounts reflected in the chart below. List price and discount will be provided on all quotations. New hardware products may be added by EMC to the Purchase Discount Schedule every calendar quarter. New hardware products that are similar to the products listed in the Purchase Discount Schedule will have discount levels as favorable to Acxiom as those for the similar products.

Type	Examples	Discount
Enterprise	Sym DMX3, DMX4, Celerra	68%
Mid-Tier	Clariion, Centera, NAS	68%
Connectrix	Connectrix	56%
Drives	-----	60%

b) All hardware pricing, including future pricing, applicable under the Agreement will apply to the then current generation of SELLER hardware products. Current generation will be defined as SELLER's newest technology within 90 days of general availability.

c) Hardware warranty on storage purchased under this Agreement will be for thirty-six (36) months. Post warranty Hardware Maintenance will be discounted at a rate of forty-percent (40%) from the list price in effect at the time this Agreement is executed."

5(b) (1) Section 4 (Software Pricing and Warranty) of the Preferred Vendor Agreement shall be deleted and replaced with the following:

"a) SELLER third party software products will be offered to BUYER at the then current list price less thirty-eight percent (38%) discount.

The current SELLER storage software offerings will be offered to BUYER at the then current list price less the discount reflected in the chart below. List price and discount will be provided on all quotations. New software products may be added by EMC to the Purchase Discount Schedule every calendar quarter. New software products that are similar to the products listed in the Purchase Discount Schedule will have discount levels as favorable to Acxiom as those for the similar products.

Type	Discount
Storage software-Enterprise Platform	45%
Storage software-Mid-Tier Platform	45%
Software-Multi-Platform-Open	45%

b) Software Warranty on software purchased under this Agreement will be for three (3) months. Post warranty maintenance will be at forty-five percent (45%) discount off of the then current list price.

c) This section 4 applies to all SELLER software offerings with the exception of software sold under the following categories or brand names: Content Management and Archiving, SMARTS, Legato, VMware, and/or any software offerings that EMC may acquire through acquisition or merger."

5(b)(2) Section 8. a) of the Preferred Vendor Agreement shall be deleted and replaced with the following:

"a) Order of precedence. In the event of a conflict in terms between this Agreement, and the Basic Ordering Agreement and the Transition Amendment, the order of precedence shall be the Transition Amendment, this Agreement and the Basic Ordering Agreement."

#### ARTICLE SIX- PAYMENT

6.1 **EMC Payment.** EMC shall pay Acxiom the sum of two million dollars (\$2,000,000) within thirty (30) days of the Amendment Effective Date.

#### ARTICLE SEVEN- MARKETING

7.1 EMC and Acxiom agree to use commercially reasonable efforts to gain market share for their respective products and services by proposing customer solutions that may be deployed as part of a customer solution on an opportunistic basis.

7.1(a) When EMC recognizes a customer opportunity in which Acxiom products and services may be part of a service engagement by EMC's Business Edge practice unit (the "Opportunity"), EMC will engage Acxiom to determine the feasibility of pursuing the Opportunity with Acxiom, where Acxiom may be a subcontractor to EMC.

7.1(b) Acxiom will work with EMC to prepare proposals for such Opportunities, including providing EMC with preferred pricing and business terms.

7.1(c) In the event EMC has brought Acxiom into an Opportunity, Acxiom will not propose or provide Acxiom products and services, directly or indirectly, to the customer identified in the Opportunity.

7.1(d) EMC and Acxiom will agree on a process within ninety (90) days of the Amendment Effective Date, to document the procedure for handling said Opportunities.

#### **ARTICLE EIGHT – PENTAHO**

8.1 Acxiom hereby grants to EMC the license rights set forth in **Exhibit 3** (the "Pentaho Services").

8.2 EMC hereby acknowledges and agrees that the license granted to EMC in Exhibit 3 is provided "AS-IS" WITHOUT WARRANTY OF ANY KIND, EXPRESS OR IMPLIED BY ACXIOM OR ITS AFFILIATES, INCLUDING BUT NOT LIMITED TO ANY IMPLIED PURPOSE, COMPLETENESS, ACCURACY, AVAILABILITY, TITLE, NON-INFRINGEMENT, TRADE USEAGE, COURSE OF DEALING, OR COURSE OF PERFORMANCE, THE ENTIRE RISK AS TO THE PERFORMANCE OF THE PENTAHO SERVICES ARE WITH EMC AND THERE IS NOT A GUARANTEE THAT THE LICENSE PROVIDED UNDER THE TERMS OF THIS AMENDMENT WILL MEET THE MINIMUM REQUIREMENT OF EMC, BE ERROR FREE OR OPERATE WITHOUT INTERRUPTUION.

#### **ARTICLE NINE- RELEASES**

9.1 Except for the rights and obligations expressly created or reserved by this Amendment and except for a breach of the confidentiality or intellectual property terms of the Agreement (including this Amendment), EMC and Acxiom hereby release, acquit and forever discharge Acxiom and EMC respectively from any and all Claims solely arising from, based on or related to the Agreement, from the beginning of time to the Amendment Effective Date. As used herein, "Claims" means any and all actions, causes of action, claims, costs, damages, debts, demands, expenses, liabilities, losses, obligations, proceedings and suits of every kind and nature, liquidated or unliquidated, fixed or contingent, in law, equity or otherwise, and whether presently known or unknown, accrued or not accrued.

#### **ARTICLE TEN- GENERAL**

10.1 All other terms and provisions of the Agreement shall remain in full force and effect, if unchanged by this Amendment.

10.2 This Amendment may be executed in counterpart copies, each of which, when executed and delivered, shall be an original, but such counterparts shall together constitute one and the same instrument.

10.3 This Amendment may be amended only by an instrument in writing signed by all parties hereto.

10.4 No press release or other public disclosure, whether written, electronic or oral, of the terms and existence of this Amendment and the transactions contemplated hereby shall be made by either party or any of their respective affiliates or representatives without the express written consent of the other party.

10.5 Acxiom may assign or transfer its rights or obligations under this Amendment, unless such assignment or transfer is due to a change of control of Acxiom to a third party that is listed as an EMC Competitor on Exhibit 2. For purposes of this Amendment, a "change of control" shall mean (i) a transaction or series of related transactions in which a person or entity acquires, directly or indirectly, or acquires the right to acquire, directly or indirectly, (a) a majority of the voting securities of Acxiom, (b) the right to control the appointment or voting into office of a majority of the members of Acxiom's board of directors, or (c) all or substantially all of the assets of Acxiom, or (ii) a transaction or series of related transactions which result in Acxiom's stockholders immediately subsequent to such transaction or series of transactions owning less than a majority of the voting securities of Acxiom or any successor thereto. With regard to the effect of Exhibit 2 upon this Section 10.5, the parties acknowledge and agree that only the listing of up to ten (10) entities is applicable to this Section 10.5, and that the remainder of Exhibit 2 has no effect upon this Section 10.5. With regard to any changes in the listing as it pertains to this Section 10.5 and absent mutual agreement of the parties, EMC shall have the right to unilaterally revise the list in January of each year that this Section 10.5 is in effect by giving written notice to Acxiom of any modifications to the listing by January 31 of such year; provided, however, that in the event of a public announcement that Acxiom has combined, or will be combining, with a third party who is not then currently on the listing of EMC Competitors, such third party shall not be a candidate to be added to the listing by EMC. In addition, the parties acknowledge and agree that this specific Section 10.5 shall expire and have no further force or effect upon the parties as of March 31, 2010.

10.6 The provisions of Section 7 of the Agreement (Rights of Buyer) are deleted in their entirety and replaced with "[Intentionally Omitted]."

10.7 This Amendment shall be deemed to be Confidential Information of both EMC and Acxiom.

10.8 This Amendment shall be governed by the laws of the Commonwealth of Massachusetts.

10.9 All notices, requests, demands, consents and communications necessary or required under this Amendment or the Agreement shall be delivered by hand or sent by registered or certified mail, return receipt requested, or by overnight courier, or by facsimile (receipt confirmed) to Acxiom at the following address:

Acxiom Corporation  
601 East 3<sup>rd</sup> Street  
Little Rock, AR 72201  
Attention: General Counsel  
  
Telecopier: (501) 252-2230

EMC Corporation  
176 South Street  
Hopkinton, MA  
Attention: Office of the General  
Counsel  
Telecopier: (508) 497-6915

**[Signature Page to Follow]**

**EMC CORPORATION**

/s/ William J. Teuber  
Authorized Signature

William J. Teuber  
Printed Name

Vice Chairman  
Title

**ACXIOM CORPORATION**

/s/ L.L. Hodges  
Authorized Signature

L. L. Hodges  
Printed Name

Services Division Leader  
Title

**EMC (BENELUX) B.V., S.à.r.l.**

/s/ William J. Teuber  
Authorized Signature

William J. Teuber  
Printed Name

Managing Director  
Title

**VERSIONS 1.0 AND 2.0 OF THE BASE TECHNOLOGY- AS OF DECEMBER 28, 2007****Version 1.0-****Base Technology**

The following list of technology components is indexed and corresponds with the attached Customer Information Infrastructure Grid Component Descriptions document dated December 20, 2005 (the "Technology Detail") which includes the detailed information on each component, including (i) a general description of the component; (ii) Features/Functions; (iii) Benefits; (iv) Competition; (v) Advantages; (vi) Future Plans; (vii) Languages and Dependencies; and (viii) Glossary terms.

The Technology Detail includes a Technology List Document which sets for those components which are Base Technology and those which are Other Technology as such terms are defined in the Agreement and cross-references with the contents section of the Technology Detail. Assets identified as Other Technology in the Technology List Document are Excluded Assets.

<b>1 Infrastructure Components</b>		
1.1	Apiary REX (Grid OS)	- Base Technology
1.2	Apiary REX – Monitoring	- Base Technology
1.3	Apiary Rex – Hive-Node	- Base Technology
1.4	Parallel Virtual File System (PVFS)	- Base Technology
1.5	DataGrid FTP Daemon	- Base Technology
1.6	EDGE-External Data Gateway	- Base Technology
1.7	Interactive Hive	- Base Technology
1.8	Hydra	- Base Technology
1.9	Anubis	- Base Technology
1.1	Hivebuilder	- Base Technology
1.11	J2EE Hive	- Base Technology
1.12	CORBA Naming Service	- Base Technology
1.13	Cascade	- Base Technology
1.14	Advanced Package Tool (APT)	- Base Technology
1.15	Software Server	- Base Technology
1.16	SystemImager	- Base Technology
1.17	LDAP- Lightweight Directory Access Protocol	- Base Technology
1.18	HiveForHire	- Base Technology
1.19	Workflow Grid Environment	- Base Technology
1.20	Workflow Grid Environment Tools	- Base Technology
1.21	Acxiom Grid Scheduler	- Base Technology
1.23	WorkFlow Grid Job Submission and Execution Infrastructure	- Base Technology
1.24	Acxiom Metadata Repository Subsystem	- Base Technology
1.25	Workflow Grid (WFG) Batch Components	- Base Technology
1.26	Interactive Delivery 2	- Base Technology
1.27	DataBase Grid	- Base Technology

1.28	Generic Service	- Base Technology
1.29	CIGAR	- Base Technology
1.30	CII Security	- Base Technology
<b>3 Enterprise Interface</b>		
3.1	Acxelerate – Convert Manager	- Base Technology
3.2	Acxelerate – File Manager	- Base Technology
3.3	Acxelerate – Job Activity	- Base Technology
3.4	Acxelerate – Layout Manager	- Base Technology
3.5	Acxelerate – Project Manager	- Base Technology
3.6	Acxelerate – Navigator	- Base Technology
3.7	Acxelerate – Policy Manager	- Base Technology
3.14	Orbiter	- Base Technology
<b>4 B.I. Management</b>		
4.5	SAS Interactive Modeling Service	- Base Technology
4.6	SAS WFG Scoring	- Base Technology
<b>5 Data Hygiene and Transformation</b>		
5.1	FOCAL – Function Oriented Custom Application Language	- Base Technology
5.2	Perl Operator	- Base Technology
5.7	Hydra/Tesla Operator Wrapper	- Base Technology
<b>6 Data Enhancement</b>		
6.5	InfoBase Data Grid Service (aka Hercules)	- Base Technology
6.6	Helios/Horizon	- Base Technology

**License Agreements**

All of the Licenses identified in the Third Party Software Spread Sheet below (and the code that they cover ) except the licenses identified as Excluded Licenses (and the code they cover):

**THIRD PARTY SOFTWARE SPREADSHEET**

Product	Product Module / Component List module names	Product Version	3 <sup>rd</sup> party software vendor name	3 <sup>rd</sup> party software vendor product name	3 <sup>rd</sup> party software product version
<b>DROLAND</b>					
Activate	Navigator	1			
			RedHat	Linux	7.3, RHEL 3.0, RHEL 4.0
			Sun Microsystems	JAVA	
			JBOSS	JBOSS	3.2.4 ?
			Sun Microsystems	JSF	?
			MySQL	MySQL	4.?
			GNU/Redhat ?	C compiler	?
			Apache	ANT	?

		RedHat	RPM	?
		Apache	AXIS	?
Policy Manager	1			7.3, RHEL 3.0, RHEL 4.0
		RedHat	Linux	
		Sun Microsystems	JAVA	
		JBOSS	JBOSS	3.2.4 ?
		Sun Microsystems	JSF	?
		MySQL	MySQL	4.?
		GNU/Redhat ?	PERL	?
		Apache	ANT	?
		RedHat	RPM	?
		Apache	AXIS	?
File Manager	1			7.3, RHEL 3.0, RHEL 4.0
		RedHat	Linux	
		Sun Microsystems	JAVA	
		JBOSS	JBOSS	3.2.4 ?
		Sun Microsystems	JSF	?
		GNU/Redhat ?	C compiler	?
		Apache	ANT	?
		RedHat	RPM	?
		Apache	AXIS	?
Project Manager	1			7.3, RHEL 3.0, RHEL 4.0
		RedHat	Linux	
		Sun Microsystems	JAVA	
		JBOSS	JBOSS	3.2.4 ?
		Sun Microsystems	JSF	?
		MySQL	MySQL	4.?
		Apache	ANT	?
		RedHat	RPM	?
		Apache	AXIS	?
Convert Manager	1			7.3, RHEL 3.0, RHEL 4.0
		RedHat	Linux	
		Sun Microsystems	JAVA	
		JBOSS	JBOSS	3.2.4 ?
		Sun Microsystems	JSF	?
		MySQL	MySQL	4.?
		Apache	ANT	?
		RedHat	RPM	?

	Apache	AXIS	?
Job Activity	1		7.3, RHEL 3.0, RHEL 4.0
	RedHat	Linux	
	Sun Microsystems	JAVA	
	JBOSS	JBOSS	3.2.4 ?
	Sun Microsystems	JSF	?
	MySQL	MySQL	4.?
	Apache	ANT	?
	RedHat	RPM	?
	Apache	AXIS	?
Layout Manager	1		7.3, RHEL 3.0, RHEL 4.0
	RedHat	Linux	
	Sun Microsystems	JAVA	
	JBOSS	JBOSS	3.2.4 ?
	Sun Microsystems	JSF	?
	MySQL	MySQL	4.?
	Apache	ANT	?
	RedHat	RPM	?
	Apache	AXIS	?
Activate framework	1		7.3, RHEL 3.0, RHEL 4.0
	RedHat	Linux	
	Sun Microsystems	JAVA	
	JBOSS	JBOSS	3.2.4 ?
	Sun Microsystems	JSF	?
	MySQL	MySQL	4.?
	Apache	ANT	?
	RedHat	RPM	?
	Apache	AXIS	?
Orbiter	2.6		
	Sun Microsystems	JAVA	
	Apache	Tomcat	
	GNU/Redhat ?	PERL	
	MySQL	MySQL	
	Apache	Log4j	
	Apache	Commons ?	
	Apache	Struts	
	CodeZoo?	Tyrex	
	Oracle	Oracle JDBC	
	?	wsdl4j	

?	saaj
?	jaxrpc
castor	castor
Apache	AXIS
Apache	xalan
?	jaxen
dom4j	dom4j
?	Xerces

**MBOTNE**

InfoBase				
Data Grid		OCI	TAO	1.3,1.4
			Xerces XML C++	2.2,2.6
			Boost	1.29,1.30
		GNU/Redhat ?	Perl	5.61,5.8
Helios		OCI	TAO	1.3
			Xerces XML C++	2.2
			Boost	1.29
			GNU automake	1.54
			GNU autoconf	2.13
			GNU libtool	1.4.2

**RFARME**

SAS	Base	8.x / 9.x	SAS	SAS/Base	8.x / 9.x
	Stat	8.x / 9.x	SAS	SAS/Stat	8.x / 9.x
	OR	8.x / 9.x	SAS	SAS/OR	8.x / 9.x
	Connect	8.x / 9.x	SAS	SAS/Connect	8.x / 9.x
	Secure	8.x / 9.x	SAS	SAS/Secure	8.x / 9.x
	Access for ODBC	8.x / 9.x	SAS	???	8.x / 9.x
	Access for Oracle	8.x / 9.x	SAS	???	8.x / 9.x
	sasauth	8.x / 9.x	SAS	sasauth	8.x / 9.x
BigIP	???	???	???	???	???

**RTHORN**

EDGE/GIS	1.1/2.0	Sterling Commerce	Gentran Integration Suite	4.0.2-5/4.0.3-6
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LDAP Authentication	CII Identity Authentication	1.1	kernel.org	Linux-PAM	0.77
Nexus	Nexus Scheduled Processes	2.4	Arcana Development	Arcana	2.3
	Nexus Hub	2.4	OpenSSH Project	OpenSSH	3.61
AGS	Logging Service	1.0	Apache Software Foundation	Log4J	
	AGS Service	1.0	Apache Software Foundation	Log4Cxx	
	AGS Service/Job Monitor	1.0	Apache Software Foundation	Xerces	
	AGS Service/Job Monitor	1.0	Apache Software Foundation	Xalan	
	MySQL	1.0	MySQL Database	MySQL	4.1
	Soap::Lite	1.0	PERL Module	?	
	Acxiom Job XML Submission System (AJXSS)	1.0	SourceForge.net	LibXML++	1.0.0 <described above>
	AJXSS	1.0		Log4cxx	2.4.19-4
	AJXSS	1.0	xmlsoft.org	libxml2	
Validation Service				Perl	<described elsewhere>
			Microsoft Corporation	Microsoft XML parser	4.0
WorkFlow Infrastructure Services (WFIS)		1.0		Perl	<described elsewhere>
		1.0		JBOSS	<described elsewhere>
		1.0		SOAP	<described elsewhere>
Engine Adapter				Perl	<described elsewhere>
			SourceForge.net SourceForge.net	Expat XML Parser LibXML++	5.4.1/1.95.2 1.0.0
Transfer Service				Perl	<described elsewhere>

Acxiom Metadata Repository System	Acxiom Metadata Client	2.0			
	Repository Database (required)		Microsoft Corporation	Microsoft SQL Server	SQL 2000 SP4
	Repository Database (optional)		Oracle Corporation	Oracle	9i

## RPATEL

Anubis	?	OCI	TAO	1.1 & 1.3a
Apiary		Apache	ANT	1.3.27
		RedHat	mod_perl	1.26
		RedHat	mod_gzip	1.3.26
		Acxiom	mod_ssl	2.8.12
		RedHat	mod_auth_pam	1.1.1
		MySQL	MySQL	4.0.12
			perl_date_business	1.2
			perl_gd	1.19
			perl_gd_graph	1.39
			perl_gd_textutil	0.82
			perl_net_snmp	3.6
			perl_libwww_perl	5.76
			perl_libnet	1.0901
			perl_mailtools	1.47
			perl_dbd_mysql	2.1026
			perl_dbi	1.35
			perl_soap_lite	0.56
			perl_extutils_autoinstall	0.59
			perl_apache_authexpire	0.39.1
			perl_authen_pam	0.14
			perl_mime_tools	5.411
			perl_io_stringy	2.108
			perl_algorithm_numerical_shuffle	1.4
			net_snmp	5.0.3
			dmidecode	2.3
		HP	arrayinfo	0.12
		Dell	afacli	2.7
apiary_ldap			perl_io_socket_ssl	0.96
			perl_net_ssleay	1.25
			perl_net_ldap	0.28
			perl_mailtools	1.47
apiary_rex			apache	1.3.27
			mod_perl	1.26

		mod_gzip	1.3.26
		mod_ssl	2.8.12
		mod_auth_pam	1.1.1
		mysql	4.0.12
		perl_date_business	1.2
		perl_gd	1.19
		perl_gd_graph	1.39
		perl_gd_textutil	0.82
		perl_net_snmp	3.6
		perl_libwww_perl	5.76
		perl_libnet	1.0901
		perl_mailtools	1.47
		perl_dbd_mysql	2.1026
		perl_dbi	1.35
		perl_soap_lite	0.56
		perl_extutils_autoinstall	0.59
		perl_apache_authexpire	0.39.1
		perl_authen_pam	0.14
		perl_mime_tools	5.411
		perl_io_stringy	2.108
		perl_algorithm_numerical_shuffle	1.4
		net_snmp	5.0.3
apt_server		apt_rpm	0.5.15cnc6
		wget	1.8.2
Corba Tools	OCI	TAO	1.1 & 1.3a
DB Wrapper	MySQL	MySQL	4.0.12
Grid FTP Server		perl_net_ftpsrvr	1.116
Hive for Hire		perl_expect	1.15
		perl_io_tty	1.02
		perl_io_socket_ssl	0.96
		perl_net_ssleay	1.25
		perl_net_ldap	0.28
		perl_mailtools	1.47
		perl_mime_base64	2.12
		openssh	3.8p1
Hydra Top		perl_libwww_perl	5.76

LDAP Admin		perl_io_socket_ssl	0.96
		perl_net_ssleay	1.25
		perl_net_ldap	0.28
		perl_mailtools	1.47
		perl_cgi	2.752
		perl_expect	1.15
		perl_net_snmp	3.6
		perl_algorithm_numerical_shuffle	1.4
		perl_convert_asn1	0.17
LDAP Cert		openssh	3.8p1
LDAP Master		perl_cgi	2.752
		perl_net_ldap	0.28
		perl_mailtools	1.47
LDAP Migrate		perl_io_socket_ssl	0.96
		perl_net_ssleay	1.25
		perl_net_ldap	0.28
		perl_term_readkey	2.17
		openldap	2.0.27
LDAP Slave		perl_cgi	2.752
LDAP Utils		perl_io_socket_ssl	0.96
		perl_net_ssleay	1.25
		perl_net_ldap	0.28
LDAP Wrapper		openldap	2.0.27
Naming Service Util	OCI	TAO	1.1 & 1.3a
Naming Service Wrapper	OCI	TAO	1.1 & 1.3a
Perl SNMP Graph		perl_gd_graph	1.39
Pod LDAP		openldap	2.0.27
		perl_xml_parser	2.30
Propolis		perl_crypt_ssleay	0.51.1

Service Finder Policy	OCI	TAO	1.1 & 1.3a
Software Server		apt_rpm rpm	0.5.15cnc6 4.0.4
TAO Development	OCI	TAO	1.1 & 1.3a
TAO Runtime	OCI	TAO	1.1 & 1.3a
XML2HCL		perl_xml_parser	2.30
PVFS	Clemson University	PVFS Library PVFS Server and Kernel	1.6.3.3 1.6.3.3

### GAVSMI

FOCAL	3	RedHat	RedHat Linux	RHEL3/7.3
		IBM	WebSphere (DataStage)	7.5.1A
		Apache	ANT	2.0.46
		HP	Tru64	5.1
PERL	3	RedHat	RedHat Linux	RHEL3/7.3
		IBM	WebSphere (DataStage)	7.5.1A
		Apache	ANT	2.0.46
		HP	Tru64	5.1
Generic Service	3	RedHat	RedHat Linux	RHEL3/7.3
		IBM	WebSphere (DataStage)	7.5.1A
		OCI	TAO	1.1 & 1.3a
		GNU Perl		5.8.0
		Apache Xalan		1.9.0
		Apache Xerces		2.6.0
		GNU SOAP		2.7

And, all of the Licenses identified in the Development Tool Spread Sheet below (and the code that they cover) except the licenses identified as Excluded Licenses (and the code they cover):

#### DEVELOPMENT TOOL SPREAD SHEET

Development tool name	Vendor	Purpose the tool is used for
GNU Compiler (gcc, g++)	RedHat – GNU Open Source	Code compilation
gdb/DDD	RedHat – GNU Open Source	debugging
Editors – vi and emacs	RedHat – GNU Open Source	editing

TotalView	Etnus Corp.	debugging debugging – memory leaks, array bounds etc.
ValGrind	Freeware	development/debugging
Jboss	Jboss	development/debugging
JDK	Sun and IBM – Freeware	development/debugging
Eclipse	IBM – Freeware	development/debugging
CARS	Compuware	Regression testing Build grid applications – grid application code generator
HiveBuilder	Acxiom	Developer portal
SourceForge Enterprise	VA Software	Source code repository
SubVersion	Greeware	Make binaries
GNU Make	RedHat – GNU Open Source	Package management
RPM	RedHat – Open Source	debugging – memory leaks, array bounds etc.
Insure++	ParaSoft	Various debugging purposes
RedHat Linux command line tools	RedHat – GNU Open Source	Performance testing (not widely used yet)
Vantage	Compuware	Orbiter testing
Tempest	Acxiom	InfoBase build testing
DAART	Acxiom	Perl debugging
Perl Debugger	RedHat – GNU Open Source	
LDAP Browser\Editor 2.8.2		
Ethereal – Network Protocol Analyzer ver 0.10.11		
tcpdump-3.7.2-7.E3.2		
phpLDAPadmin is version 0.9.6c		
VMWare		
ld		
UltraEdit		
Visual Studio	Microsoft	Visual IDE
Query Browser	MySQL	
Putty	Freeware (MIT License)	
WinSCP3	GNU license	
CookTop (xml editor)	freeware	Editing xml and xslt coding
Secure shell client	Freeware	
Tortoise SVM	Subversion client	
SOAP::Lite		Testing ODBC/Data Preview in Rapidus/Building from ODBC source in Rapidus
Access	Microsoft	Rapidus Scheduler Scripting
Active Perl 5.8.3	ActiveState	
autoconf	RedHat – GNU Open Source	
automake	RedHat – GNU Open Source	
bison	RedHat – GNU Open Source	
DataStage	IBM	Grid control in Rapidus and in the SBF Queue Manager
Dundas Ultimate Grid 97	Dundas Software	
flex	RedHat – GNU Open Source	
GraphicsServer 5.0	GraphicsServer	Rapidus

Jbuilder	Borland	
OmniORB v4.0.3	RedHat – GNU Open Source	
Oracle	Oracle	GBF, Planner
Oracle ProC	Oracle	GBF
Oracle SQL Plus	Oracle	GBF, Planner
Stingray Objective Studio 6.0.3	RogueWave	Window Controls for Rapidus GUI
TOAD	Quest Software	
Visual Studio .NET 2003	Microsoft	GBF, Planner
Visual Source Safe	Microsoft	Source Control
GNU automake	RedHat – GNU Open Source	
GNU autoconf	RedHat – GNU Open Source	
GNU libtool	RedHat – GNU Open Source	

And, all of the Licenses identified in the Second Development Tool Spread Sheet below (and the code that they cover) except the licenses identified as Excluded Licenses (and the code they cover):

### SECOND DEVELOPMENT TOOL SPREAD SHEET

<b>Development tool name</b>	<b>Vendor</b>	<b>Purpose the tool is used for</b>
		Testing ODBC/Data Preview in Rapidus/Building from ODBC source in Rapidus
Access	Microsoft	
Active Perl 5.8.3	ActiveState	Rapidus Scheduler Scripting
autoconf	RedHat – GNU Open Source	
automake	RedHat – GNU Open Source	
bison	RedHat – GNU Open Source	
CookTop (xml editor)	freeware	Editing xml and xslt coding
DataStage	IBM	
		Grid control in Rapidus and in the SBF Queue Manager
Dundas Ultimate Grid 97	Dundas Software	
Eclipse	Open Source, IBM	ASIPosting, ASI Business Logic
flex	RedHat – GNU Open Source	
gcc	Linux	
GraphicsServer 5.0	GraphicsServer	Rapidus
Jbuilder	Borland	
make	Linux	
OmniORB v4.0.3	RedHat – GNU Open Source	
Oracle	Oracle	GBF, Planner
Oracle ProC	Oracle	GBF
Oracle SQL Plus	Oracle	GBF, Planner
Putty	Open Source (MIT License)	
Stingray Objective Studio 6.0.3	RogueWave	Window Controls for Rapidus GUI
TOAD	Quest Software	
UltraEdit	UltraEdit	Shell and SQL scripts
vi	n/a	
Visual C++ v6.0	Microsoft	GBF, Planner
Visual Source Safe	Microsoft	Source Control

Visual Studio .NET 2003	Microsoft	GBF, Planner
MySQL	Open Source, ABData	Datagrid, MySQL Hive
Oracle Universal Installer	Oracle	Installation of Oracle products
		Installation package creation and management
rpm	RedHat – GNU Open Source	

### Excluded License Agreements

- Ascential/IBM Websphere (Datastage XE Parallel Extender)
- Sterling Software (Connect & GIS Software)
- Red Hat (Linux) support services agreement

### Development Agreements

None

### **Version 2.0-**

<b>Name</b>	<b>Location</b>	<b>Date</b>
Policy Manager	<subversion repository>/act_polman	12/28/2007
Scheduling Adapter	<subversion repository>/act_sa	12/28/2007
Scheduling Adapter AXIS Router	<subversion repository>/act_sa	12/28/2007
LDC	<subversion repository>/actfwk	12/28/2007
RSA Workaround	<subversion repository>/actfwk	12/28/2007
NA	<subversion repository>/actlm	12/28/2007
Focal Manager	<subversion repository>/actsm	12/28/2007
Workflow manager Acxiom	<subversion repository>/actwfm-acx	12/28/2007
Focal Validation Service	<subversion repository>/acxperl	12/28/2007
Scheduler	<subversion repository>/ags-acxiom	12/28/2007
Apiary	<subversion repository>/apiary	12/28/2007
Data Stage	<subversion repository>/ascential	12/28/2007
DataStage Grid Product	<subversion repository>/datastage_grid_product	12/28/2007
Apiary Report	<subversion repository>/emc_apiary_report	12/28/2007
CORBA Standard	<subversion repository>/emc_corba_std	12/28/2007
TAO CORBA	<subversion repository>/emc_taocorba	12/28/2007
FDW	<subversion repository>/fdw	12/28/2007
Fellowship	<subversion repository>/fellowship	12/28/2007
FOCAL	<subversion repository>/focal	12/28/2007
FOCAL Perl Build Scripts	<subversion repository>/focalperlbuildscripts	12/28/2007
GRID CORBA	<subversion repository>/grid_corba	12/28/2007
HIVE	<subversion repository>/hive	12/28/2007
HIVE for Hire	<subversion repository>/hive_for_hire	12/28/2007
Hydra	<subversion repository>/hydra	12/28/2007
Hydra Transforms	<subversion repository>/hydratransforms	12/28/2007
ia HIVE	<subversion repository>/iahive	12/28/2007
IDAUTH	<subversion repository>/idauth	12/28/2007

Java CORBA	<subversion repository>/java_corba	12/28/2007
Apiary MySQL	<subversion repository>/mysql_apiary	12/28/2007
Apiary ORA Plugin	<subversion repository>/ora_apiary_plugin	12/28/2007
Orbiter UI	<subversion repository>/orbiter_ui	12/28/2007
PVFS	<subversion repository>/pvfs	12/28/2007
Valmods GVS	<subversion repository>/valmods_gvs	12/28/2007
POD Data Management	<subversion repository>/pod_data_mgt	12/28/2007
POD LDAP	<subversion repository>/pod_ldap	12/28/2007
Project Manager	<subversion repository>/projectmgr	12/28/2007
Properties	<subversion repository>/properties	12/28/2007
Audit Manager	<subversion repository>/act_audit	12/28/2007
Job Monitor Manager	<subversion repository>/act_jmm	12/28/2007
Job Activity Manager	<subversion repository>/act_jobact	12/28/2007
Job Detail Manager	<subversion repository>/act_jobdetails	12/28/2007
Data Grid Manager	<subversion repository>/actfwk	12/28/2007
GUI Install	<subversion repository>/actfwk	12/28/2007
User Manager	<subversion repository>/actfwk	12/28/2007
Work flow manager	<subversion repository>/actwfm	12/28/2007
Parse Config File	<subversion repository>/acxperl	12/28/2007
AGS Build	<subversion repository>/ags-acxiom	12/28/2007
AGS GUI	<subversion repository>/ags-acxiom	12/28/2007
AGS Helper	<subversion repository>/ags-acxiom	12/28/2007
Job Monitor	<subversion repository>/ags-acxiom	12/28/2007
Request Manager	<subversion repository>/ags-acxiom	12/28/2007
Data Schema	<subversion repository>/ags-acxiom	12/28/2007
TestApps	<subversion repository>/ags-acxiom	12/28/2007
Advance Job XML	<subversion repository>/ajxss	12/28/2007
Cigar	<subversion repository>/cigar	12/28/2007
Delegate Sub	<subversion repository>/delegatsub	12/28/2007
DFI	<subversion repository>/dfi	12/28/2007
Dist Arch	<subversion repository>/distarch	12/28/2007
EA	<subversion repository>/ea	12/28/2007
Edge	<subversion repository>/edge	12/28/2007
EMC GOE Central	<subversion repository>/emc_goe_central_archive	12/28/2007
EMC GOE RM	<subversion repository>/emc_goe_rm	12/28/2007
IOF	<subversion repository>/emc_iof	12/28/2007
IOF Secure	<subversion repository>/emc_iof_secure	12/28/2007
Gen Serv	<subversion repository>/emcgenserv	12/28/2007
Forwarding	<subversion repository>/forwarding	12/28/2007
FP Functions	<subversion repository>/fpfunctions	12/28/2007
FP Services	<subversion repository>/fpservices	12/28/2007
Global CSS	<subversion repository>/globalcss	12/28/2007
Grid Sac Util	<subversion repository>/gridsacutil	12/28/2007
Hacns	<subversion repository>/hacns	12/28/2007
Heartbeat	<subversion repository>/heartbeat	12/28/2007
heliosmain	<subversion repository>/heliosmain	12/28/2007
hercules	<subversion repository>/hercules	12/28/2007
horizon	<subversion repository>/horizon	12/28/2007

ID 2	<subversion repository>/id_2	12/28/2007
Identity	<subversion repository>/identity	12/28/2007
Infra comp	<subversion repository>/infracomp	12/28/2007
Input Validation	<subversion repository>/inputvalidation	12/28/2007
Interactive Delivery	<subversion repository>/interactive_delivery	12/28/2007
Interactive Service	<subversion repository>/interactive_services	12/28/2007
IS Res	<subversion repository>/isres	12/28/2007
JDPS	<subversion repository>/jdps	12/28/2007
jzero Conf	<subversion repository>/jzeroconf	12/28/2007
Meta data for linux	<subversion repository>/md_for_linux	12/28/2007
MDPost Transfer	<subversion repository>/mdpost_xfer	12/28/2007
MPICH2	<subversion repository>/mpich2	12/28/2007
Navigator	<subversion repository>/navigator	12/28/2007
OSDB	<subversion repository>/osdb	12/28/2007
PAM	<subversion repository>/pam_require	12/28/2007
Phenotype	<subversion repository>/phenotype	12/28/2007
RSA	<subversion repository>/rsa-axm	12/28/2007
SAS Hive Proto	<subversion repository>/sas_hive_proto	12/28/2007
SAS IA	<subversion repository>/sasia	12/28/2007
SAS Workflow	<subversion repository>/saswfg	12/28/2007
SEM Engineering	<subversion repository>/sem_eng	12/28/2007
Ser Wirt	<subversion repository>/servvirt	12/28/2007
SPSS IA	<subversion repository>/spssia	12/28/2007
SPSS Workflow	<subversion repository>/spsswfg	12/28/2007
State Tracker	<subversion repository>/statetracker	12/28/2007
Tesla	<subversion repository>/tesla	12/28/2007
Tesla Proto	<subversion repository>/tesla_prototypes	12/28/2007
Workflow Informatica	<subversion repository>/wfg_informatica	12/28/2007
Wit Legacy	<subversion repository>/wit_legacy	12/28/2007
Wit PVCS	<subversion repository>/wit_pvcs	12/28/2007
Wit Shared	<subversion repository>/wit_shared	12/28/2007
WSA Dev	<subversion repository>/wsa_dev	12/28/2007
WS Router	<subversion repository>/wsrouter	12/28/2007
Environment Information Service	<subversion repository>/analytics	12/28/2007
CII Won	<subversion repository>/ciiwon	12/28/2007
EMC Grid Installer	<subversion repository>/emc_grid_installer	12/28/2007
EMC ISG	<subversion repository>/emc_isg	12/28/2007
Grid AuthN	<subversion repository>/gridauthn	12/28/2007
Grid AuthZ	<subversion repository>/gridauthz	12/28/2007
GridLog	<subversion repository>/gridlog	12/28/2007
NFS	<subversion repository>/nfs	12/28/2007
Tempest	<subversion repository>/tempest	12/28/2007
Trans Diff	<subversion repository>/transdiff	12/28/2007
Workflow GC	<subversion repository>/wfgc	12/28/2007
Workflow IS	<subversion repository>/wfis	12/28/2007
Workflow Manager	<subversion repository>/wfm	12/28/2007
Workflow Manager Symbol XML	<subversion repository>/wfm_symbolxml	12/28/2007

Job Log Manager	<subversion repository>/act_ilm	12/28/2007
Activate SDK	<subversion repository>/act_sdk	12/28/2007
Seminole Submit Tester	<subversion repository>/act_share	12/28/2007
Submit Manager	<subversion repository>/act_submit	12/28/2007
Activate Desktop	<subversion repository>/actdesktop	12/28/2007
File Manager	<subversion repository>/actfm	12/28/2007
Activate Framework	<subversion repository>/actfwk	12/28/2007
Ajax List View	<subversion repository>/actfwk	12/28/2007
Support Scripts	<subversion repository>/actfwk	12/28/2007
Job Report Manager	<subversion repository>/actjobreport	12/28/2007
Job Data Service	<subversion repository>/actjobreport	12/28/2007
Pentaho BI Integration	<subversion repository>/actjobreport	12/28/2007
Report Manager	<subversion repository>/actrm	12/28/2007
Script Manager	<subversion repository>/actsm	12/28/2007
Script Manager Unit Tests	<subversion repository>/actsm	12/28/2007
WF GUI Prototype	<subversion repository>/actwfm	12/28/2007
WF GUI Prototype for Acxiom	<subversion repository>/actwfm-acx	12/28/2007
Acxiom Perl Script for WF	<subversion repository>/acxperl	12/28/2007
Perl Script Validation Service	<subversion repository>/acxperl	12/28/2007
Perl Service	<subversion repository>/acxperl	12/28/2007
Perl Service Test	<subversion repository>/acxperl	12/28/2007
Perl Validation Service	<subversion repository>/acxperl	12/28/2007
Logging Server	<subversion repository>/ags-acxiom	12/28/2007
Map Reduce Step	<subversion repository>/analytics	12/28/2007
SAS OSH	<subversion repository>/analytics	12/28/2007
SAS Grid Service	<subversion repository>/analytics	12/28/2007
Workflow SAS	<subversion repository>/analytics	12/28/2007
ATF Bridge	<subversion repository>/atfbridges	12/28/2007
ATF Counts	<subversion repository>/atfbridges	12/28/2007
ATF XML	<subversion repository>/atfxml	12/28/2007
Audit Operator	<subversion repository>/auditop	12/28/2007
Autobuild	<subversion repository>/autobuild	12/28/2007
Bonjour	<subversion repository>/bonjour	12/28/2007
BonjourWrapper	<subversion repository>/bonjourwrapper	12/28/2007
Cascade	<subversion repository>/cascade	12/28/2007
Cascade Dev	<subversion repository>/cascadedev	12/28/2007
CDI Arch Ops	<subversion repository>/cdiarchops	12/28/2007
CIIDevelopment Toolkit	<subversion repository>/ciidevelopmenttoolkit	12/28/2007
CM Scripts	<subversion repository>/cm_scripts	12/28/2007
Compute Farm	<subversion repository>/compfarm	12/28/2007
Conf	<subversion repository>/conf	12/28/2007
Connect EMC	<subversion repository>/connectemc	12/28/2007
Cruise Control	<subversion repository>/cruisectl	12/28/2007
CX700	<subversion repository>/cx700	12/28/2007
Data Dock FTP	<subversion repository>/datadockftp	12/28/2007
Dav	<subversion repository>/dav	12/28/2007
Database	<subversion repository>/db	12/28/2007
ELM	<subversion repository>/elm	12/28/2007

EMC Acxiom Common	<subversion repository>/emc_acxcommon	12/28/2007
EMC Perl	<subversion repository>/emc_perl	12/28/2007
Emc Product Support	<subversion repository>/emc_prodsupptools	12/28/2007
EMC Shared C Code	<subversion repository>/emc_shared_c_code	12/28/2007
EMC Grid	<subversion repository>/emcgrid	12/28/2007
ETL Grid	<subversion repository>/etl_grid	12/28/2007
ext	<subversion repository>/ext	12/28/2007
extxml	<subversion repository>/extxml	12/28/2007
filesystems	<subversion repository>/filesystems	12/28/2007
fuji	<subversion repository>/fuji	12/28/2007
generic_service	<subversion repository>/generic_service	12/28/2007
goe_documentation	<subversion repository>/goe_documentation	12/28/2007
grid_debugging	<subversion repository>/grid-debugging	12/28/2007
grid-ftp-proftpd	<subversion repository>/grid-ftp-proftpd	12/28/2007
grid_enabled_mysql	<subversion repository>/grid_enabled_mysql	12/28/2007
grid_enabled_mysql.backup	<subversion repository>/grid_enabled_mysql.backup	12/28/2007
grid_enabled_oracle	<subversion repository>/grid_enabled_oracle	12/28/2007
grid_jdk	<subversion repository>/grid_jdk	12/28/2007
griddev	<subversion repository>/griddev	12/28/2007
gridftp	<subversion repository>/gridftp	12/28/2007
gridscm_cruise	<subversion repository>/gridscm_cruise	12/28/2007
gridsftp	<subversion repository>/gridsftp	12/28/2007
gridsftp-custom	<subversion repository>/gridsftp-custom	12/28/2007
gridssh	<subversion repository>/gridssh	12/28/2007
gs-emc	<subversion repository>/gs-emc	12/28/2007
gtest	<subversion repository>/gtest	12/28/2007
gvs	<subversion repository>/gvs	12/28/2007
hooks	<subversion repository>/hooks	12/28/2007
j2eegrid	<subversion repository>/j2eegrid	12/28/2007
jas	<subversion repository>/jas	12/28/2007
javagrid	<subversion repository>/javagrid	12/28/2007
jboss_support	<subversion repository>/jboss_support	12/28/2007
jbossas	<subversion repository>/jbossas	12/28/2007
jmeter	<subversion repository>/jmeter	12/28/2007
jquery	<subversion repository>/jquery	12/28/2007
jreave_test	<subversion repository>/jreave_test	12/28/2007
libnet	<subversion repository>/libnet	12/28/2007
libxslt	<subversion repository>/libxslt	12/28/2007
locks	<subversion repository>/locks	12/28/2007
log4	<subversion repository>/log4	12/28/2007
lookuptable	<subversion repository>/lookuptable	12/28/2007
mfg	<subversion repository>/mfg	12/28/2007
openssh	<subversion repository>/openssh	12/28/2007
openssh-gridsftp	<subversion repository>/openssh-gridsftp	12/28/2007
passcrypt	<subversion repository>/passcrypt	12/28/2007
pvfs2	<subversion repository>/pvfs2	12/28/2007
scm_meta_rpm	<subversion repository>/scm_meta_rpm	12/28/2007

scm_perl	<subversion repository>/scm_perl	12/28/2007
scm_rm_archive	<subversion repository>/scm_rm_archive	12/28/2007
scm_software_builds	<subversion repository>/scm_software_builds	12/28/2007
seminole_steps	<subversion repository>/seminole_steps	12/28/2007
servicecallservice	<subversion repository>/servicecallservice	12/28/2007
sfnavigator	<subversion repository>/sfnavigator	12/28/2007
smarts_build	<subversion repository>/smarts_build	12/28/2007
solutionrepo	<subversion repository>/solutionrepo	12/28/2007
spoonws	<subversion repository>/spoonws	12/28/2007
spoonws2	<subversion repository>/spoonws2	12/28/2007
storage-automation	<subversion repository>/storage-automation	12/28/2007
syslog-ng	<subversion repository>/syslog-ng	12/28/2007
systemarchitect	<subversion repository>/systemarchitect	12/28/2007
systemimager	<subversion repository>/systemimager	12/28/2007
tablemanager	<subversion repository>/tablemanager	12/28/2007
test	<subversion repository>/test	12/28/2007
tigerteam	<subversion repository>/tigerteam	12/28/2007
totalview	<subversion repository>/totalview	12/28/2007
tracker_reporting	<subversion repository>/tracker_reporting	12/28/2007

**dEXHIBIT 2**

**EMC Competitors**

1. IBM
2. Hewlett-Packard
3. Oracle
4. SAP
5. Microsoft
6. Google
7. Net Apps
8. Accenture
9. Dell
10. Sun

EMC reserves the right to modify the companies this list upon ten (10) days written notice to Acxiom, provided that there will not be more than (10) companies identified on this list at any one time.

**EXHIBIT 3****Pentaho Services**

Acxiom hereby grants to EMC a perpetual, unlimited, non-exclusive, world-wide fully paid up license and right to use exclusively within the Current Grid IP the Pentaho Management Services (Group C) below.

Acxiom hereby grants to EMC a fully paid, irrevocable, unrestricted, perpetual, non-exclusive, assignable, transferable, sub-licensable and reproducible license to use the Acxiom Proprietary Components (Group B below) for all corporate purposes, including but not limited to right to use, make, modify, distribute, create derivative works of and otherwise develop and commercialize the Acxiom Proprietary Components. EMC shall own all right, title and interest in any derivative works created by or on EMC's behalf.

The Pentaho Open Source Components (Group A below) are licensed in accordance with their respective open source licenses.

<b>Group A Pentaho Open Source Components</b>	<b>License Type</b>	<b>Comments and Description of Functionality</b>
Pentaho Data Integration/ETL Product Code: KTL1	LGPL	ETL Core Engine, Workflow Engine, Design UI
Pentaho BI Platform Pro Product Code: PP1	MPL	App Server-based; pulls all or part of the modules together – combined with single product subscriptions for Pentaho Data Integration, Pentaho Analysis, and Pentaho Reporting. Also provides Admin, security, scheduling and other repository functionality.
Pentaho Reporting Product Code: JFR 1	Reporting Engine: LGPL Report Designer: MPL Report Wizard: MPL Web-based Ad-hoc: MPL	Core Reporting Engine Library  Graphical Desktop-base report designer Graphical step-based reporting wizard Browser-based self-service reporting app
Pentaho Analysis Product Code: MON1	ROLAP Engine: CPL  Web-based pivot UI: CPL  Schema Designer: MPL	Core ROLAP engine, MDX-parser, XMLA-compliant API  Web-based slicer/dicer  Desktop-based graphical schema designer tool
Pentaho Dashboard Product Code: DSH1	MPL	Web-service calls, APIs to enable Dashboard creation, portlet enabled reports, charts, and gauges/dials.
<b>Group B Acxiom Proprietary Components</b>	<b>Description</b>	<b>Intellectual Property owned by Acxiom Corporation</b>
SE Services	Acxiom bundle and Resource Web Services Grid Schedule Publisher Validation Node Calculation Resource Calculation	Licensed to EMC pursuant to Article 8 of the Transition Amendment
<b>Group C Pentaho Proprietary Appliance/Management Components</b>	<b>Description</b>	<b>Intellectual Property owned by Pentaho Corporation</b>
	Services which help in monitoring a set of APIs	

**SEPARATION AGREEMENT  
AND GENERAL RELEASE**

This Separation Agreement and General Release (“Agreement”) is entered into as of the 6th day of March, 2008, between Acxiom Corporation, its successors and current and former subsidiaries, affiliates, officers, directors, employees, representatives, insurers, agents and assigns (“Acxiom”), and Rodger S. Kline (“Associate”).

1. Associate’s employment with Acxiom shall be severed effective May 31, 2008 (“Separation Date”), under the following terms and conditions:
  - a. Associate acknowledges that he is an “at will” employee and does not have any right to severance benefits under Acxiom’s policies or any other understanding or agreement with Acxiom that would entitle him to severance benefits. In consideration for Associate’s execution of this Agreement, Acxiom agrees to provide the additional benefits described in Exhibit A attached to and made part of this Agreement.
  - b. In exchange for the consideration set forth in Exhibit A, Associate agrees to unconditionally release and discharge Acxiom from all claims, obligations and liabilities Associate has or may have had, whether known or unknown, suspected or unsuspected up to and as of the date of the execution of this Agreement, arising out of or related to Associate’s employment, separation from Acxiom and any other contact or association with Acxiom. Such claims include, without limitation, those for: personal injuries; compensatory, punitive, and liquidated damages; wages, salaries, commissions, and bonuses; deductions; back pay; front pay; reinstatement; court costs; attorneys’ fees; intentional infliction of emotional distress; tort; express or implied contract; wrongful discharge; and/or for any other known or unknown causes, claims or demands which Associate has or may have had against Acxiom. This Agreement specifically releases and discharges Acxiom from, without limitation, any and all claims Associate has or may have had against Acxiom under:
    - i. Title VII of the Civil Rights Act of 1964, Section 1981 of the Civil Rights Act of 1866, Section 1981A of the Civil Rights Act of 1991, and Executive Order 11246, which prohibit discrimination based on race, color, national origin, religion, or sex;
    - ii. the Age Discrimination in Employment Act and Executive Order 11141, which prohibit age discrimination in employment;
    - iii. the Americans with Disabilities Act of 1990 and Sections 503 and 504 of the Rehabilitation Act of 1973, which prohibit discrimination on account of disability;
    - iv. the Fair Labor Standards Act of 1938, which regulates wage and hour matters;

- v. the Equal Pay Act of 1963, which prohibits paying men and women unequal pay for equal work;
- vi. the Consolidated Omnibus Budget Reconciliation Act of 1985, which requires employers under certain circumstances to offer continued health coverage after an employee's separation of employment;
- vii. the Employee Retirement Income Security Act which, among other things, protects employee benefits;
- viii. the Older Worker Benefit Protection Act;
- ix. the Arkansas Civil Rights Act of 1993;
- x. the Family and Medical Leave Act, which requires employers to provide leaves of absence under certain circumstances;
- xi. the Occupational Safety and Health Act;
- xii. state or federal common law; and/or
- xiii. any local, state, or federal law whatsoever,

each as amended. Associate acknowledges that this is a knowing and voluntary waiver. Associate waives all seniority rights he may have with Acxiom, and Associate expressly waives any claim for reinstatement by Acxiom.

- c. This waiver and release does not apply to or waive: 1) Associate's rights to enforce this Agreement; 2) any rights Associate may have under applicable workers' compensation or unemployment compensation statutes; or 3) any right to continuation of health care coverage under the Consolidated Omnibus Reconciliation Act.
- d. In exchange for the consideration set forth in Exhibit A, Associate agrees to the following terms and conditions:
  - i. For a period of one year following the Separation Date, Associate will not compete with Acxiom by soliciting business from any Acxiom customer. Associate acknowledges that the purpose of this paragraph is to protect Acxiom's legitimate business interests and market advantages from unfair competition by Associate and not to interfere with ordinary competition or to deprive Associate of a livelihood. Associate agrees that the restrictions in this subparagraph, in view of the nature of the business in which Acxiom is engaged and in light of the special training, disclosure of trade secrets, confidential business information, and customer data Acxiom has provided to Associate, are reasonable and necessary in order to protect Acxiom's legitimate business interests. Associate acknowledges that the existence of any other claims by Associate against Acxiom, whether based on this Agreement or otherwise, will not constitute a defense to Acxiom's

enforcement of this subparagraph;

- ii. For a period of three years following the Separation Date, Associate will not directly or indirectly solicit, on his own behalf or on behalf of any other person or entity, the services of any person who is an employee of Acxiom or solicit any of Acxiom's employees to terminate their employment with the Company, except with the Company's prior written consent. This subparagraph will not preclude Associate from soliciting the employment of Leslie Rasmussen (whether or not Ms. Rasmussen is then in the employment of the Company) and will not preclude Associate from soliciting the employment of any person whose employment with Acxiom previously ended for any reason other than a solicitation from Associate; and
  - iii. Associate acknowledges that Acxiom has developed and will continue to develop and use valuable technical and non-technical business and trade secrets and other confidential information, including, without limitation, information pertaining to Acxiom's finances, products, services, present and future development, processes or techniques, marketing strategies and related data, customer lists, vendor selection and information, sales and profits, costs and suppliers, and personnel (the "Confidential Information"). Acxiom has protected the disclosure/release of Confidential Information to third persons and intends that such information will continue to be kept confidential. Associate acknowledges that, during his employment with Acxiom, he had access to such Confidential Information. Associate hereby agrees to and acknowledges a continuing obligation to preserve the confidentiality of any Confidential Information. For a period of two years after the Separation Date, Associate will inform prospective employers of Associate of this provision of this Agreement.
2. Associate acknowledges that he has the right to consider this Agreement for a period of 21 days. Associate is advised to consult with an attorney regarding this Agreement and has done so to the extent deemed appropriate. The parties hereby agree that changes made to this Agreement, whether material or immaterial, do not restart the running of the 21-day review period. If Associate elects to sign this Agreement before the end of the 21-day period, he agrees that such earlier execution of this Agreement is his voluntary choice. Associate may revoke this Agreement at any time and for any reason for a period of seven days following the execution of the Agreement. The Agreement is not effective or enforceable until the expiration of the seven-day period. Further, if Associate elects to sign this Agreement, Associate agrees to deliver the executed original version of this Agreement to Acxiom's CEO & President. If the executed Agreement is not received on or before the expiration of the 21-day period, the offer of additional benefits described in Exhibit A will expire.
3. Associate agrees and acknowledges that he has returned or will return all Acxiom property to Acxiom unless destruction of such property is otherwise permitted by Acxiom. The return of Acxiom property shall function as a condition precedent to any obligation on the part of Acxiom to provide the benefits specified in Exhibit A, and accordingly, Acxiom is not obligated to provide any benefits to Associate until such time as it has received all Acxiom property from Associate.

4. For a period of five years, Associate agrees not to knowingly make any statement or engage in any conduct which may reasonably be expected to have the effect of disparaging Acxiom to: (i) any news media representatives (broadcast, print, online or otherwise); or (ii) current or former customers, vendors or employees of Acxiom; and Associate generally agrees not to make any statements with regard to Acxiom or this Agreement intended for public dissemination without Acxiom's prior written consent.
5. This Agreement shall be construed and enforced under Arkansas law, without regard to conflicts of law principles.
6. Associate acknowledges that he is not signing this Agreement in reliance upon any promises, representations or inducements other than those contained in this Agreement, and is signing this Agreement free of any duress or coercion. Associate further acknowledges that he has not assigned or transferred any right or claim he may have against Acxiom. This Agreement is deemed to have been drafted jointly by the parties. Any uncertainty or ambiguity shall not be construed for or against either party based on attribution of drafting.
7. In the event any portion of this Agreement is deemed to be invalid or unenforceable, that portion will be deemed to be omitted and the remainder of this Agreement will remain in full force and effect.
8. Associate agrees that, should he bring any action in any forum challenging the enforceability of this Agreement, he will immediately repay to Acxiom the total amount paid to him under Exhibit A, unless such action directly pertains to the Age Discrimination in Employment Act. In any action to enforce this Agreement, except a claim pertaining directly to the Age Discrimination in Employment Act, the prevailing party's attorneys' fees and costs shall be paid by the non-prevailing party.
9. This Agreement is binding on the parties and their heirs, successors, administrators, agents, executors, assigns, and representatives.

[THIS SPACE LEFT BLANK INTENTIONALLY]

IN WITNESS WHEREOF, the parties hereto have executed the Agreement as of the date set forth above.

**ACXIOM CORPORATION**

By: /s/ John A. Meyer  
John A. Meyer  
CEO & President

**ASSOCIATE**

/s/ Rodger S. Kline  
Rodger S. Kline

## Exhibit A

In consideration of Associate's execution of the Agreement, Acxiom hereby agrees:

1. to pay Associate on the Separation Date a severance payment equal to one year's base salary (\$490,000);
2. to pay Associate on the Separation Date \$4,500 representing Associate's costs of maintaining his current health insurance coverage for 18 months following the Separation Date; and
3. to treat Associate's separation as a retirement in best standing pursuant to which Associate's outstanding stock options will remain exercisable until the expiration of their original terms, except in the case of a change of control of Acxiom, in which event the continued exercisability of Associate's stock options would be determined by the Acxiom Board of Directors prior to the effective date of such change of control.

**PROFESSIONAL SERVICES AGREEMENT**

This Professional Services Agreement ("Agreement") is entered into as of the 6th day of March, 2008, by and between Acxiom Corporation and its subsidiaries and affiliates ("Acxiom"), a Delaware corporation with its principal place of business at 601 East Third Street, Little Rock, Arkansas 72201 and Rodger S. Kline ("Consultant") whose address is 4301 Larchmont Street, Dallas, TX 75205.

1. **Term.** The term ("Term") of this Agreement shall commence on June 1, 2008 (the "Effective Date") and shall end on May 31, 2010.
2. **Scope of Services.** Consultant shall provide consulting services to assist Acxiom as needed during the Term of the Agreement. All requests for Consultant's services shall be made in writing and delivered to Consultant by Acxiom's Organizational Development Leader. In the event Consultant receives a request from any other person within Acxiom, Consultant shall promptly notify the Organizational Development Leader in writing of such request, and shall not proceed with any work with regard to such request until it has been approved in writing by the Organizational Development Leader.
3. **Payment.** Acxiom shall pay Consultant at the rate of \$150.00 per hour for any authorized work performed by Consultant under this Agreement. Consultant shall invoice Acxiom on a monthly basis. Applicable taxes, if any, shall be included by Consultant to the charges payable by Acxiom. Each invoice shall be due and payable within thirty (30) days of Acxiom's receipt of invoice.
4. **Equipment.** Consultant will provide his/her own work space and equipment. However, in the event any equipment ("Equipment") is provided to Consultant by Acxiom in connection with the performance of any work hereunder, such Equipment shall at all times remain the property of Acxiom and shall be immediately returned by Consultant to Acxiom upon request, or upon the expiration or termination of the Agreement.
5. **Inventions /Property Rights.** (a) Any inventions, improvements, concepts, or ideas made or conceived by Consultant in connection with and during the performance of any services hereunder and related to the business of Acxiom, including but not limited to any writings, reports, compilations, software programs or code, shall be considered the sole and exclusive property of Acxiom. Acxiom shall require and Consultant shall ensure that written notebook records of Consultant's work are kept and properly witnessed for use as invention records, and Consultant shall submit such records to Acxiom when requested or at the termination of Consultant's services, or this Agreement. Consultant shall not reproduce any portion of such notebook records without the prior written consent of Acxiom. Consultant shall promptly and fully report all such inventions to Acxiom.
  - (b) Any work performed by Consultant under this Agreement shall be considered a "Work Made for Hire" as that phrase is defined by the U.S. copyright laws and shall be owned by and for the express benefit of Acxiom. In the event it should be established that such work does not qualify as a Work Made for Hire, Consultant hereby assigns to Acxiom all of Consultant's rights, title, and interest in such work product including, but not limited to, all copyrights, patents, trademarks, and other proprietary rights.
  - (c) Both during the Term of this Agreement and thereafter, Consultant shall fully cooperate with Acxiom in the protection and enforcement of any intellectual property rights that may derive as a result of the services performed by Consultant under the terms of this Agreement. This shall include executing, acknowledging, and delivering to Acxiom all documents or papers that may be necessary to enable Acxiom to publish or protect said inventions, improvements and ideas.
6. **Confidentiality.** With respect to any work to be performed by Consultant under this Agreement:
  - (a) Consultant shall treat as confidential any information disclosed by Acxiom, including but not limited to all Acxiom's financial information, employee information, mailing lists, proprietary data, product designs, capabilities, specifications, program code, software systems and processes, information regarding existing and future technical, business and marketing plans and product strategies, and the identity of actual and potential customers and suppliers (hereinafter referred to as "Confidential Information"). Confidential Information may be written, oral, recorded, or contained on tape or on other electronic or mechanical media.
  - (b) "Confidential Information" shall not include information which (i) is in or has entered the public domain through no breach of this Agreement or other wrongful act of Consultant; (ii) has been rightfully received from a third party without breach of this Agreement; (iii) has been approved for release by written authorization of Acxiom; or (iv) is required to be disclosed pursuant to the final binding order of a governmental agency or court of competent jurisdiction, provided that Acxiom has been given reasonable notice of the pendency of such an order and the opportunity to contest it.
  - (c) Consultant will be deemed to be in a fiduciary relationship of confidence with respect to the Confidential Information disclosed to it by Acxiom, and Consultant shall hold the Confidential Information in strict confidence and not to disclose such Confidential Information to any third party or to use it for any purpose other than as specifically authorized by Acxiom.
  - (d) No copies of the Confidential Information shall be made by Consultant except as may be necessary to perform services relating to the Confidential Information as requested by Acxiom.
  - (e) Acxiom shall be deemed to be the owner of all Confidential Information disclosed by it hereunder, including all patent, copyright, mask work, trademark, service mark, trade secret and any and all other proprietary rights and interests therein, and both parties agree that nothing contained in this Agreement shall be construed as granting any rights, by license or otherwise, in or to any Confidential Information disclosed pursuant to this Agreement or to any such intellectual property rights therein.
  - (f) Consultant acknowledges that the unauthorized disclosure, use or disposition of such Confidential Information could cause irreparable harm and significant injury which may be difficult to ascertain. Accordingly, Acxiom shall have the right to an immediate injunction in the event of any breach of this Agreement involving confidentiality, in addition to any other remedies that may be available to Acxiom at law or in equity.
  - (g) Consultant shall indemnify and hold Acxiom harmless against any and all liability, actions, claims, demands, liens, losses, damages, judgments and expenses, including reasonable attorneys' fees that may arise from the unauthorized disclosure or use of Confidential Information.
  - (h) Upon the written request of Acxiom, Consultant shall, at Acxiom's option, either destroy or return to Acxiom all tapes, diskettes or other media upon which the Acxiom Confidential Information is stored, and all copies thereof, if any. If requested by Acxiom to destroy any Acxiom Confidential Information, Consultant shall certify in a writing to be delivered to Acxiom within five (5) business days following such destruction that such destruction had been completed.

7. Termination. Upon termination of this Agreement, the provisions of this Agreement which by their nature have continuing effect shall survive in effect and continue in effect and shall inure to the benefit of and be binding upon the parties, their legal representatives, successors, heirs and assigns.
8. Indemnification. Consultant hereby releases and agrees to indemnify and hold harmless Acxiom, its officers, agents and employees from any and all liabilities, damages, losses, expenses, demands, claims, suits or judgments, including reasonable attorneys' fees, costs and expenses relating to third party claims resulting from any claim that Consultant is not an independent contractor, Consultant's performance of any services hereunder or any breach thereof, or for the loss of, damage to, or destruction of, any property in any manner arising out of the negligent or intentional acts or omissions of Consultant. If any claim by a third party based upon alleged infringement of a patent, copyright or trade secret is asserted against Acxiom by virtue of the use of the software or other programming documentation developed hereunder, Consultant will indemnify and hold Acxiom harmless against damages, reasonable attorneys' fees and costs associated with the investigation, preparation, defense and/or settlement of such claim.
9. Independent Contractor. Consultant shall at all times during the Term of this Agreement be an independent contractor. This Agreement does not create an employer-employee relationship, partnership, joint venture, agency or other such relationship between Acxiom and Consultant.
10. Authority. Consultant shall not have any right, power, or authority to create any obligation, express or implied, or make any representations on behalf of Acxiom except as Consultant may be expressly authorized by Acxiom in advance in a writing signed by Acxiom and then only to the extent of such authorization.
11. Equal Opportunity Employment. Acxiom is an equal opportunity employer and does not discriminate in employment of persons or the awarding of subcontracts because of a person's race, sex, age, religion, national origin, veteran, disability or any other protected status. Consultant is aware of and fully informed of its responsibilities and agrees to comply to the extent applicable with Executive Order 11246, as amended, Section 503 of the Rehabilitation Act of 1973, The Vietnam Era Veterans' Readjustment Assistance Act of 1974 and their implementing regulations including but not limited to the equal opportunity clauses contained in 41 C.F.R. § 60-1.4(a), 41 C.F.R. § 60-741.5(a) and 41 C.F.R. § 60-250A. All such provisions are incorporated herein by this reference.
12. Assignment. This Agreement may not be assigned by Consultant without the prior written consent of Acxiom.
13. Governing Law. This Agreement shall be governed by the laws of the State of Arkansas, without regard to conflicts of law principles and the parties agree to submit to the jurisdiction of the courts of the State of Arkansas.
14. No Waiver. A waiver by either party of any breach of this Agreement by the other party shall not be construed as a waiver of any such subsequent breach by such party of the same or any other provisions of this Agreement.
15. Partial Invalidity. If any portion of this Agreement shall be held invalid or void, the remainder of this Agreement shall not be affected but such portion shall be deemed modified to the extent necessary to render such provision enforceable under the law, and this Agreement shall remain valid and enforceable as so modified. In the event that the provision may not be modified in such a way as to make it enforceable, the Agreement shall be construed as if the portion so invalidated was not part of this Agreement.

16. Headings. The headings used in this Agreement are for reference purposes only and shall not be deemed a substantive part of this Agreement.
17. Good Faith. The parties agree that in regards to all of their respective dealings under this Agreement, they shall act fairly and in good faith.
18. Entire Agreement. This Agreement expresses the complete and final understanding of the parties related to the services which may be rendered by Consultant to Acxiom, and the Agreement may not be changed in any way except in a writing signed by both parties. The Agreement may be executed in one or more counterparts all of which shall collectively comprise the final executed and binding Agreement.
19. Notices. Notice required or permitted to be given pursuant to the terms of this Agreement shall be deemed received five (5) days after deposit into the United States mail, postage prepaid, certified return receipt requested and addressed as provided below, or upon receipt if delivered by any other method:

To Acxiom:       Acxiom Corporation  
                    601 E. Third Street  
                    Little Rock, AR 72201  
                    Attn: Organizational Development Leader

With a copy to:   Acxiom Corporation  
                    601 East Third Street  
                    Little Rock, AR 72201  
                    Attn: Corporate Secretary

To Consultant:   Rodger S. Kline  
                    4301 Larchmont Street  
                    Dallas, TX 75205

[THIS SPACE LEFT BLANK INTENTIONALLY]

IN WITNESS WHEREOF, the parties hereto have executed the Agreement as of the date set forth above.

**ACXIOM CORPORATION**

By: /s/ John A. Meyer  
John A. Meyer  
CEO & President

**CONSULTANT**

/s/ Rodger S. Kline  
Rodger S. Kline

**AMENDED SEPARATION AGREEMENT  
AND GENERAL RELEASE**

This Amendment to the Separation Agreement and General Release of the 27<sup>th</sup> day of March 2008 ("Agreement") is entered into as of the 17th day of April, 2008, between Acxiom Corporation, its successors and current and former subsidiaries, affiliates, officers, directors, employees, representatives, insurers, agents and assigns ("Acxiom"), and L. Lee Hodges ("Associate").

1. Associate's employment with Acxiom shall be severed effective June 30, 2008, or such earlier date as Associate may determine ("Separation Date"), under the following terms and conditions:
  - a. Associate acknowledges that he is an "at will" employee and does not have any right to severance benefits under Acxiom's policies or any other understanding or agreement with Acxiom that would entitle him to severance benefits. In consideration of Associate's execution of this Agreement, Acxiom agrees to provide the additional benefits described in Exhibit A attached to and made part of this Agreement.
  - b. In exchange for the consideration set forth in Exhibit A, Associate agrees to assist Acxiom with the transition of his current duties and responsibilities, and to unconditionally release and discharge Acxiom from all claims, obligations and liabilities Associate has or may have had, whether known or unknown, suspected or unsuspected up to and as of the date of the execution of this Agreement, arising out of or related to Associate's employment, separation from Acxiom and any other contact or association with Acxiom. Such claims include, without limitation, those for: personal injuries; compensatory, punitive, and liquidated damages; wages, salaries, commissions, and bonuses; deductions; back pay; front pay; reinstatement; court costs; attorneys' fees; intentional infliction of emotional distress; tort; express or implied contract; wrongful discharge; and/or for any other known or unknown causes, claims or demands which Associate has or may have had against Acxiom. This Agreement specifically releases and discharges Acxiom from, without limitation, any and all claims Associate has or may have had against Acxiom under:
    - i. Title VII of the Civil Rights Act of 1964, Section 1981 of the Civil Rights Act of 1866, Section 1981A of the Civil Rights Act of 1991, and Executive Order 11246, which prohibit discrimination based on race, color, national origin, religion, or sex;
    - ii. the Age Discrimination in Employment Act and Executive Order 11141, which prohibit age discrimination in employment;
    - iii. the Americans with Disabilities Act of 1990 and Sections 503 and 504 of the Rehabilitation Act of 1973, which prohibit discrimination on account of disability;
    - iv. the Fair Labor Standards Act of 1938, which regulates wage and hour matters;
    - v. the Equal Pay Act of 1963, which prohibits paying men and women unequal pay for equal work;

- vi. the Consolidated Omnibus Budget Reconciliation Act of 1985, which requires employers under certain circumstances to offer continued health coverage after an employee's separation of employment;
- vii. the Employee Retirement Income Security Act which, among other things, protects employee benefits;
- viii. the Older Worker Benefit Protection Act;
- ix. the Arkansas Civil Rights Act of 1993;
- x. the Family and Medical Leave Act, which requires employers to provide leaves of absence under certain circumstances;
- xi. the Occupational Safety and Health Act;
- xii. state or federal common law; and/or
- xiii. any local, state, or federal law whatsoever,

each as amended. Associate acknowledges that this is a knowing and voluntary waiver. Associate waives all seniority rights he may have with Acxiom, and Associate expressly waives any claim for reinstatement by Acxiom.

- c. This waiver and release does not apply to or waive: 1) Associate's rights to enforce this Agreement; 2) any rights Associate may have under applicable workers' compensation or unemployment compensation statutes; or 3) any right to continuation of health care coverage under the Consolidated Omnibus Reconciliation Act.
- d. In exchange for the consideration set forth in Exhibit A, Associate agrees to the following terms and conditions:
  - i. For a period of three years following the Separation Date, Associate will not compete with Acxiom by soliciting business from any Acxiom customer. Associate acknowledges that the purpose of this paragraph is to protect Acxiom's legitimate business interests and market advantages from unfair competition by Associate and not to interfere with ordinary competition or to deprive Associate of a livelihood. Associate agrees that the restrictions in this subparagraph, in view of the nature of the business in which Acxiom is engaged and in light of the special training, disclosure of trade secrets, confidential business information, and customer data Acxiom has provided to Associate, are reasonable and necessary in order to protect Acxiom's legitimate business interests. Associate acknowledges that the existence of any other claims by Associate against Acxiom, whether based on this Agreement or otherwise, will not constitute a defense to Acxiom's enforcement of this subparagraph;
  - ii. For a period of three years following the Separation Date, Associate will not directly or indirectly solicit, on his own behalf or on behalf of any other person or entity, the services of any person who is an employee of Acxiom or solicit any

of Acxiom's employees to terminate their employment with the Company, except with the Company's prior written consent. This subparagraph will not preclude Associate from soliciting the employment of any person whose employment with Acxiom previously ended for any reason other than a solicitation from Associate; and

- iii. Associate acknowledges that Acxiom has developed and will continue to develop and use valuable technical and non-technical business and trade secrets and other confidential information, including, without limitation, information pertaining to Acxiom's finances, products, services, present and future development, processes or techniques, marketing strategies and related data, customer lists, vendor selection and information, sales and profits, costs and suppliers, and personnel (the "Confidential Information"). Acxiom has protected the disclosure/release of Confidential Information to third persons and intends that such information will continue to be kept confidential. Associate acknowledges that, during his employment with Acxiom, he had access to such Confidential Information. Associate hereby agrees to and acknowledges a continuing obligation to preserve the confidentiality of, and not to use, any Confidential Information except as may be required in connection with the provision of consulting services by Associate to Acxiom in connection with that certain Professional Services Agreement between Acxiom and Associate dated as of the date hereof. For a period of three years after the Separation Date, Associate will inform prospective employers of Associate of this provision of this Agreement. Associate agrees not to disclose and agrees to return, or certifies that he has destroyed, including any copies, Confidential Information: (1) acquired by or made known to Associate during or after his Acxiom employment; or (2) to which Associate has had possession, access, or control, or right of possession, access, or control at any time.
2. Associate acknowledges that he has the right to consider this Agreement for a period of 21 days. Associate is advised to consult with an attorney regarding this Agreement and has done so to the extent deemed appropriate. The parties hereby agree that changes made to this Agreement, whether material or immaterial, do not restart the running of the 21-day review period. If Associate elects to sign this Agreement before the end of the 21-day period, he agrees that such earlier execution of this Agreement is his voluntary choice. Associate may revoke this Agreement at any time and for any reason for a period of seven days following the execution of the Agreement. The Agreement is not effective or enforceable until the expiration of the seven-day period. Further, if Associate elects to sign this Agreement, Associate agrees to deliver the executed original version of this Agreement to Acxiom's CEO & President. If the executed Agreement is not received on or before the expiration of the 21-day period, the offer of additional benefits described in Exhibit A will expire.

3. Associate agrees and acknowledges that he has returned or will return all Acxiom property to Acxiom unless destruction of such property is otherwise permitted by Acxiom. The return of Acxiom property shall function as a condition precedent to any obligation on the part of Acxiom to provide the benefits specified in Exhibit A, and accordingly, Acxiom is not obligated to provide any benefits to Associate until such time as it has received all Acxiom property from Associate.
4. Associate agrees not to knowingly make any statement or engage in any conduct which may reasonably be expected to have the effect of disparaging Acxiom to: (i) any news media representatives (broadcast, print, online or otherwise); or (ii) current or former customers, vendors or employees of Acxiom; and Associate generally agrees not to make any statements with regard to Acxiom or this Agreement intended for public dissemination without Acxiom's prior written consent.
5. This Agreement shall be construed and enforced under Arkansas law, without regard to conflicts of law principles.
6. This Agreement was reached after good faith negotiations. Associate acknowledges that he is not signing this Agreement in reliance upon any promises, representations or inducements other than those contained in this Agreement, and is signing this Agreement free of any duress or coercion. Associate further acknowledges that he has not assigned or transferred any right or claim he may have against Acxiom. This Agreement is deemed to have been drafted jointly by the parties. Any uncertainty or ambiguity shall not be construed for or against either party based on attribution of drafting.
7. In the event any portion of this Agreement is deemed to be invalid or unenforceable, that portion will be deemed to be omitted and the remainder of this Agreement will remain in full force and effect.
8. Associate agrees that, should he bring any action in any forum challenging the enforceability of this Agreement, he will immediately repay to Acxiom the total amount paid to him under Exhibit A, unless such action directly pertains to the Age Discrimination in Employment Act. In any action to enforce this Agreement, except a claim pertaining directly to the Age Discrimination in Employment Act, the prevailing party's attorneys' fees and costs shall be paid by the non-prevailing party.
9. This Agreement is binding on the parties and their heirs, successors, administrators, agents, executors, assigns, and representatives.
10. In consideration of the undertakings stated herein by Associate and upon specific reliance of the representation of Associate that he is unaware of any matters that might give Acxiom a claim against him, Acxiom releases and discharges Associate from all claims, obligations and liabilities Acxiom has or may have had, whether known or unknown, suspected or unsuspected up to and as of the date of the execution of this Agreement, arising out of or related to Associate's employment at Acxiom and any other contact or association with Acxiom.
11. It is further agreed that in the event of the death of Lee Hodges during the term of the Separation Agreement that any benefit that would be due to him if he were then alive shall be paid to his estate.

[THIS SPACE LEFT BLANK INTENTIONALLY]

IN WITNESS WHEREOF, the parties hereto have executed the Agreement as of the date set forth above.

**ACXIOM CORPORATION**

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

**ASSOCIATE**

/s/ L. Lee Hodges  
L. Lee Hodges

## Exhibit A

In consideration of Associate's execution of the Agreement, Acxiom hereby agrees:

1. to pay Associate on the Separation Date a severance payment equal to one year's base salary (\$490,000);
2. to pay Associate on the Separation Date \$11,850 representing Associate's costs of maintaining his current health insurance coverage for 18 months following the Separation Date;
3. to treat Associate's separation as a retirement in best standing whereby all of his unvested restricted stock units and stock options would become vested as of the Separation Date, and his stock options would remain exercisable throughout their original exercise periods. Associate acknowledges that in the case of a change of control of Acxiom, the continued exercisability of Associate's stock options would be determined by the Acxiom Board of Directors prior to the effective date of such change of control; and
4. in the event of a "change of control" (as defined in the Executive Security Agreement dated March 31, 2008 between Associate and Acxiom) that occurs between July 1, 2008 and March 31, 2009, to pay Associate on the effective date of the change of control an additional payment equal to one year's base salary (\$490,000), or in the event of a change of control that occurs between April 1, 2009 and March 31, 2010, to pay Associate on the effective date of the change of control an additional payment equal to half of one year's base salary (\$245,000); *provided, however*, that if between the dates of April 1, 2009 and March 31, 2010 the Company has commenced discussions with any third person(s) that ultimately results in a Change of Control which occurs after March 31, 2010, Acxiom agrees to pay Associate on the effective date of the change of control a payment equal to half of one year's base salary (\$245,000).

**PROFESSIONAL SERVICES AGREEMENT**

This Professional Services Agreement ("Agreement") is entered into as of the 27th day of March, 2008, by and between Acxiom Corporation and its subsidiaries and affiliates ("Acxiom"), a Delaware corporation with its principal place of business at 601 East Third Street, Little Rock, Arkansas 72201, and L. Lee Hodges ("Consultant").

1. **Term.** The term ("Term") of this Agreement shall commence on July 1, 2008 (the "Effective Date") and shall end on June 30, 2010.
2. **Scope of Services.** Consultant shall provide consulting services to assist Acxiom as needed during the Term of the Agreement. All requests for Consultant's services shall be made in writing and delivered to Consultant by Acxiom's Organizational Development Leader. In the event Consultant receives a request from any other person within Acxiom, Consultant shall promptly notify the Organizational Development Leader in writing of such request, and shall not proceed with any work with regard to such request until it has been approved in writing by the Organizational Development Leader. The parties agree to use their best efforts to accommodate each other's schedules, but in the event Acxiom requests Consultant's services during a time period that conflicts with Consultant's existing schedule, Consultant shall not be required to perform services during such time period.
3. **Payment.** Acxiom shall pay Consultant at the rate of \$150.00 per hour for any authorized work performed by Consultant under this Agreement. Consultant shall invoice Acxiom on a monthly basis. Applicable taxes, if any, shall be included by Consultant to the charges payable by Acxiom. Each invoice shall be due and payable within thirty (30) days of Acxiom's receipt of invoice.
4. **Equipment.** Consultant will provide his/her own work space and equipment. However, in the event any equipment ("Equipment") is provided to Consultant by Acxiom in connection with the performance of any work hereunder, such Equipment shall at all times remain the property of Acxiom and shall be immediately returned by Consultant to Acxiom upon request, or upon the expiration or termination of the Agreement.
5. **Inventions / Property Rights.** (a) Any inventions, improvements, concepts, or ideas made or conceived by Consultant in connection with and during the performance of any services hereunder and related to the business of Acxiom, including but not limited to any writings, reports, compilations, software programs or code, shall be considered the sole and exclusive property of Acxiom. Acxiom shall require and Consultant shall ensure that written notebook records of Consultant's work are kept and properly witnessed for use as invention records, and Consultant shall submit such records to Acxiom when requested or at the termination of Consultant's services, or this Agreement. Consultant shall not reproduce any portion of such notebook records without the prior written consent of Acxiom. Consultant shall promptly and fully report all such inventions to Acxiom.
 

(b) Any work performed by Consultant under this Agreement shall be considered a "Work Made for Hire" as that phrase is defined by the U.S. copyright laws and shall be owned by and for the express benefit of Acxiom. In the event it should be established that such work does not qualify as a Work Made for Hire, Consultant hereby assigns to Acxiom all of Consultant's rights, title, and interest in such work product including, but not limited to, all copyrights, patents, trademarks, and other proprietary rights.

(c) Both during the Term of this Agreement and thereafter, Consultant shall fully cooperate with Acxiom in the protection and enforcement of any intellectual property rights that may derive as a result of the services performed by Consultant under the terms of this Agreement. This shall include executing, acknowledging, and delivering to Acxiom all documents or papers that may be necessary to enable Acxiom to publish or protect said inventions, improvements and ideas.
6. **Confidentiality.** (a) Consultant shall treat as confidential any information disclosed by Acxiom, including but not limited to all Acxiom's financial information, employee information, mailing lists, proprietary data, product designs, capabilities, specifications, program code, software systems and processes, information regarding existing and future technical, business and marketing plans and product strategies, and the identity of actual and potential customers and suppliers (hereinafter referred to as "Confidential Information"). Confidential Information may be written, oral, recorded, or contained on tape or on other electronic or mechanical media.
 

(b) "Confidential Information" shall not include information which (i) is in or has entered the public domain through no breach of this Agreement or other wrongful act of Consultant; (ii) has been rightfully received from a third party without breach of this Agreement; (iii) has been approved for release by written authorization of Acxiom; or (iv) is required to be disclosed pursuant to the final binding order of a governmental agency or court of competent jurisdiction, provided that Acxiom has been given reasonable notice of the pendency of such an order and the opportunity to contest it.

(c) Consultant will be deemed to be in a fiduciary relationship of confidence with respect to the Confidential Information disclosed to it by Acxiom, and Consultant shall hold the Confidential Information in strict confidence and not to disclose such Confidential Information to any third party or to use it for any purpose other than as specifically authorized by Acxiom.

(d) No copies of the Confidential Information shall be made by Consultant except as may be necessary to perform services relating to the Confidential Information as requested by Acxiom.

(e) Acxiom shall be deemed to be the owner of all Confidential Information disclosed by it hereunder, including all patent, copyright, mask work, trademark, service mark, trade secret and any and all other proprietary rights and interests therein, and both parties agree that nothing contained in this Agreement shall be construed as granting any rights, by license or otherwise, in or to any Confidential Information disclosed pursuant to this Agreement or to any such intellectual property rights therein.

(f) Consultant acknowledges that the unauthorized disclosure, use or disposition of such Confidential Information could cause irreparable harm and significant injury which may be difficult to ascertain. Accordingly, Acxiom shall have the right to an immediate injunction in the event of any breach of this Agreement involving confidentiality, in addition to any other remedies that may be available to Acxiom at law or in equity.

(g) Consultant shall indemnify and hold Acxiom harmless against any and all liability, actions, claims, demands, liens, losses, damages, judgments and expenses, including reasonable attorneys' fees that may arise from the unauthorized disclosure or use of Confidential Information.

(h) Upon the written request of Acxiom, Consultant shall, at Acxiom's option, either destroy or return to Acxiom all tapes, diskettes or other media upon which the Acxiom Confidential Information is stored, and all copies thereof, if any. If requested by Acxiom to destroy any Acxiom Confidential Information, Consultant shall certify in a writing to be delivered to Acxiom within five (5) business days following such destruction that such destruction had been completed.

7. Termination. Upon termination of this Agreement, the provisions of this Agreement which by their nature have continuing effect shall survive in effect and continue in effect and shall inure to the benefit of and be binding upon the parties, their legal representatives, successors, heirs and assigns.
8. Indemnification. Consultant hereby releases and agrees to indemnify and hold harmless Acxiom, its officers, agents and employees from any and all liabilities, damages, losses, expenses, demands, claims, suits or judgments, including reasonable attorneys' fees, costs and expenses relating to third party claims resulting from any claim that Consultant is not an independent contractor, Consultant's performance of any services hereunder or any breach thereof, or for the loss of, damage to, or destruction of, any property in any manner arising out of the negligent or intentional acts or omissions of Consultant. If any claim by a third party based upon alleged infringement of a patent, copyright or trade secret is asserted against Acxiom by virtue of the use of the software or other programming documentation developed hereunder, Consultant will indemnify and hold Acxiom harmless against damages, reasonable attorneys' fees and costs associated with the investigation, preparation, defense and/or settlement of such claim.
9. Independent Contractor. Consultant shall at all times during the Term of this Agreement be an independent contractor. This Agreement does not create an employer-employee relationship, partnership, joint venture, agency or other such relationship between Acxiom and Consultant.
10. Authority. Consultant shall not have any right, power, or authority to create any obligation, express or implied, or make any representations on behalf of Acxiom except as Consultant may be expressly authorized by Acxiom in advance in a writing signed by Acxiom and then only to the extent of such authorization.
11. Equal Opportunity Employment. Acxiom is an equal opportunity employer and does not discriminate in employment of persons or the awarding of subcontracts because of a person's race, sex, age, religion, national origin, veteran, disability or any other protected status. Consultant is aware of and fully informed of its responsibilities and agrees to comply to the extent applicable with Executive Order 11246, as amended, Section 503 of the Rehabilitation Act of 1973, The Vietnam Era Veterans' Readjustment Assistance Act of 1974 and their implementing regulations including but not limited to the equal opportunity clauses contained in 41 C.F.R. § 60-1.4(a), 41 C.F.R. § 60-741.5(a) and 41 C.F.R. § 60-250A. All such provisions are incorporated herein by this reference.
12. Assignment. This Agreement may not be assigned by Consultant without the prior written consent of Acxiom.
13. Governing Law. This Agreement shall be governed by the laws of the State of Arkansas, without regard to conflicts of law principles and the parties agree to submit to the jurisdiction of the courts of the State of Arkansas.
14. No Waiver. A waiver by either party of any breach of this Agreement by the other party shall not be construed as a waiver of any such subsequent breach by such party of the same or any other provisions of this Agreement.
15. Partial Invalidity. If any portion of this Agreement shall be held invalid or void, the remainder of this Agreement shall not be affected but such portion shall be deemed modified to the extent necessary to render such provision enforceable under the law, and this Agreement shall remain valid and enforceable as so modified. In the event that the provision may not be modified in such a way as to make it enforceable, the Agreement shall be construed as if the portion so invalidated was not part of this Agreement.

16. Headings. The headings used in this Agreement are for reference purposes only and shall not be deemed a substantive part of this Agreement.
17. Good Faith. The parties agree that in regards to all of their respective dealings under this Agreement, they shall act fairly and in good faith.
18. Entire Agreement. This Agreement expresses the complete and final understanding of the parties related to the services which may be rendered by Consultant to Acxiom, and the Agreement may not be changed in any way except in a writing signed by both parties. The Agreement may be executed in one or more counterparts all of which shall collectively comprise the final executed and binding Agreement.
19. Notices. Notice required or permitted to be given pursuant to the terms of this Agreement shall be deemed received five (5) days after deposit into the United States mail, postage prepaid, certified return receipt requested and addressed as provided below, or upon receipt if delivered by any other method:

To Acxiom:       Acxiom Corporation  
                      601 E. Third Street  
                      Little Rock, AR 72201  
                      Attn: Organizational Development Leader

With a copy to:   Acxiom Corporation  
                      601 East Third Street  
                      Little Rock, AR 72201  
                      Attn: Corporate Secretary

To Consultant:   L. Lee Hodges  
                      46 Chenal Circle  
                      Little Rock, AR 72223

[THIS SPACE LEFT BLANK INTENTIONALLY]

IN WITNESS WHEREOF, the parties hereto have executed the Agreement as of the date set forth above.

**ACXIOM CORPORATION**

By: /s/ Cindy K. Childers  
Cindy K. Childers  
Organizational Development Leader

**CONSULTANT**

/s/ L. Lee Hodges  
L. Lee Hodges

## SUBSIDIARIES OF ACXIOM

## U.S. SUBSIDIARIES

<u>Name</u>	<u>Incorporated In</u>	<u>Doing Business As</u>
1. Acxiom CDC, Inc.	Arkansas	Acxiom CDC, Inc.
2. Acxiom CH, Inc.	Delaware	Acxiom CH, Inc.
3. Acxiom Canada, Inc.	Arkansas	Acxiom Canada, Inc.
4. Acxiom Digital, Inc.	Delaware	Acxiom Digital, Inc.
5. Acxiom / Direct Media, Inc.	Arkansas	Acxiom / Direct Media, Inc.
6. Acxiom e-Products, Inc.	Arkansas	Acxiom e-Products, Inc.
7. Acxiom Equitec Holdings, Inc.	Delaware	Acxiom Equitec Holdings, Inc.
8. Acxiom Information Security Services, Inc.	Arkansas	Acxiom Information Security Services, Inc.
9. Acxiom Interim Holdings, Inc.	Arkansas	Acxiom Interim Holdings, Inc.
10. Acxiom / May & Speh, Inc.	Delaware	Acxiom / May & Speh, Inc.
11. Acxiom Mexico Holdings, LLC	Delaware	Acxiom Mexico Holdings, LLC
12. Acxiom RM-Tools, Inc.	Arkansas	Acxiom RM-Tools, Inc.
13. Acxiom Risk Mitigation, Inc.	Colorado	Acxiom Risk Mitigation, Inc.
14. Acxiom UWS, Ltd.	Arkansas	Acxiom UWS, Ltd.
15. Smartreminders.com, Inc.	Tennessee	Smartreminders.com, Inc.

## INTERNATIONAL SUBSIDIARIES

<u>Name</u>	<u>Incorporated In</u>	<u>Doing Business As</u>
16. Acxiom Australia Pty Ltd	Australia	Acxiom Australia Pty Ltd
17. Acxiom European Holdings Ltd.	United Kingdom	Acxiom European Holdings Ltd.

Consent of Independent Registered Public Accounting Firm

The Board of Directors  
Acxiom Corporation:

We consent to incorporation by reference in the Registration Statements previously filed on Form S-3 and Form S-8 (Nos. 33-17115, 33-37610, 33-37609, 33-42351, 33-72310, 333-63633, 333-91395, 333-40114, 333-57470, 333-68620, 333-98613, 333-108900, 333-124901, 333-127743, 333-148946 and 333-148708), of Acxiom Corporation of our reports dated May 30, 2008, with respect to the consolidated balance sheets of Acxiom Corporation and subsidiaries as of March 31, 2008 and 2007, and the related consolidated statements of operations, stockholders' equity and comprehensive income, and cash flows for each of the years in the three-year period ended March 31, 2008, and the effectiveness of internal control over financial reporting as of March 31, 2008, which reports appear in the March 31, 2008 annual report on Form 10-K of Acxiom Corporation.

Our report dated May 30, 2008 contains an explanatory paragraph that refers to a restatement of the consolidated financial statements as of March 31, 2007 and 2006.

As discussed in Note 1 to the consolidated financial statements, during 2007, the Company adopted Statement of Financial Accounting Standards No. 123R, *Share-Based Payment*.

Our report dated May 30, 2008, on the effectiveness of internal control over financial reporting as of March 31, 2008, expresses our opinion that Acxiom Corporation did not maintain effective internal control over financial reporting as of March 31, 2008, because of the effect of two material weaknesses on the achievement of the objectives of the control criteria and contains an explanatory paragraph that states that the Company did not have effective policies and procedures to apply the appropriate revenue recognition criteria under U.S. generally accepted accounting principles relating to certain types of customer contracts and did not maintain effective controls over the preparation and review of the consolidated statement of cash flows related to deferred costs.

/s/ KPMG LLP

Dallas, Texas  
May 30, 2008

**POWER OF ATTORNEY**

KNOW ALL MEN BY THESE PRESENTS: That the undersigned, a director or officer, or both, of Acxiom Corporation ("the Company"), acting pursuant to authorization of the Company's Board of Directors, hereby appoints Catherine L. Hughes and Jerry C. Jones, or any one of them, attorneys-in-fact and agents for me and in my name and on my behalf, individually and as a director or officer, or both, of the Company, to sign the Company's Annual Report on Form 10-K for the year ended March 31, 2008, 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 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.

Executed as of the 28th day of May, 2008.

Signed: /s/ WILLIAM T. DILLARD II  
Name: WILLIAM T. DILLARD II, Director

Signed: /s/ MICHAEL J. DURHAM  
Name: MICHAEL J. DURHAM, Director  
(Non-Executive Chairman of the Board)

Signed: /s/ MARY L. GOOD  
Name: MARY L. GOOD, Director

Signed: /s/ ANN DIE HASSELMO  
Name: ANN DIE HASSELMO, Director

Signed: /s/ WILLIAM J. HENDERSON  
Name: WILLIAM J. HENDERSON, Director

Signed: /s/ THOMAS F. McLARTY  
Name: THOMAS F. McLARTY, III, Director

Signed: /s/ JOHN A. MEYER  
Name: JOHN A. MEYER,  
Chief Executive Officer & President  
(principal executive officer)

Signed: /s/ STEPHEN M. PATTERSON  
Name: STEPHEN M. PATTERSON, Director

Signed: /s/ KEVIN M. TWOMEY  
Name: KEVIN M. TWOMEY, Director

Signed: /s/ JEFFREY W. UBBEN  
Name: JEFFREY W. UBBEN, Director

Signed: /s/ R. HALSEY WISE  
Name: R. HALSEY WISE, Director

Signed: /s/ CHRISTOPHER W. WOLF  
Name: CHRISTOPHER W. WOLF,  
Chief Financial Officer  
(principal financial & accounting officer)

## ACXIOM CORPORATION AND SUBSIDIARIES

CERTIFICATION

I, John A. Meyer, certify that:

1. I have reviewed this annual report on Form 10-K of Acxiom Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
  - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of a report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:
  - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 30, 2008

By: /s/ John A. Meyer  
(Signature)  
John A. Meyer  
CEO & President

## ACXIOM CORPORATION AND SUBSIDIARIES

CERTIFICATION

I, Christopher W. Wolf, certify that:

1. I have reviewed this annual report on Form 10-K of Acxiom Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
  - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of a report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:
  - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 30, 2008

By: /s/ Christopher W. Wolf  
(Signature)  
Christopher W. Wolf  
Chief Financial Officer

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the accompanying Annual Report of Acxiom Corporation (the Company) on Form 10-K for the fiscal year ended March 31, 2008 as filed with the Securities and Exchange Commission on the date hereof (the Report), I, John A. Meyer, CEO & President of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, to my knowledge, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ John A. Meyer

John A. Meyer  
CEO & President  
May 30, 2008

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the accompanying Annual Report of Acxiom Corporation (the Company) on Form 10-K for the fiscal year ended March 31, 2008 as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Christopher W. Wolf, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, to my knowledge, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Christopher W. Wolf

Christopher W. Wolf  
Chief Financial Officer  
May 30, 2008