

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2002

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

Axiom 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.)

**P.O. Box 8180, 1 Information Way,
Little Rock, Arkansas**
(Address of Principal Executive Offices)

72203
(Zip Code)

(501) 342-1000

(Registrant's Telephone Number, Including Area Code)

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

Yes ☒ No ☐

The number of shares of Common Stock, \$ 0.10 par value per share, outstanding as of November 4, 2002 was 89,207,662.

ACXIOM CORPORATION AND SUBSIDIARIES
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REPORT ON FORM 10-Q
SEPTEMBER 30, 2002

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

ACXIOM CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)
(Dollars in thousands)

	September 30, 2002	March 31, 2002
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 26,392	\$ 5,676
Trade accounts receivable, net	196,077	185,579
Deferred income taxes	48,716	48,716
Refundable income taxes	-	41,652
Other current assets	82,160	78,602
Total current assets	353,345	360,225
Property and equipment, net of accumulated depreciation and amortization	167,822	181,775
Software, net of accumulated amortization	70,339	61,437
Goodwill	215,515	174,655
Purchased software licenses, net of accumulated amortization	171,092	169,854
Unbilled and notes receivable, excluding current portions	27,178	40,358
Deferred costs, net of accumulated amortization	118,725	125,843
Other assets, net	33,123	42,687
	<u>\$ 1,157,139</u>	<u>\$ 1,156,834</u>
<u>Liabilities and Stockholders' Equity</u>		
Current liabilities:		
Current installments of long-term debt	34,352	23,274
Trade accounts payable	27,522	29,472
Accrued expenses:		
Restructuring and impairment	1,653	3,022
Payroll	12,581	17,612
Other	32,589	43,176
Income taxes	5,320	-
Deferred revenue	59,409	61,114
Total current liabilities	173,426	177,670
Long-term debt, excluding current installments	328,647	396,850
Deferred income taxes	78,213	71,383
Commitments and contingencies		
Stockholders' equity:		
Common stock	8,925	8,734
Additional paid-in capital	319,607	281,355
Retained earnings	257,782	231,791
Accumulated other comprehensive loss	(6,758)	(8,609)
Treasury stock, at cost	(2,703)	(2,340)
Total stockholders' equity	576,853	510,931
	<u>\$ 1,157,139</u>	<u>\$ 1,156,834</u>

See accompanying notes to condensed consolidated financial statements.

ACXIOM CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)
(Dollars in thousands, except per share amounts)

	For the Three Months Ended	
	September 30,	
	2002	2001
Revenue	\$ 235,396	\$ 215,204
Operating costs and expenses:		
Salaries and benefits	75,050	77,584
Computer, communications and other equipment	63,829	51,609
Data costs	29,787	29,921
Other operating costs and expenses	43,197	36,129
Gains, losses and nonrecurring items, net	(4,102)	-
Total operating costs and expenses	207,761	195,243
Income from operations	27,635	19,961
Other income (expense):		
Interest expense	(5,068)	(7,213)
Other, net	1,551	(1,591)
	(3,517)	(8,804)
Earnings before income taxes	24,118	11,157
Income taxes	8,592	4,128
Net earnings	\$ 15,526	\$ 7,029
Earnings per share:		
Basic	\$ 0.18	\$ 0.08
Diluted	\$ 0.17	\$ 0.08

See accompanying notes to condensed consolidated financial statements.

ACXIOM CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)
(Dollars in thousands, except per share amounts)

	For the Six Months Ended	
	September 30,	
	2002	2001
Revenue	\$ 460,802	\$ 420,242
Operating costs and expenses:		
Salaries and benefits	149,842	171,132
Computer, communications and other equipment	126,855	133,336
Data costs	58,731	60,710
Other operating costs and expenses	80,610	82,537
Gains, losses and nonrecurring items, net	(4,559)	45,342
Total operating costs and expenses	411,479	493,057
Income (loss) from operations	49,323	(72,815)
Other income (expense):		
Interest expense	(10,395)	(13,955)
Other, net	1,542	(2,382)
	(8,853)	(16,337)
Earnings (loss) before income taxes	40,470	(89,152)
Income taxes	14,479	(32,542)
Net earnings (loss)	\$ 25,991	\$ (56,610)
Earnings (loss) per share:		
Basic	\$ 0.29	\$ (0.63)
Diluted	\$ 0.28	\$ (0.63)

See accompanying notes to condensed consolidated financial statements.

ACXIOM CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(Dollars in thousands)

	For the Six Months Ended September 30,	
	2002	2001
Cash flows from operating activities:		
Net earnings (loss)	\$ 25,991	\$ (56,610)
Adjustments to reconcile net earnings (loss) to net cash provided by operations:		
Depreciation and amortization	56,259	65,871
Loss (gain) on disposal or impairment of assets, net	(51)	45,639
Deferred income taxes	7,552	(34,742)
Changes in operating assets and liabilities:		
Accounts receivable	(6,907)	1,684
Other assets	45,966	28,220
Accounts payable and other liabilities	(13,752)	(11,750)
Restructuring and impairment costs	(1,369)	(8,292)
Net cash provided by operating activities	<u>113,689</u>	<u>30,020</u>
Cash flows from investing activities:		
Proceeds received from the disposition of assets	200	127
Proceeds received (used) from the disposition of operations	259	(2,423)
Capitalized software development costs	(17,610)	(11,399)
Capital expenditures	(4,916)	(8,789)
Deferral of costs	(7,348)	(26,702)
Investments in joint ventures and other investments	(1,052)	(5,747)
Proceeds from sale and leaseback transaction	7,729	1,964
Net cash paid in acquisitions	(8,272)	-
Net cash used by investing activities	<u>(31,010)</u>	<u>(52,969)</u>
Cash flows from financing activities:		
Proceeds from debt	82,516	129,169
Payments of debt	(156,700)	(94,198)
Sale of common stock, net of repurchases	12,141	6,461
Payments on equity forward contracts	-	(23,547)
Net cash (used) provided by financing activities	<u>(62,043)</u>	<u>17,885</u>
Effect of exchange rate changes on cash	<u>80</u>	<u>4</u>
Net increase (decrease) in cash and cash equivalents	20,716	(5,060)
Cash and cash equivalents at beginning of period	5,676	14,176
Cash and cash equivalents at end of period	<u>\$ 26,392</u>	<u>\$ 9,116</u>
Supplemental cash flow information:		
Cash paid (received) during the period for:		
Interest	\$ 13,453	\$ 11,333
Income taxes	(40,281)	12,783
Noncash investing and financing activities:		
Note receivable received in exchange for sale of operations	736	-
Issuance of warrants	1,317	-
Equity forward contracts settled through term note	-	64,169
Enterprise software licenses acquired under software obligation	2,828	-
Acquisition of property and equipment under capital lease	<u>2,310</u>	<u>-</u>

See accompanying notes to condensed consolidated financial statements.

ACXIOM CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

These condensed consolidated financial statements have been prepared by Acxiom Corporation ("Registrant", "Acxiom" or "the Company"), without audit, pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC" or "the Commission"). In the opinion of the Registrant's management, however, all adjustments necessary for a fair presentation of the results for the periods included have been made and the disclosures are adequate to make the information presented not misleading. All such adjustments are of a normal recurring nature. Certain note information has been omitted because it has not changed significantly from that reflected in notes 1 through 21 of the Notes to Consolidated Financial Statements filed as a part of Item 14 of the Registrant's annual report on Form 10-K for the fiscal year ended March 31, 2002 ("2002 Annual Report"), as filed with the Commission on May 15, 2002. This report and the accompanying financial statements should be read in connection with the 2002 Annual Report. The financial information contained in this report is not necessarily indicative of the results to be expected for any other period or for the full fiscal year ending March 31, 2003.

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 condensed consolidated financial statements in conformity with accounting principles generally accepted in the United States. Actual results could differ from those estimates. Certain of the accounting policies used in the preparation of these condensed consolidated financial statements are complex and require management to make judgments and/or significant estimates regarding amounts reported or disclosed in these financial statements. Additionally, the application of certain of these accounting policies is governed by complex accounting principles and interpretations thereof. A discussion of the Company's significant accounting principles and the application thereof is included in note 1 and in Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations, to the Company's 2002 Annual Report.

Effective January 1, 2001, the Company changed its method of accounting for certain transactions, retroactive to April 1, 2000, in accordance with SEC Staff Accounting Bulletin 101 ("SAB 101"), "Revenue Recognition in Financial Statements." For the quarters ended September 30, 2002 and 2001, and for the six months ended September 30, 2002 and 2001, the Company recognized approximately \$3.9 million and \$4.9 million, respectively, and approximately \$8.1 million and \$10.0 million, respectively, in revenue that was included in the SAB 101 cumulative effect adjustment.

Certain prior year amounts have been reclassified to conform to the current year presentation. These reclassifications had no impact on net earnings (loss) as previously reported.

2. RESTRUCTURING, IMPAIRMENT AND OTHER CHARGES

Restructuring and Impairment Charges

On June 25, 2001, the Company announced a restructuring plan (“Restructuring Plan”) for significant cost-reduction efforts, including workforce reductions, the sale and leaseback of a significant amount of its computer equipment, and certain other restructuring activities, asset impairments and other adjustments and accruals totaling \$45.3 million. The charges recorded by the Company include a loss on the sale-leaseback transaction of \$31.2 million; \$8.3 million in associate-related reserves; \$3.6 million for lease and contract termination costs and \$2.2 million for abandoned or impaired assets and transaction costs. Additionally, the Company recorded accelerated depreciation and amortization of approximately \$25.8 million during the quarter ended June 30, 2001, on certain software and long-lived assets that are no longer in service or have otherwise been deemed impaired.

Sale Leaseback Transaction

On June 29, 2001, in connection with the Restructuring Plan, the Company entered into an agreement whereby it sold equipment with a net book value of \$50.7 million to Technology Investment Partners, LLC (“TIP”) and recorded a loss on this sale of \$31.2 million. Simultaneous with the sale of this equipment, the Company agreed to lease the equipment under a capital lease from TIP for a period of thirty-six months. The Company received \$2.0 million of the sale proceeds from TIP during July 2001 and received an additional \$4.0 million of the sales proceeds during December 2001. On August 30, 2002, the Company amended its agreement with TIP whereby it reacquired from TIP certain equipment under the original sale and leaseback arrangement that had not previously been funded by TIP. Simultaneous with this transaction, the Company entered into an agreement with Merrill Lynch Capital (“MLC”) whereby a portion of the repurchased equipment under the amended TIP agreement was sold to MLC for net sales proceeds of \$7.7 million. The agreement with MLC also provides a leaseback provision, accounted for as a capital lease by the Company, whereby the Company is obligated to lease the equipment from MLC for a period of thirty-six months.

Included in property and equipment at September 30, 2002 and March 31, 2002, is equipment of \$8.6 million and \$14.7 million, respectively, net of accumulated depreciation and amortization, related to the assets under these leaseback arrangements. Included in long-term debt at September 30, 2002 and March 31, 2002, are capital lease obligations under these leaseback arrangements in the amount of \$12.2 million and \$5.6 million, respectively.

Montgomery Wards Bankruptcy

During the fourth quarter of the year ended March 31, 2001, the Company recorded a charge totaling \$34.6 million relating to the bankruptcy filing of Montgomery Ward (“Wards”), a significant customer of the Information Technology (“IT”) Management segment, for the write-down of impaired assets and for certain ongoing obligations that have no future benefit to the Company. As of June 30, 2001, the Company is no longer obligated to provide services to Wards.

The following table shows the balances related to the Restructuring Plan and to Wards that were included in the restructuring and impairment accruals as of March 31, 2002 and the changes in those balances during the six months ended September 30, 2002 (dollars in thousands):

	March 31, 2002	Payments	September 30, 2002
Associate-related reserves	\$ 600	\$ (419)	\$ 181
Contract termination costs	2,025	(823)	1,202
Transaction costs and other accruals	397	(127)	270
	<u>\$ 3,022</u>	<u>\$ (1,369)</u>	<u>\$ 1,653</u>

The remaining accruals will be paid out over periods ranging up to three years.

Other

During the quarter ended June 30, 2000, the compensation committee (“the Committee”) of the Company committed to pay in cash \$6.3 million of “over-attainment” incentive that was attributable to results of operations in prior years. This “over-attainment” was additional incentive to be paid in excess of the Company’s normal at-risk incentive pay. In accordance with the Company’s over-attainment plan, the amount accrued was to be paid over a three-year period, assuming continued performance of the Company. During the quarter ended September 30, 2001, the Company paid, and recorded as a reduction of the accrual, \$2.2 million of the over-attainment incentive. As of September 30, 2002, the Committee discontinued the over-attainment incentive and determined that the remaining accrual would not be paid under the over-attainment plan based on recent operating results. Accordingly, the remaining accrual of \$4.1 million was reversed through gains, losses and nonrecurring items, net, which is where the expense was originally recorded.

3. ACQUISITIONS

Effective August 12, 2002, the Company acquired certain assets and assumed certain liabilities of an employment screening business owned by Trans Union, LLC (“Trans Union”), a related party. This employment screening business was incorporated as Acxiom Information Security Systems, Inc. (“AISS”) and offers a range of services including criminal and civil records search, education and reference verification, and other verification services for its customers. Management believes AISS will provide the Company with additional products and services and will support the Company’s initiatives in the screening, identification and security areas. The aggregate purchase price of \$34.6 million consisted of cash of \$10.0 million (of which \$7.5 million was paid at closing and \$2.5 million was paid on October 1, 2002), 664,562 shares of common stock valued at \$10.5 million and warrants to purchase 1,272,024 shares of common stock, at an exercise price of \$16.32, valued at \$14.1 million. If the value of the 664,562 shares of common stock on August 12, 2003 (twelve months after the closing date) is less than \$10.0 million, the Company will be required to pay additional cash consideration in the amount of the deficit, but not more than \$5.0 million. If the value of those shares on August 12, 2003 is greater than \$13.0 million, Trans Union will be required to return shares of common stock in the amount of the excess, but not more than \$5.0 million worth of common stock. The results of operations of AISS are included in the Company’s consolidated results from the date of acquisition. The pro forma effect of this

acquisition is not material to the Company's consolidated results for any of the periods presented.

Effective June 1, 2002, the Company entered into an agreement with Publishing & Broadcasting Limited ("PBL") whereby Acxiom purchased PBL's 50% ownership interest in an Australian joint venture ("Australian JV") for cash of \$0.8 million (net of cash acquired) and a note payable of \$1.4 million, such that Acxiom now owns 100% of the Australian operation. Additionally, the purchase agreement provides that Acxiom may pay PBL additional consideration, based on a percentage of the Australian operation's results through March 31, 2007, and also provides PBL the option to repurchase between 25% and 49% of the Australian JV subsequent to March 31, 2007, at an option price specified in the purchase agreement. The results of operations of the Australian business are included in the Company's condensed consolidated financial statements beginning June 1, 2002. Prior to that time, the Company accounted for the Australian JV as an equity method investment. The pro forma effect of this acquisition is not material to the Company's consolidated results for any of the periods presented. Management believes the Australian market is an important component of the Company's long-term global strategy. Sole ownership of the Australian operation will enable the Company to more quickly and effectively capitalize on that opportunity.

The following table shows the initial allocation of the Australian JV and the AISS purchase prices to assets acquired and liabilities assumed (dollars in thousands):

	<u>Australian JV</u>	<u>AISS</u>
Assets acquired:		
Cash	\$ 592	\$ —
Goodwill	5,828	32,275
Other current and noncurrent assets	<u>3,047</u>	<u>3,118</u>
	9,467	35,393
Accounts payable and accrued expenses assumed	<u>1,077</u>	<u>771</u>
Net assets acquired	8,390	34,622
Less:		
Cash acquired	592	—
Common stock issued	—	10,525
Warrants issued for the purchase of common stock	—	14,097
Previous investment in Australian JV	5,662	—
Note payable	<u>1,364</u>	<u>2,500</u>
Net cash paid	<u>\$ 772</u>	<u>\$ 7,500</u>

4. DIVESTITURES

During the year ended March 31, 2002, the Company sold three of its business operations, including a minor portion of its United Kingdom operations located in Spain and Portugal. During the quarter ended June 30, 2002, the Company sold the remaining portion of its assets located in Spain, which primarily consisted of tax loss carryforwards. Gross proceeds from the sale of these operations were \$15.9 million, consisting of cash of \$6.8 million and notes receivable of \$9.1 million. At September 30, 2002 and March 31, 2002, notes receivable relating to these transactions of \$4.8 million and \$5.2 million, respectively, are included in the accompanying condensed consolidated financial statements. The Company recorded a gain associated with the disposition in Spain of \$0.5 million during the six months ended September 30, 2002, including the write-off of \$0.1 million of goodwill (see note 6).

Effective July 31, 2002, the Company sold its print shop business located in Chatsworth, California. Gross sales proceeds from the sale were \$0.7 million, consisting entirely of notes receivable. The gain on the sale of this print shop business, which includes the write-off of \$0.1 million of goodwill (see note 6), was not material.

5. OTHER CURRENT AND NONCURRENT ASSETS AND LIABILITIES

Unbilled and notes receivable are from the sales of software, data licenses, equipment sales and from the sale of divested operations (see note 4), net of the current portions of such receivables. Other current assets include the current portion of the unbilled and notes receivable of \$38.7 million and \$38.4 million at September 30, 2002 and March 31, 2002, respectively. Other current assets also include prepaid expenses, non-trade receivables and other miscellaneous assets of \$43.5 million and \$40.2 million at September 30, 2002 and March 31, 2002, respectively.

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

	September 30, 2002	March 31, 2002
Investments in joint ventures and other investments, net of unrealized loss on available-for-sale marketable securities	\$ 19,496	\$ 27,394
Other, net	13,627	15,293
	<u>\$ 33,123</u>	<u>\$ 42,687</u>

6. GOODWILL

The changes in the carrying amount of goodwill, by business segment, for the six months ended September 30, 2002, are as follows (dollars in thousands):

	Services	Data and Software Products	IT Management	Total
Balances at March 31, 2002	\$ 97,833	\$ 1,533	\$ 75,289	\$ 174,655
Acquisitions (note 3)	39,594	—	—	39,594
Divestitures (note 4)	(84)	—	(131)	(215)
Foreign currency translation adjustment	1,481	—	—	1,481
Balances at September 30, 2002	<u>\$ 138,824</u>	<u>\$ 1,533</u>	<u>\$ 75,158</u>	<u>\$ 215,515</u>

7. LONG-TERM DEBT

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

	September 30, 2002	March 31, 2002
Convertible subordinated notes due 2009; interest at 3.75%	\$ 175,000	\$ 175,000
Software license liabilities payable over terms up to seven years; effective interest rates at approximately 6%	84,300	88,444
Term note, due 2005	64,169	64,169
Convertible subordinated notes, repaid April 2002	—	62,589
Capital leases on land, buildings and equipment payable in monthly payments of principal plus interest at approximately 8%; remaining terms up to fifteen years	26,665	18,878
Other capital leases, debt and long-term liabilities	<u>12,865</u>	<u>11,044</u>
Total long-term debt	362,999	420,124
Less current installments	<u>34,352</u>	<u>23,274</u>
Long-term debt, excluding current installments	<u>\$ 328,647</u>	<u>\$ 396,850</u>

The Company maintains a revolving credit facility that provides for aggregate borrowings of up to \$175 million. Any future borrowings under this facility will bear interest at LIBOR plus 2.25%, or at an alternative base rate plus 0.75% or at the Federal funds rate plus 1.75%, depending upon the type of borrowing, are secured by substantially all of the Company's assets and are due January 2005. There were no borrowings outstanding under this facility at either September 30, 2002 or March 31, 2002.

On September 21, 2001, the Company executed an agreement for the settlement of certain equity forward contracts through borrowings of \$64.2 million from a bank under a term loan facility. The borrowings under this term loan bear interest, payable semiannually, at LIBOR

plus 3.75% or an alternative base rate. At September 30, 2002, the interest rate under this facility was 5.61%. The borrowings under this facility are secured by substantially all of the Company's assets.

Under the terms of some of the above borrowings, the Company is required to maintain certain tangible net worth levels, debt-to-cash flow and debt service coverage ratios, among other restrictions. At September 30, 2002, the Company was in compliance with these covenants and restrictions. Accordingly, the Company has classified all portions of its debt obligations due beyond September 30, 2003 as long-term in the accompanying condensed consolidated financial statements.

8. STOCKHOLDERS' EQUITY

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

	For the quarter ended September 30,		For the six months ended September 30,	
	2002	2001	2002	2001
Basic earnings (loss) per share:				
Numerator – net earnings (loss)	\$ 15,526	\$ 7,029	\$ 25,991	\$ (56,610)
Denominator – weighted-average shares outstanding	88,481	89,856	88,131	89,894
Basic earnings (loss) per share	<u>\$ 0.18</u>	<u>\$ 0.08</u>	<u>\$ 0.29</u>	<u>\$ (0.63)</u>
Diluted earnings (loss) per share:				
Numerator:				
Net earnings (loss)	\$ 15,526	\$ 7,029	\$ 25,991	\$ (56,610)
Interest expense on convertible debt (net of tax benefit)	1,050	—	2,100	—
	<u>\$ 16,576</u>	<u>\$ 7,029</u>	<u>\$ 28,091</u>	<u>\$ (56,610)</u>
Denominator:				
Weighted-average shares outstanding	88,481	89,856	88,131	89,894
Dilutive effect of common stock options and warrants, as computed under the treasury stock method	2,354	1,264	2,411	—
Dilutive effect of convertible debt, as computed under the if-converted method	9,589	—	9,589	—
	<u>100,424</u>	<u>91,120</u>	<u>100,131</u>	<u>89,894</u>
Diluted earnings (loss) per share	<u>\$ 0.17</u>	<u>\$ 0.08</u>	<u>\$ 0.28</u>	<u>\$ (0.63)</u>

The equivalent share effect of the convertible debt was excluded from the above calculations for the quarter ended September 30, 2001, and the equivalent share effect of all stock options, stock warrants, equity forward contracts and convertible debt were excluded from the above calculations for the six months ended September 30, 2001, because such items were antidilutive. The equivalent share effect of convertible debt excluded for the quarter ended September 30, 2001 was 5.8 million, and the equivalent share effect of the convertible debt and the equivalent share effect of the common stock options and warrants excluded for the six months ended September 30, 2001, were 5.8 million and 1.6 million, respectively. Interest expense on convertible debt (net of income tax effect) excluded in computing diluted earnings (loss) per share for the quarter and for the six months ended September 30, 2001, was \$1.0 million and \$1.9 million, respectively.

At September 30, 2002, the Company had options and warrants outstanding providing for the purchase of approximately 22.0 million shares of its common stock. Options and warrants to purchase shares of common stock that were outstanding during the periods reported, but were not included in the computation of diluted earnings (loss) per share because the exercise price was greater than the average market price of the common shares are shown below (in thousands, except per share amounts):

	For the quarter ended September 30,		For the six months ended September 30,	
	2002	2001	2002	2001
Excluded number of shares under options and warrants	11,426	13,929	10,495	11,641
Range of exercise prices	<u>\$16.45 – 62.06</u>	<u>\$11.50 – 62.06</u>	<u>\$16.45 – 62.06</u>	<u>\$11.50 – 62.06</u>

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

		For the quarter ended September 30,		For the six months ended September 30,	
		2002	2001	2002	2001
Net earnings (loss)	As reported	<u>\$ 15,526</u>	<u>\$ 7,029</u>	<u>\$ 25,991</u>	<u>\$ (56,610)</u>
	Pro forma	<u>\$ 12,942</u>	<u>\$ (48)</u>	<u>\$ 20,683</u>	<u>\$ (70,467)</u>
Basic earnings (loss) per share	As reported	<u>\$ 0.18</u>	<u>\$ 0.08</u>	<u>\$ 0.29</u>	<u>\$ (0.63)</u>
	Pro forma	<u>\$ 0.15</u>	<u>\$ 0.00</u>	<u>\$ 0.23</u>	<u>\$ (0.78)</u>
Diluted earnings (loss) per share	As reported	<u>\$ 0.17</u>	<u>\$ 0.08</u>	<u>\$ 0.28</u>	<u>\$ (0.63)</u>
	Pro forma	<u>\$ 0.14</u>	<u>\$ 0.00</u>	<u>\$ 0.23</u>	<u>\$ (0.78)</u>

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

9. ALLOWANCE FOR DOUBTFUL ACCOUNTS

Trade accounts receivable are presented net of allowances for doubtful accounts, returns, and credits of \$6.3 million at both September 30, 2002 and at March 31, 2002.

10. MAJOR CUSTOMERS

No single customer accounted for more than 10% of revenue during the quarter or the six months ended September 30, 2002. For the quarter and the six months ended September 30, 2001, the Company had one customer, Allstate Insurance Company, which accounted for \$21.5 million (10.0%) and \$45.9 million (10.9%), respectively, of revenue.

11. SEGMENT INFORMATION

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

	For the quarter ended September 30,		For the six months ended September 30,	
	2002	2001	2002	2001
Revenue:				
Services	\$ 178,893	\$ 161,941	\$ 348,262	\$ 311,368
Data and Software Products	45,059	39,633	83,431	72,483
IT Management	56,907	53,261	113,368	106,227
Intercompany eliminations	(45,463)	(39,631)	(84,259)	(69,836)
	<u>\$ 235,396</u>	<u>\$ 215,204</u>	<u>\$ 460,802</u>	<u>\$ 420,242</u>
Income (loss) from operations:				
Services	\$ 25,042	\$ 17,411	\$ 46,004	\$ 4,371
Data and Software Products	8,636	3,134	11,306	(109)
IT Management	2,386	1,758	3,458	1,480
Intercompany eliminations	(8,429)	(2,342)	(11,454)	901
Corporate and other	<u>—</u>	<u>—</u>	<u>9</u>	<u>(79,458)</u>
	<u>\$ 27,635</u>	<u>\$ 19,961</u>	<u>\$ 49,323</u>	<u>\$ (72,815)</u>

Substantially all of the nonrecurring charges incurred with the Restructuring Plan discussed in note 2 have been recorded in Corporate and other, since the Company does not hold individual segments responsible for these charges. During the quarter ended June 30, 2002, the Company revised certain of its internal cost allocations to distribute substantially all recurring costs to the business segments. Accordingly, the prior year's segment information has been restated to conform to the current year presentation.

12. COMPREHENSIVE INCOME (LOSS)

The balance of accumulated other comprehensive loss, which consists of foreign currency translation adjustments and unrealized depreciation, net of reclassification adjustments, on marketable securities classified as available-for-sale, was \$6.8 million and \$8.6 million at September 30, 2002 and March 31, 2002, respectively. Comprehensive income (loss) was \$14.8 million and \$7.7 million, respectively, for the quarters ended September 30, 2002 and 2001, and \$27.8 million and \$(56.4) million, respectively, for the six-month periods ended September 30, 2002 and 2001.

13. CONTINGENCIES

Refer to Part II, Item 1 for a description of legal proceedings.

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

Introduction

Acxiom Corporation ("Acxiom", "Registrant" or "the Company") integrates data, services and technology to create and deliver customer and information management solutions for many of the largest, most respected companies in the world. The core components of Acxiom's innovative solutions are customer data integration ("CDI") technology, data content, database services, information technology ("IT") outsourcing, consulting and analytics, and privacy leadership. Founded in 1969, Acxiom is headquartered in Little Rock, Arkansas, with locations throughout the United States, and in the United Kingdom ("U.K."), France and Australia.

Results of Operations

For the quarter ended September 30, 2002, consolidated revenue was \$235.4 million, reflecting a 9% increase from the previous year. Adjusting the prior year for divested operations (see note 4 to the condensed consolidated financial statements), the increase in revenue was 12%. Also excluding current year revenue from Acxiom Information Security Systems, Inc. ("AISS") and the Company's Australian operations, which were acquired in the current year, the increase is 11%. The increase in revenue for the quarter reflects increases in customer demand for Acxiom products and services and the layering effect of recognition of subscription revenue from contracts signed in current and prior quarters as the Company provides service. For the six months ended September 30, 2002, consolidated revenue was \$460.8 million, up 10% from the same period a year ago. Again, adjusting 2001 for divested operations, the increase in consolidated revenue for the six-month period was 14%. Excluding revenue from current year acquisitions, the increase is 13%. Overall, revenue increased 21% for the quarter and 23% year to date in a group of industries that the Company has identified as "high opportunities": financial services, insurance, media, retail, automotive, governmental and travel and entertainment. Revenue was down 5% for both the quarter and year to date in another group of industries including telecommunications, technology, health and other miscellaneous areas.

The table below shows the Company's revenue by business segment for the quarters and for the six months ended September 30, 2002 and 2001 (dollars in millions).

	For the quarter ended September 30,			For the six months ended September 30,		
	2002	2001	% Change	2002	2001	% Change
Services	\$ 178.9	\$ 161.9	+10%	\$ 348.3	\$ 311.3	+12%
Data and Software						
Products	45.1	39.6	+14	83.4	72.5	+15
IT Management	56.9	53.3	+ 7	113.4	106.2	+ 7
Intercompany eliminations	(45.5)	(39.6)	+15	(84.3)	(69.8)	+21
	<u>\$ 235.4</u>	<u>\$ 215.2</u>	<u>+ 9%</u>	<u>\$ 460.8</u>	<u>\$ 420.2</u>	<u>+10%</u>

The Services segment, the Company's largest segment, provides data warehousing, list processing and consulting services to large corporations in a number of vertical industries. Segment revenue of \$178.9 million in the current quarter increased 10% over the prior year. Excluding divested operations, this segment grew 15% as compared to the same quarter a year ago. For the six months ended September 30, 2002, the Services segment revenue increased 12% over the same period a year ago (17% increase after adjusting the prior year for divested operations). Excluding both the divested operations and current year acquisitions, the revenue increases for the quarter and six months were 12% and 16%, respectively. The increase in Services segment revenues year over year is generally due to increases in the "high opportunities" industries, partially offset by decreases in the telecommunications, technology, health and other miscellaneous industries as previously discussed.

The Data and Software Products segment provides data content and software primarily in support of the Services segment customers' activities. Segment revenue of \$45.1 million during the quarter ended September 30, 2002 increased 14% as compared to the quarter ended September 30, 2001. For the six-month period, Data and Software Products segment revenue was \$83.4 million, an increase of 15% over the prior year. The increase in segment revenue as compared to the prior year amount is primarily attributable to strong growth in software products (which includes AbiliTec-enabled services) and strategic data products including reference and analytics products, offset by declines in list products and enhancement data.

The IT Management segment consists of outsourcing services primarily in the areas of data center, client server and network management. IT Management segment revenue of \$56.9 million in the September 30, 2002 quarter reflects an increase of 7% over the prior year's September quarter. IT Management revenue was up 7% as well for the six-month period to \$113.4 million. This increase for both the quarter and the six-month period is primarily attributable to additional outsourcing contracts signed over the last several quarters.

Certain revenues, including certain data and software product revenue, are reported both as revenue in the segment which owns the customer relationship (generally the Services segment) as well as the Data and Software Products segment which owns the product development, maintenance, sales support, etc. These duplicate revenues are eliminated in consolidation. The intercompany elimination increased 15% for the quarter and 21% for the six-month period, reflecting the increase in data and software product revenue recorded through the Services segment.

The following table presents operating expenses for the quarters and for the six months ended September 30, 2002 and 2001 (dollars in millions):

	For the quarter ended September 30,			For the six months ended September 30,		
	2002	2001	% Change	2002	2001	% Change
Salaries and benefits	\$ 75.1	\$ 77.6	- 3%	\$ 149.8	\$ 171.1	- 12%
Computer, communications and other equipment	63.8	51.6	+24	126.9	133.4	- 5
Data costs	29.8	29.9	—	58.8	60.7	- 3
Other operating costs and expenses	43.2	36.1	+20	80.6	82.6	- 2
Gains, losses and non- recurring items, net	(4.1)	—	—	(4.6)	45.3	-110
	<u>\$ 207.8</u>	<u>\$ 195.2</u>	<u>+ 6%</u>	<u>\$ 411.5</u>	<u>\$ 493.1</u>	<u>- 17%</u>

Salaries and benefits for the quarter decreased 3% from the prior year. For the six months, salaries and benefits decreased 12%. This decrease is primarily attributable to the work force reductions that were a component of the restructuring plan discussed below and certain mandatory and voluntary salary reductions effective April 2001. The voluntary portion of the salary reduction was reinstated on April 1, 2002, and one-half of the involuntary portion of the salary reduction was reinstated August 1, 2002. The remaining portion of the involuntary salary reduction was reinstated on November 1, 2002. The net impact of reinstatement of the voluntary and involuntary salary reductions is expected to be approximately \$16 million during fiscal 2003, of which approximately \$6 million had been incurred during the six months ended September 30, 2002. The Company is also continuing to benefit internally from the deployment of AbiliTec-enabled processing to control incremental headcount.

Computer, communications and other equipment costs for the quarter ended September 30, 2002 increased 24% over the same quarter in the prior year. For the six months ended September 30, 2002, computer, communications and other equipment costs decreased 5% over the prior year. Adjusting for divested operations, current year acquisitions and accelerated depreciation and amortization and other charges of approximately \$25.8 million taken during the prior year on other assets that are no longer in service or were otherwise deemed impaired, these costs increased 29% for the year-to-date period. Although the year-over-year increase is 29%, as adjusted for the items discussed above, the increase from the quarter ended June 30, 2002 was only 1.3%. Management believes the investments made during the past twelve months will enable the Company to become more efficient.

Capitalized software, including purchased and internally developed, is evaluated for impairment on an annual basis, or when events or changes in circumstances indicate the carrying amount of the asset might not be recoverable. At September 30, 2002, the Company's most recent impairment analysis of its software indicates that no impairment exists. However, no assurance can be given that future analysis of the Company's capitalized software will not result in an impairment charge.

Data costs for the quarter declined slightly as compared to the prior year. For the six months, these costs decreased 3%. The decrease in data costs is primarily the result of lower Allstate Insurance Company (“Allstate”) business in the six-month period, offset in part by increases in data and data licenses sales.

Other operating costs and expenses for the quarter increased by 20% compared to the same quarter a year ago. Adjusting for divested operations and current year acquisitions, these costs increased 21%. For the six months ended September 30, 2002, other operating costs declined 2% as compared to the prior year, although these costs increased 5% after adjusting for divested operations, current year acquisitions and accelerated depreciation and amortization and other charges of approximately \$25.8 million discussed above. These costs increased year over year primarily as a result of increased postage and other mailing related costs, combined with slightly higher other operating expenses including travel and entertainment, administration and consulting related costs.

Gains, losses and nonrecurring items, net was a gain of \$4.6 million for the current six-month period as a result of the disposal in the first quarter of the remaining assets located in Spain, which consisted primarily of tax loss carryforwards (see note 4 to the condensed consolidated financial statements) and the reversal in the second quarter of a \$4.1 million accrual for “over-attainment” incentives that will not be paid by the Company (see note 2 to the condensed consolidated financial statements). Gains, losses and nonrecurring items, net for the six months ended September 30, 2001 was a loss of \$45.3 million as a result of the restructuring plan announced on June 25, 2001 (“Restructuring Plan”) (see note 2 to the condensed consolidated financial statements).

Income from operations for the current quarter was \$27.6 million, compared to \$20.0 million a year ago. Excluding gains, losses and nonrecurring items, net, divested operations and current year acquisitions, the current quarter income from operations would have been \$23.7 million as compared to the prior year amount, as adjusted, of \$19.8 million. For the six months ended September 30, 2002, income from operations of \$49.3 million increased \$122.1 million from the prior year. Again, excluding gains, losses and nonrecurring items, net, divested operations and current year acquisitions, and also adjusting for the accelerated depreciation and amortization discussed above and approximately \$18 million of operating expenses incurred during the first quarter of the prior year that did not recur as a result of the Restructuring Plan, operating income increased \$30.9 million for the current six-month period from \$14.9 million in the prior year to \$45.8 million in the current year.

Interest expense for the quarter of \$5.1 million (\$10.4 million for the six-month period) decreased from \$7.2 million during the same quarter last year (\$14.0 million for the prior year six-month period), reflecting a combination of significantly lower average debt levels this year and lower weighted-average interest rates. Other, net changed from \$1.6 million expense in last year’s second quarter to \$1.6 million income in this year’s second quarter primarily due to the consolidation of the Australian joint venture, which was recorded on the equity method in the prior year. The current year income primarily includes interest income on notes receivable. Other, net for the six months ended September 30, 2002 was income of \$1.5 million, compared to expense of \$2.4 million a year ago.

Earnings before income taxes of \$24.1 million for the current quarter increased \$13.0 million over the same quarter a year ago. Excluding the gains, losses and nonrecurring items, net, the divested operations and current year acquisitions, earnings before income taxes would have been \$20.2 million in the current quarter compared to \$11.1 million in the prior year. For the six months ended September 30, 2002, earnings before income taxes of \$40.5 million increased \$129.7 million over the prior period loss of \$89.2 million. Excluding the gains, losses and nonrecurring items, net, divested operations, current year acquisitions and excluding the accelerated depreciation and amortization discussed above and approximately \$18 million of operating expenses incurred during the first quarter of the prior year that did not recur as a result of the Restructuring Plan, the change from the prior year would have been an increase of approximately \$37.2 million for the six months ended September 30, 2002 to earnings of \$37.0 million from a loss of \$0.2 million for the six months ended September 30, 2001.

The Company's effective tax rate was 35.6% in the current quarter and 35.8% for the current six-month period, compared to 37% for the prior year quarter and 36.5% in the six-month period ended September 30, 2001. The Company currently expects an effective tax rate of approximately 36% for fiscal 2003. This estimate is based on current tax law and current estimates of earnings.

Diluted earnings (loss) per share for the current quarter was \$0.17 compared to \$0.08 a year ago, and \$0.28 for the current six-month period compared to \$(0.63) a year ago. Excluding the special charges included in gains, losses and nonrecurring items, net; the accelerated depreciation and amortization recorded during the prior year; divested operations; current year acquisitions; and approximately \$18 million of operating expenses incurred during the first quarter of the prior year that did not recur as a result of the Restructuring Plan, diluted earnings per share would have been \$0.14 for the current quarter and \$0.26 for the six months ended September 30, 2002, and would have been \$0.08 for the prior year quarter and zero for the six months ended September 30, 2001.

Capital Resources and Liquidity

Working capital at September 30, 2002 totaled \$179.9 million compared to \$182.6 million at March 31, 2002. At September 30, 2002, the Company had available credit lines under its revolving credit facility of \$175 million of which none was outstanding. The Company's debt-to-capital ratio (capital defined as long-term debt plus stockholders' equity) was 36% at September 30, 2002, compared to 44% at March 31, 2002 and 39% at June 30, 2002. The decrease largely relates to strong cash flow during the current year. Included in long-term debt at both September 30, 2002 and March 31, 2002, are the Company's 3.75% convertible notes in the amount of \$175 million ("3.75% Notes"). The conversion price for the 3.75% Notes is \$18.25 per share. If the price of the Company's common stock increases above the conversion price, the 3.75% Notes may be converted to equity. Total stockholders' equity has increased to \$576.9 million at September 30, 2002 from \$510.9 million at March 31, 2002, primarily due to the net income reported during the current six-month period, proceeds from the sale of common stock, and shares of common stock and warrants for the purchase of shares of common stock issued in connection with an acquisition discussed below.

Cash provided by operating activities was \$113.7 million for the six months ended September 30, 2002, compared to \$30.0 million for the same period in the prior year. The largest single component in the year-to-year change was net income of \$26.0 million in the current year as compared to a loss of \$56.6 million in the prior year. Operating cash flow in the current period includes a refund of Federal income taxes received in June 2002 in the amount of approximately \$40 million as a result of the utilization of Federal tax loss carrybacks. Accounts receivable days sales outstanding were 70 days at September 30, 2002, compared to 72 days at June 30, 2002 and 63 days at March 31, 2002.

Investing activities used \$31.0 million for the fiscal year-to-date period ended September 30, 2002, compared to \$53.0 million a year previously. Investing activities in the current year include capitalized software development costs of \$17.6 million (\$11.4 million in 2001), capital expenditures of \$4.9 million (\$8.8 million in 2001) and \$7.3 million of cost deferrals (\$26.7 million in 2001). Capitalized software costs in the current year include capitalization of the Company's recently announced new data products, new security products and Acxiom's new customer data integration technology. Capital expenditures decreased compared to the previous year due to measures the Company initiated to control costs, as well as the Company's decision to generally lease equipment which is required to support customers to match cash inflows from customer contracts and cash outflows. Deferral of costs, which are primarily salaries and benefits and other direct and incremental third party costs, were higher in the prior year due to capitalization of equipment acquired in connection with customer solutions for which the customer has paid at inception of the contract. The Company also defers revenue related to these transactions and amortizes both the deferred cost and deferred revenue over the life of the contract. Investing activities during the current year also include advances made to fund certain investments and joint ventures operations of \$1.1 million, compared to \$5.7 million in the prior year, \$8.3 million of cash paid (net of cash acquired) for acquisitions in the current year as discussed below, and \$7.7 million of cash proceeds during the current year from a sale leaseback transaction discussed in note 2 to the accompanying condensed consolidated financial statements.

Effective August 12, 2002, the Company acquired certain assets and assumed certain liabilities of an employment screening business owned by Trans Union, LLC ("Trans Union"), a related party. This employment screening business was incorporated as Acxiom Information Security Systems, Inc. ("AISS") and offers a range of services including criminal and civil records search, education and reference verification, and other verification services for its customers. Management believes AISS will provide the Company with additional products and services and will support the Company's initiatives in the screening, identification and security areas. The aggregate purchase price of \$34.6 million consisted of cash of \$10.0 million (of which \$7.5 million was paid at closing and \$2.5 million was paid on October 1, 2002), 664,562 shares of common stock valued at \$10.5 million and warrants to purchase 1,272,024 shares of common stock, at an exercise price of \$16.32, valued at \$14.1 million. If the value of the 664,562 shares of common stock on August 12, 2003 (twelve months after the closing date) is less than \$10.0 million, the Company will be required to pay additional cash consideration in the amount of the deficit, but not more than \$5.0 million. If the value of those shares on August 12, 2003 is greater than \$13.0 million, Trans Union will be required to return shares of common stock in the amount of the excess, but not more than \$5.0 million worth of common stock (see note 3 to the condensed consolidated financial statements). Based on the closing price of the Company's common stock of \$12.60 per share on October 31, 2002, the value of the 664,562 shares of common stock was \$8.4 million. Accordingly, had this adjustment to the purchase price been

determined as of October 31, 2002, the Company would be required to pay Trans Union \$1.6 million of additional cash consideration, which would be charged to additional paid-in capital.

Effective June 1, 2002, the Company entered into an agreement with Publishing & Broadcasting Limited ("PBL") whereby Acxiom purchased PBL's 50% ownership interest in an Australian joint venture ("Australian JV") for cash of \$0.8 million (net of cash acquired) and a note payable of \$1.4 million, such that Acxiom now owns 100% of the Australian operation. Additionally, the purchase agreement provides that Acxiom may pay PBL additional consideration, based on a percentage of the Australian operation's results through March 31, 2007, and also provides PBL the option to repurchase between 25% and 49% of the Australian JV subsequent to March 31, 2007, at an option price specified in the purchase agreement. The Australian JV purchase price, together with Acxiom's previously recorded investment in the Australian JV, resulted in an excess of the purchase price over the fair value of net assets acquired of \$5.8 million (see note 3 to the condensed consolidated financial statements).

With respect to certain of its investments, Acxiom has provided cash advances to fund losses and cash flow deficits of \$1.1 million during the six months ended September 30, 2002. Although Acxiom has no commitment to continue to do so, the Company may continue to fund such losses and deficits until such time as certain of these investments become profitable. Additionally, Acxiom may, at its discretion, discontinue providing financing to these investments during future periods. In the event that Acxiom ceases to 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 its investments (\$23.5 million at September 30, 2002, excluding the valuation allowance of \$4.0 million for temporary impairment). Also, during the current year, the Company recorded unrealized losses on certain of its investments as a component of other comprehensive income (loss) in the amount of \$1.5 million, net of related income tax effect. In the event that declines in the value of its investments continue, the Company may be required to record further unrealized losses as a component of other comprehensive income (loss) and/or "other than temporary" impairment as a charge to earnings.

Financing activities in the current year used \$62.0 million, a large portion of which relates to net repayments of the Company's revolving credit facility and certain other of the Company's credit facilities. Financing activities in the prior year provided \$17.9 million primarily due to proceeds received from debt. Proceeds from the sale of common stock through stock options and the employee stock purchase plan were \$12.1 million in the current year and \$6.5 million during the prior year. Additionally, during the prior year, the Company paid \$23.5 million on certain equity forward contracts.

The Company has entered into certain synthetic operating lease facilities for computer equipment, furniture and an aircraft. 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. These synthetic lease arrangements provide the Company with a more cost-effective way to acquire equipment than alternative financing arrangements and better match inflows of cash from customer contracts to outflows related to lease payments. Lease terms under the computer equipment and furniture facility range from three to seven 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.

As of September 30, 2002, the total amount drawn under these synthetic operating lease facilities was \$180.4 million and the remaining capacity for additional funding (for computer equipment and furniture only) was \$73.1 million. The Company has made aggregate payments of \$98.1 million through September 30, 2002.

The Company has also entered into a real estate synthetic lease arrangement with respect to a facility under construction in Little Rock, Arkansas and land in Phoenix, Arizona. This synthetic lease arrangement provides the Company with more desirable terms than other alternative construction financing options. Under the arrangement, the Company has agreed to lease each property for an initial term of five years with an option to renew for an additional two years, subject to certain conditions. The lessors have committed to fund up to a maximum of \$45.8 million for the construction of the Little Rock building and acquisition of the land at both sites. At September 30, 2002, the remaining amount of the commitment available from the lessors was approximately \$7.7 million. The Little Rock building is expected to cost approximately \$30 to \$35 million, including interest during construction, and is expected to be completed in December 2002. The impact of the leasing arrangement is expected to reduce operating cash flow by approximately \$3 million per year over the term of the lease, which will be partially offset by reductions in current leased facilities. At any time during the term of the lease, Acxiom may, at its option, purchase the land and building for a price approximately equal to the amount expended by the lessors. If the Company does not purchase the land and building, the Company has guaranteed a residual value of 87% of the land and construction costs or approximately \$40 million at the end of the lease term. During June 2002, the Financial Accounting Standards Board ("FASB") issued an exposure draft entitled "Consolidation of Certain Special-Purpose Entities." The provisions of this exposure draft, in its current form, could impact the Company's accounting for this real estate synthetic lease arrangement, as discussed in the New Accounting Pronouncements portion of this report. However, management does not think this exposure draft will impact the Company's current accounting for the synthetic operating lease facilities for computer equipment, furniture and the aircraft.

The following table presents Acxiom's contractual cash obligations and purchase commitments at September 30, 2002 (dollars in thousands):

	For the periods ending March 31, (1)						Total
	2003	2004	2005	2006	2007	Thereafter	
Long-term debt	\$ 21,055	\$ 23,375	\$ 21,712	\$ 76,781	\$ 13,281	\$ 206,795	\$ 362,999
Synthetic airplane lease	689	1,378	1,378	1,378	1,378	5,167	11,368
Synthetic equipment and furniture leases	18,316	25,972	8,243	1,695	607	304	55,137
Synthetic real estate lease	1,500	3,000	3,000	1,500	—	—	9,000
Total synthetic leases	20,505	30,350	12,621	4,573	1,985	5,471	75,505
Equipment operating leases	11,356	20,348	14,834	6,628	1,596	—	54,762
Building operating leases	4,420	8,096	7,062	5,674	5,503	42,690	73,445
Partnerships building leases	1,187	2,373	2,301	2,084	2,084	4,665	14,694
Related party airplane lease	451	902	902	902	902	2,707	6,766
Total lease payments	37,919	62,069	37,720	19,861	12,070	55,533	225,172
Operating software license obligations	6,675	11,389	4,415	4,235	—	—	26,714
Total operating lease and software license obligations	44,594	73,458	42,135	24,096	12,070	55,533	251,886
Total contractual cash obligations	<u>\$ 65,649</u>	<u>\$ 96,833</u>	<u>\$ 63,847</u>	<u>\$100,877</u>	<u>\$ 25,351</u>	<u>\$ 262,328</u>	<u>\$ 614,885</u>
Purchase commitment on synthetic airplane lease	—	—	—	—	—	4,398	4,398
Purchase commitments on synthetic equipment and furniture leases	3,774	22,246	5,489	2,109	1,626	—	35,244
Purchase commitment on synthetic real estate lease	—	—	—	45,800	—	—	45,800
Total purchase commitments	<u>\$ 3,774</u>	<u>\$ 22,246</u>	<u>\$ 5,489</u>	<u>\$ 47,909</u>	<u>\$ 1,626</u>	<u>\$ 4,398</u>	<u>\$ 85,442</u>

(1) Contractual cash obligations and purchase commitments for fiscal 2003 represent amounts for the period from October 1, 2002 through March 31, 2003. All other years represent contractual cash obligations and purchase commitments for the twelve months ending March 31.

The synthetic lease term for the aircraft expires in January 2010, with the company having the option at expiration to either purchase the aircraft at a fixed price, renew the 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. The purchase commitment on the synthetic airplane lease assumes the lease terminates and is not renewed, and the Company elects to purchase the aircraft.

The purchase commitments on the synthetic equipment and furniture leases assume the leases terminate and are not renewed, and the Company elects to purchase the assets. The purchase commitment on the synthetic real estate lease assumes the Company elects to purchase the building from the lessor at the end of the original lease term. The Company also has the option to renew the lease for two one-year periods, or to allow the lessor to sell the building.

The following table shows certain other contingencies or guarantees under which the Company could be required, in certain circumstances, to make cash payments as of September 30, 2002 (dollars in thousands):

Residual value guarantee on related party airplane lease	\$ 4,363
Residual value guarantee on the synthetic real estate lease	40,000
Contingent cash payment on AISS acquisition	5,000
Guarantees on certain partnerships' indebtedness and other loans	5,715
Outstanding letters of credit	<u>10,658</u>

The total of the partnerships' indebtedness and other loans, of which the Company guarantees the portion noted above, is \$14.1 million.

The related party airplane lease relates to an aircraft leased from a business partially owned by an officer of the Company. The Company has agreed to pay the difference, if any, between the sales price of the aircraft and 70% of the related loan balance should the Company elect to exercise its early termination rights or not extend the lease beyond its initial term and the lessor sells the equipment as a result.

While the Company does not have any other material contractual commitments for capital expenditures, minimum levels of investments in facilities and computer equipment continue to be necessary to support the growth of the business. It should be noted, however, that the Company has spent considerable capital over recent years building the AbiliTec infrastructure. It is the Company's current intention generally to lease any new required equipment to better match cash outflows with customer inflows. In some cases, the Company also licenses software and sells hardware to customers. In addition, new outsourcing or facilities management contracts frequently require substantial up-front capital expenditures in order 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 its 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 the Company's projections or from potential future acquisitions, the Company could use available borrowing capacity under its revolving credit agreement, and/or the issuance of other debt or equity securities. However, no assurance can be given that the Company would be able to obtain funding through the issuance of other debt or equity securities at terms favorable to the Company, or that such funding would be available.

The Company has never paid cash dividends on its common stock. It is possible that dividends may be declared in the future if the board of directors determines that conditions warrant the payment of dividends. For the present, however, the Company intends to retain its earnings to provide funds for its current operations and for the continued expansion of its business.

Other Information

No single customer accounted for more than 10% of revenue during the quarter or the six months ended September 30, 2002. The Company had one customer, Allstate, which accounted for \$21.5 million (10.0%) of revenue during the quarter ended September 30, 2001, and \$45.9 million (10.9%) of revenue during the six months ended September 30, 2001.

In accordance with a data center management agreement dated July 27, 1992 between Acxiom and Trans Union, Acxiom (through its subsidiary, Acxiom CDC, Inc.) acquired all of Trans Union's interest in its Chicago data center and agreed to provide Trans Union with various data center management services. The current term of the agreement expires in 2005. In a 1992 letter agreement, Acxiom agreed to use its best efforts to cause one person designated by Trans Union to be elected to Acxiom's board of directors. Trans Union 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 the 1996, 1999 and 2002 annual stockholders meetings. Under a second letter agreement, executed in 1994 in connection with an amendment to the 1992 agreement, Acxiom agreed to use its best efforts to cause two people designated by Trans Union to be elected to Acxiom's board of directors. In addition to Mr. Gambill, Trans Union designated Robert A. Pritzker, an executive officer of Marmon Industrial Corporation, who was appointed to fill a newly created position on Acxiom's board of directors in October 1994. Mr. Pritzker was elected to serve a three-year term at the 1995 annual meeting and was elected to serve a second three-year term at the 1998 annual meeting. Mr. Pritzker resigned from the board in May 2000, to attend to other business obligations. While these undertakings by Acxiom are in effect until the end of the current term of the agreement, Acxiom has been notified that Trans Union does not presently intend to designate another individual to serve as director. Acxiom recorded revenue from Trans Union of approximately \$13.2 million for the quarter ended September 30, 2002 and approximately \$25.8 million for the six months ended September 30, 2002. All revenues received from Trans Union have been in accordance with the pricing terms established under the agreements.

Effective April 1, 2002, Acxiom and Trans Union entered into a marketing joint venture that will serve as a sales agent for both parties for certain existing mutual clients. The purpose of the joint venture is to provide these joint clients with leading-edge solutions that leverage the

strengths of both parties. Expected to serve a small number of financial service clients, the joint venture will market substantially all of the products and services currently offered by Acxiom and Trans Union, as well as any new products and services that may be agreed upon. The parties have agreed to share equally the aggregate incremental increase (or decrease) in revenue and direct expenses generated from any client supported by the joint venture. If either party determines that its participation in the joint venture is economically disadvantageous, it may terminate the arrangement after certain negotiation procedures specified in the agreement have occurred. The results of operations from this joint venture were not material for the quarter or for the six months ended September 30, 2002.

New Accounting Pronouncements

In May 2002, the FASB issued SFAS No. 145, "Rescission of FASB Statements No. 4, 44 and 64, Amendment of FASB Statement No. 13, and Technical Corrections." Under the provisions of SFAS No. 145, gains and losses from the early extinguishment of debt are no longer classified as an extraordinary item, net of income taxes, but are included in the determination of pretax earnings. The effective date for SFAS No. 145 is for fiscal years beginning after May 15, 2002, with early application encouraged. Upon adoption, the Company will reclassify all gains and losses from the extinguishment of debt previously reported as an extraordinary item to pretax earnings.

In June 2002, the FASB issued SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities." SFAS No. 146 addresses accounting and reporting for costs associated with exit or disposal activities by requiring that a liability for a cost associated with an exit or disposal activity be recognized and measured at fair value only when the liability is incurred. SFAS No. 146 also nullifies Emerging Issues Task Force Issue 94-3, "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring)." The provisions of SFAS No. 146 are effective for exit or disposal activities that are initiated after December 31, 2002.

The FASB currently has outstanding in exposure draft format, a proposed Statement of Financial Accounting Standards ("SFAS"), "Accounting for Financial Instruments with Characteristics of Liabilities, Equity or Both." This exposure draft, in its current form, could have a significant impact on the Company's accounting for its convertible debt obligations by requiring some amount of those convertible debt obligations to be classified as equity. The issuance of a final SFAS is expected during fiscal 2003. The Company will continue to monitor the progress of this exposure draft and its potential impact on the Company's financial position and/or results of operations.

In May 2002, the FASB issued an exposure draft entitled "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others" as a proposed interpretation of SFAS No. 5, 57 and 107 ("Proposed Interpretation"). Under the provisions of the Proposed Interpretation, a guarantor would be 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 would also be required to make additional disclosures in its financial statements about obligations under certain guarantees issued. The Proposed Interpretation, if issued as an authoritative pronouncement in its current form, would require 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 and real estate lease arrangements. The provisions of the Proposed Interpretation, in its current form, would be effective in the first interim period of the first fiscal year beginning after September 15, 2002, as a cumulative effect of a change in accounting principle. The Company will continue to monitor this Proposed Interpretation and the potential impact to its consolidated financial statements.

As previously discussed, the FASB issued an exposure draft in June 2002 entitled "Consolidation of Certain Special-Purpose Entities" ("Exposure Draft"). Under the provisions of the Exposure Draft, the underlying assets, liabilities and results of activities of a large number of special-purpose entities ("SPE's") would be required to be consolidated into the financial statements of its primary beneficiary. Accordingly, the Company may be required to record the underlying real estate asset and related depreciation expense and the underlying debt and related interest expense associated with the real estate synthetic lease arrangement discussed above should the Exposure Draft be issued in its current form. The provisions of the Exposure Draft, in its current form, would be effective and applied to all SPE's existing as of the beginning of the year of the first fiscal year or interim period beginning after March 15, 2003. However, no final authoritative pronouncement has been issued and the Exposure Draft may change prior to issuance in its final form. The Company will continue to monitor this Exposure Draft and the potential impact on its consolidated financial statements.

In October 2002, the FASB issued an exposure draft entitled "Accounting for Stock-Based Compensation – Transition and Disclosure" as an amendment of SFAS No. 123. This exposure draft provides alternative methods of transition for a voluntary change to the fair value method of accounting for stock-based employee compensation. In addition, it would require more prominent disclosures about the method of accounting for stock-based employee compensation and the effect of the method used on reported results in both annual and interim financial statements. The provisions of this exposure draft, in its current form, would be effective for fiscal years ending after December 15, 2002, and for financial reports containing condensed financial statements for interim periods beginning after December 15, 2002. The Company will continue to monitor this exposure draft and its potential impact to the Company's consolidated financial statements.

Forward-looking Statements

This document and other written reports and oral statements made from time to time by us and our representatives contain forward-looking statements. These statements, which are not statements of historical fact, may contain estimates, assumptions, projections and/or expectations regarding our financial position, results of operations, market position, product development, growth opportunities, economic conditions, and other similar forecasts and statements of expectation. We generally indicate 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 our actual results and experiences to differ materially from the anticipated results and expectations expressed in such forward-looking statements.

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

- the complexity and uncertainty regarding the development of new high technologies;
- the possible loss of market share through competition or the acceptance of our technological offerings on a less rapid basis than expected;
- the possibility that economic or other conditions might lead to a reduction in demand for our products and services;
- the possibility that the current economic slowdown may worsen and/or persist for an unpredictable period of time;
- the possibility that economic conditions will not improve as rapidly as expected;
- the possibility that significant customers may experience extreme, severe economic difficulty;
- the possibility that sales cycles may lengthen;
- the continued ability to attract and retain qualified technical and leadership associates and the possible loss of associates to other organizations;
- the ability to properly motivate our sales force and other associates;
- the ability to achieve cost reductions and avoid unanticipated costs;
- the continued availability of credit upon satisfactory terms and conditions;
- the introduction of competent, competitive products, technologies or services by other companies;
- changes in consumer or business information industries and markets;
- our ability to protect proprietary information and technology or to obtain necessary licenses on commercially reasonable terms;
- the difficulties encountered when entering new markets or industries;
- 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 effect of our short-term contracts on the predictability of our revenues or the possibility that customers may cancel or modify their agreements with us;
- the possibility that the amount of ad hoc project work will not be as expected;
- the potential loss of data center capacity or interruption of telecommunication links or power sources;
- postal rate increases that could lead to reduced volumes of business;
- the potential disruption of the services of the United States Postal Service;
- the successful integration of acquired businesses and strategic alliances;
- with respect to the providing of products or services outside our primary base of operations in the United States, all of the above factors and the difficulty of doing business in numerous sovereign jurisdictions due to differences in culture, laws and regulations; and
- other competitive factors.

In light of these risks, uncertainties and assumptions, we caution readers not to place undue reliance on any forward-looking statements. We undertake 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 3. 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 revolving credit agreement and term note, which bear interest at a floating rate. Acxiom does not use derivative or other financial instruments to mitigate the interest rate risk. Risk can be estimated by measuring the impact of a near-term adverse movement of 10% in short-term market interest rates. If short-term market interest rates average 10% more during the next four quarters than during 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 September 30, 2002 and March 31, 2002, the fair value of Acxiom's fixed rate long-term obligations approximated carrying value.

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

Item 4. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures.

As required under the Sarbanes-Oxley Act of 2002, within the 90 days prior to the date of this report, the Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Registrant's Company Leader (Chief Executive Officer) and its Company Financial Operations Leader (Chief Financial Officer), of the effectiveness of the design and operation of the Company's "disclosure controls and procedures," which are defined under SEC rules as controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files under the Exchange Act is recorded, processed, summarized and reported within required time periods. Based upon that evaluation, the Registrant's Company Leader and its Company Financial Operations Leader concluded that the Company's disclosure controls and procedures were effective.

(b) Changes in Internal Controls

Except as discussed in the following paragraph, there were no significant changes in the Company's internal controls or other factors that could significantly affect these controls subsequent to the date of their evaluation.

On October 14, 2002, the Company retained Ernst & Young LLP ("E&Y") to "co-source" the management and operation of an internal audit function. Under this "co-source" arrangement, both E&Y and the Company will provide management and staff for the internal audit function, under the direction of Company management. On October 30, 2002, the audit committee of the board of directors approved this arrangement.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

On September 20, 1999, the Company and certain of its directors and officers were sued by an individual shareholder in a purported class action filed in the United States District Court for the Eastern District of Arkansas (“the Court”). The action alleges that the defendants violated Section 11 of the Securities Act of 1933 (“the 1933 Act”) in connection with the July 23, 1999 public offering of 5,421,000 shares of the common stock of the Company. In addition, the action seeks to assert liability against the Company Leader pursuant to Section 15 of the 1933 Act. The action seeks to have a class certified of all purchasers of the stock sold in the public offering. Two additional suits were subsequently filed in the same venue against the same defendants and asserting the same allegations. On March 29, 2001, the Court granted the defendants’ motion to dismiss. The plaintiffs appealed the decision to dismiss to the United States Court of Appeals for the Eighth Circuit. On July 15, 2002, the Eighth Circuit upheld the Court’s motion to dismiss, and on September 11, 2002, the Eighth Circuit denied the plaintiff’s petition for rehearing.

The Company is involved in various other claims and litigation matters that arise in the ordinary course of the business. None of these, however, are believed to be material in their nature or scope.

Item 2. Changes in Securities and Use of Proceeds

Effective August 12, 2002, the Company issued 664,562 shares of common stock valued at \$10.5 million and warrants to purchase 1,272,024 shares of common stock valued at \$14.1 million in partial consideration for the acquisition of certain assets of an employment screening business owned by Trans Union, a related party. The warrants have a term of fifteen years and may be exercised at any time prior to August 12, 2017, for an exercise price of \$16.32 per share. A detailed description of this transaction is contained in Part I, Item 2, “Management’s Discussion and Analysis of Financial Condition and Results of Operation – Liquidity and Capital Resources.” The shares and warrants issued to Trans Union were not registered under the Securities Act of 1933, but rather were issued in reliance upon the exemption from registration afforded by Section 4(2) thereof. In relying on such exemption, the Company considered several factors including the sophistication of Trans Union, and the fact that Trans Union represented that it would hold the shares and warrants for investment purposes and not with a view to further public distribution.

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

The Annual Meeting of Shareholders of the Company was held on August 7, 2002. At the meeting, the shareholders voted on the following three proposals:

- 1) A proposal for the election of four directors - Voting results for each individual nominee were as follows: General Wesley K. Clark, 79,392,941 votes for and 2,625,868 votes withheld; Mr. William T. Dillard, 79,221,025 votes for and 2,797,784 votes withheld; Mr. Harry C. Gambill, 68,023,314 votes for and 13,995,495 votes withheld; and Mr. Thomas F. (Mack) McLarty, III, 79,309,564 votes for and 2,709,245 votes withheld. These four elected directors will serve with the other six Board members: Dr. Ann Hayes Die, Mr. William J. Henderson, and Mr. Charles D. Morgan, whose terms will expire at the 2003 Annual Meeting and Mr. Rodger S. Kline, Mr. Stephen M. Patterson, and Mr. James T. Womble, whose terms will expire at the 2004 Annual meeting.
- 2) A proposal to increase the number of shares available to be issued under the Company's 2000 Associate Stock Option Plan by 2.0 million shares - Voting results for this proposal were as follows: 60,043,979 votes for; 21,581,304 votes against and 393,526 votes abstained.
- 3) A stockholder proposal regarding the independence of the Board of Directors' nominating committee - Voting results for this proposal were as follows: 21,973,808 votes for; 46,400,966 votes against; 422,807 votes abstained and 13,221,228 non-votes.

Item 6. Exhibits and Reports on Form 8-K

(a) The following exhibits are filed with this Report:

10(a) First Amendment to Amended and Restated Credit Agreement, dated as of May 13, 2002.

10(b) Second Amendment to Term Credit Agreement dated as of May 13, 2002 between Acxiom Corporation and JP Morgan Chase Bank.

10(c) Fifth Amendment to the Participation Agreement and certain operative agreements dated as of February 28, 2002.

10(d) Sixth Amendment to the Participation Agreement and certain operative agreements dated as of May 13, 2002.

10(d) Seventh Amendment to the Participation Agreement and certain operative agreements dated as of October 24, 2002.

99.1 Certification of Company Leader (principal executive officer) pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

99.2 Certification of Company Financial Operations Leader (principal financial officer) pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

(b) Reports on Form 8-K

Not applicable

ACXIOM CORPORATION AND SUBSIDIARIES

SIGNATURE

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

Acxiom Corporation

Dated: November 12, 2002

By: /s/ Jefferson D. Stalnaker
(Signature)
Jefferson D. Stalnaker
Company Financial Operations Leader
(principal financial and accounting officer)

ACXIOM CORPORATION AND SUBSIDIARIES

CERTIFICATION

I, Charles D. Morgan, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Acxiom Corporation;
2. Based on my knowledge, this quarterly 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 quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly 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-14 and 15d-14) for the registrant and we have:
 - a) designed such disclosure controls and procedures 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 quarterly report is being prepared;
 - b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and
 - c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of the registrant's board of directors:
 - a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officer and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Dated: November 12, 2002

By: /s/ Charles D. Morgan
(Signature)
Charles D. Morgan
Company Leader
(principal executive officer)

ACXIOM CORPORATION AND SUBSIDIARIES

CERTIFICATION

I, Jefferson D. Stalnaker, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Acxiom Corporation;
2. Based on my knowledge, this quarterly 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 quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly 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-14 and 15d-14) for the registrant and we have:
 - a) designed such disclosure controls and procedures 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 quarterly report is being prepared;
 - b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and
 - c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of the registrant's board of directors:
 - a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officer and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Dated: November 12, 2002

By: /s/ Jefferson D. Stalnaker
(Signature)
Jefferson D. Stalnaker
Company Financial Operations Leader
(principal financial and accounting officer)

WAIVER AND FIRST AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT

THIS WAIVER AND FIRST AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT (the "Amendment"), dated as of May 13, 2002 is among ACXIOM CORPORATION, a Delaware Corporation (the "Borrower"), the lenders party hereto, JPMORGAN CHASE BANK, as the agent (the "Agent") and BANK OF AMERICA, N.A., as syndication agent.

RECITALS:

A. The Borrower, the Agent, Bank of America, N.A., as syndication agent, and certain lenders have entered into that certain Amended and Restated Credit Agreement dated as of January 28, 2002 (as amended or otherwise modified from time to time, the "Agreement").

B. The Borrower has advised the Agent and the Lenders that certain Defaults and Events of Default have occurred under clauses (c) and (d) of Article VIII of the Agreement as a result of (a) the Borrower guaranteeing the obligations of Kidco Holdings, Inc. owing to Mercantile Bank of Arkansas National Association (as more fully described in paragraph 2 of Exhibit A attached hereto), which guaranty obligations constitute Indebtedness not permitted by Section 6.01 of the Agreement; (b) the Borrower guaranteeing the obligations of Cope's Aircraft Services, Inc. owing to First Community Bank (as more fully described in paragraph 3 of Exhibit A), which guaranty obligations constitute Indebtedness not permitted by Section 6.01 of the Agreement; (c) the Borrower granting a Lien on substantially all of its personal property to Softech Financial in connection with a lease agreement in violation of Section 6.02 of the Agreement (as more fully described in paragraph 1 of Exhibit A); (d) the Borrower's inadvertent failure to disclose at the closing of the Agreement the existence of the Indebtedness described in paragraphs 2 and 3 of Exhibit A as required by Section 3.04(b) of the Agreement; and (e) the Borrower's inadvertent failure to disclose at the closing of the Agreement the existence of the Lien described in paragraph 1 of Exhibit A as required by Section 3.05(a) of the Agreement (the "Existing Defaults" and the covenants described in this paragraph, herein the "Violated Covenants"). In accordance with the Agreement, the Borrower has requested that the Required Lenders waive the Existing Defaults.

C. The Borrower has requested that the Agent and the Lenders amend certain provisions of the Agreement. Subject to satisfaction of the conditions set forth herein, the Agent and the Lenders party hereto are willing to amend the Agreement as herein set forth.

NOW, THEREFORE, in consideration of the premises herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows effective as of the date hereof unless otherwise indicated:

ARTICLE I.

Definitions

Section 1.1. **Definitions.** Capitalized terms used in this Amendment, to the extent not otherwise defined herein, shall have the same meanings as in the Agreement, as amended hereby.

ARTICLE II.

Amendments

Section 2.1. Amendment to Section 6.01. Clause (a) of Section 6.01 of the Agreement is amended as follows:

(a) The reference to the term "Guaranties" in clause (v) is amended to read as "Guarantees"; and

(b) The period at the end of clause (xii)(D) is replaced with the word "and"; and a new clause (E) is added to clause (xii) and shall read in its entirety as follows:

(E) Unsecured Indebtedness arising under Guarantees which are not permitted under clauses (ii), (iv) and (v) of this Section 6.01(a) provided that, after giving proforma effect to the Indebtedness incurred under the permissions of this clause (xii)(E): (i) the Borrower shall be in compliance with Section 7.02 as of the most recently ended fiscal quarter of the Borrower, and (ii) the aggregate amount of Indebtedness incurred under the permissions of this clause (xii)(E) shall not exceed \$4,000,000.

Section 2.2. Amendment to Section 6.05. Clause (d) of Section 6.05 of the Agreement is amended to add the phrase "no Default exists or would result from such Disposition and" after the word "if" and before the symbol "(1)" in the second sentence thereof.

Section 2.3. Amendment to Section 7.02. Clause (i) of the definition of "Total Indebtedness" in Section 7.02 of the Agreement is amended in its entirety to read as follows:

(i) all obligations, contingent or otherwise, of such Person: (i) as an account party in respect of letters of credit and letters of guaranty; (ii) arising under all Guarantees of such Person incurred under the permissions of Section 6.01(a)(xii)(E); and (iii) arising under the Guarantees of such Person described under item C on Schedule 6.01;

Section 2.4. Amendment to Schedule 6.01. Schedule 6.01 to the Agreement is amended to add the information described on Schedule 6.01 hereto.

Section 2.5. Amendment to Schedule 6.02. Schedule 6.02 to the Agreement is amended in its entirety to read as Schedule 6.02 attached hereto.

ARTICLE III.

Waiver

Section 3.1. Waiver. Subject to the satisfaction of the conditions precedent described in Article IV hereof, each of the undersigned Lenders waives the Existing Defaults and agrees not to exercise any rights or remedies available as a result of the occurrence thereof.

Section 3.2. Limitations on Waiver. To induce the Required Lenders to agree to the terms of Section 3.1, the Borrower agrees that: (a) the Lien described on Schedule 6.02 in the Borrower's assets in favor of Bankers/Softtech Division of EAB Leasing Corp. shall not at any time secure debt or other obligations in an aggregate amount in excess of \$2,000,000; and (b) at no time shall both of the following

have occurred: (i) Bankers/Softech Division of EAB Leasing Corp. or any Affiliate thereof have a perfected security interest in any collateral or asset of the Borrower or any Subsidiary (other than the property that is leased under the Borrower's lease agreement with EAB Leasing Corp.) and (ii) any judgment have been rendered against the Borrower or any Subsidiary in favor EAB Leasing Corp. or any of its Affiliates which shall remain undischarged for a period of five (5) or more Business Days during which execution shall not be effectively stayed, or any action (including without limitation self-help remedies) shall be legally taken by EAB Leasing Corp. or any of its Affiliates to attach, seize or levy upon any collateral or assets of the Borrower or any Subsidiary (other than the property that is leased under the Borrower's lease agreement with EAB Leasing Corp.) to enforce or collect the obligations of the Borrower or any Subsidiary. Furthermore, the Borrower agrees that the waiver specifically described herein shall not constitute and shall not be deemed a waiver of any other Default or Event of Default, whether arising as a result of the further violation the Violated Covenants or otherwise, or a waiver of any rights or remedies arising as a result of such other Defaults or Events of Default. The failure to comply with the Violated Covenants at any time other than as described above in the definition of Existing Defaults shall constitute an Event of Default. The failure of any representation, warranty or certification made or deemed made by or on behalf of the Borrower in connection with any Loan Document shall prove to have been incorrect any material respect when made or deemed made shall constitute an Event of Default.

ARTICLE IV.

Miscellaneous

Section 4.1. Ratifications. The terms and provisions set forth in this Amendment shall modify and supersede all inconsistent terms and provisions set forth in the Agreement and except as expressly modified and superseded by this Amendment, the terms and provisions of the Agreement and the other Loan Documents are ratified and confirmed and shall continue in full force and effect. The Borrower, the Agent and the Lenders agree that the Agreement as amended hereby and the other Loan Documents shall continue to be legal, valid, binding and enforceable in accordance with their respective terms. For all matters arising prior to the effective date of this Amendment, the Agreement (as unmodified by this Amendment) shall control.

Section 4.2. Representations and Warranties; Release. The Borrower hereby represents and warrants to the Agent and the Lenders as follows: (a) after giving effect to this Amendment, no Default or Event of Default exists; (b) the information contained in Exhibit A hereto is true, correct, and complete, and (c) after giving effect to this Amendment, the representations and warranties set forth in the Loan Documents are true and correct on and as of the date hereof with the same effect as though made on and as of such date except with respect to any representations and warranties limited by their terms to a specific date. IN ADDITION, TO INDUCE THE AGENT AND THE LENDERS TO AGREE TO THE TERMS OF THIS AMENDMENT, THE BORROWER AND EACH GUARANTOR (BY ITS EXECUTION BELOW) REPRESENTS AND WARRANTS THAT AS OF THE DATE OF ITS EXECUTION OF THIS AMENDMENT THERE ARE NO CLAIMS OR OFFSETS AGAINST OR RIGHTS OF RECOUPMENT WITH RESPECT TO OR DEFENSES OR COUNTERCLAIMS TO ITS OBLIGATIONS UNDER THE LOAN DOCUMENTS AND IN ACCORDANCE THEREWITH IT:

(A) WAIVER. WAIVES ANY AND ALL SUCH CLAIMS, OFFSETS, RIGHTS OF RECOUPMENT, DEFENSES OR COUNTERCLAIMS, WHETHER KNOWN OR UNKNOWN, ARISING PRIOR TO THE DATE OF ITS EXECUTION OF THIS AMENDMENT AND

(B) RELEASE. RELEASES AND DISCHARGES THE AGENT

AND THE LENDERS, AND THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, SHAREHOLDERS, AFFILIATES AND ATTORNEYS (COLLECTIVELY THE "RELEASED PARTIES") FROM ANY AND ALL OBLIGATIONS, INDEBTEDNESS, LIABILITIES, CLAIMS, RIGHTS, CAUSES OF ACTION OR DEMANDS WHATSOEVER, WHETHER KNOWN OR UNKNOWN, SUSPECTED OR UNSUSPECTED, IN LAW OR EQUITY, WHICH THE BORROWER OR ANY GUARANTOR EVER HAD, NOW HAS, CLAIMS TO HAVE OR MAY HAVE AGAINST ANY RELEASED PARTY ARISING PRIOR TO THE DATE HEREOF AND FROM OR IN CONNECTION WITH THE LOAN DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED THEREBY.

Section 4.3. Survival of Representations and Warranties. All representations and warranties made in this Amendment shall survive the execution and delivery of this Amendment, and no investigation by Agent or any Lender or any closing shall affect the representations and warranties or the right of the Agent or any Lender to rely upon them.

Section 4.4. Reference to Agreement. Each of the Loan Documents, including the Agreement and any and all other agreements, documents, or instruments now or hereafter executed and delivered pursuant to the terms hereof or pursuant to the terms of the Agreement as amended hereby, are hereby amended so that any reference in such Loan Documents to the Agreement shall mean a reference to the Agreement as amended hereby.

Section 4.5. Expenses of Lender. As provided in the Agreement, Borrower agrees to pay on demand all costs and expenses incurred by the Agent in connection with the preparation, negotiation, and execution of this Amendment, including without limitation, the costs and fees of the Agent's legal counsel.

Section 4.6. Severability. Any provision of this Amendment held by a court of competent jurisdiction to be invalid or unenforceable shall not impair or invalidate the remainder of this Amendment and the effect thereof shall be confined to the provision so held to be invalid or unenforceable.

Section 4.7. Applicable Law. This Amendment shall be governed by and construed in accordance with the laws of the State of Texas and the applicable laws of the United States of America.

Section 4.8. Successors and Assigns. This Amendment is binding upon and shall inure to the benefit of the Agent, each Lender and the Borrower and their respective successors and assigns, except Borrower may not assign or transfer any of its rights or obligations hereunder without the prior written consent of the Lenders.

Section 4.9. Counterparts. This Amendment may be executed in one or more counterparts and on telecopy counterparts, each of which when so executed shall be deemed to be an original, but all of which when taken together shall constitute one and the same agreement.

Section 4.10. Effect of Waiver. No consent or waiver, express or implied, by the Agent or any Lender to or for any breach of or deviation from any covenant, condition or duty by the Borrower or any Guarantor shall be deemed a consent or waiver to or of any other breach of the same or any other covenant, condition or duty.

Section 4.11. Headings. The headings, captions, and arrangements used in this Amendment are for convenience only and shall not affect the interpretation of this Amendment.

Section 4.12. ENTIRE AGREEMENT. THIS AMENDMENT EMBODIES THE FINAL, ENTIRE AGREEMENT AMONG THE PARTIES HERETO AND SUPERSEDE ANY AND ALL PRIOR COMMITMENTS, AGREEMENTS, REPRESENTATIONS AND UNDERSTANDINGS, WHETHER WRITTEN OR ORAL, RELATING TO THIS AMENDMENT, AND MAY NOT BE CONTRADICTED OR VARIED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OR DISCUSSIONS OF THE PARTIES HERETO. THERE ARE NO ORAL AGREEMENTS AMONG THE PARTIES HERETO.

Section 4.13. Required Lenders. The Agreement may be modified as provided in this Amendment with the agreement of the Required Lenders which means Lenders having fifty-one percent (51%) of the sum of the total Revolving Exposures and unused Revolving Commitment (such percentage applicable to a Lender, herein such Lender's "Required Lender Percentage"). For purposes of determining the effectiveness of this Amendment, each Lender's Required Lender Percentage is set forth on Schedule 4.13 hereto.

Executed as of the date first written above.

ACXIOM CORPORATION, as the Borrower

By: /s/ Dathan A. Gaskill
Name: Dathan A. Gaskill
Title: Corporate Finance Leader

JPMORGAN CHASE BANK, as the Agent, the Issuing Bank, the Swingline Lender and as a Lender

By: /s/ Michael J. Lister
Michael J. Lister
Vice President

BANK OF AMERICA, N.A., as syndication agent and as a Lender

By: /s/ B. Kenneth Burton, Jr.
Name: B. Kenneth Burton, Jr.
Title: Vice President

U.S. BANK NATIONAL ASSOCIATION (formerly Firststar Bank N.A.), as a co-administrative agent and as a Lender

By: /s/ Eric Hartman
Name: Eric Hartman
Title: Vice President

THE BANK OF NOVA SCOTIA, as co-agent and as a Lender

By: _____
Name: _____
Title: _____

SUNTRUST BANK, as co-agent and as a Lender

By: /s/ Leonard L. McKinnon
Name: Leonard L. McKinnon
Title: Director

WACHOVIA BANK, N.A., as co-agent and as a Lender

By: /s/ Daniel Evans
Name: Daniel Evans
Title: Managing Director

ABN AMRO BANK N.V., as co-agent and as a Lender

By: /s/ Maria Vickroy-Peralta
Name: Maria Vickroy-Peralta
Title: Senior Vice President and Head

By: /s/ Xiaochuan Zhang
Name: Xiaochuan Zhang
Title: Assistant Vice President

UNION PLANTERS BANK, N.A.

By: _____
Name: _____
Title: _____

Guarantor Consent

Each of the undersigned Guarantors: (i) consent and agree to this Amendment, including, without limitation, Section 4.2, and (ii) agree that the Loan Documents to which it is a party shall remain in full force and effect and shall continue to be the legal, valid and binding obligation of such Guarantor enforceable against it in accordance with their respective terms.

GUARANTORS:

ACXIOM CDC, INC.
ACXIOM / MAY & SPEH, INC.
ACXIOM RM-TOOLS, INC.
ACXIOM ASIA, LTD.
ACXIOM PROPERTY DEVELOPMENT, INC.
ACXIOM / PYRAMID INFORMATION SYSTEMS, INC.
ACXIOM SDC, INC.
ACXIOM TRANSPORTATION SERVICES, INC.
ACXIOM / DIRECT MEDIA, INC.
GIS INFORMATION SYSTEMS, INC.
ACXIOM UWS, LTD.

By: /s/ Jerry C. Jones
Jerry C. Jones, Authorized Officer

SCHEDULE 4.13
to
WAIVER AND FIRST AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT

Required Lenders

Lender	Required Lender Percentage Held	Lenders Agreeing to First Amendment (insert % from prior column if Lender signs Amendment then total % in this column)
JPMorgan Chase Bank	20.00000000%	20.00000000%
U.S. Bank National Association	14.28571429%	14.28571429%
Bank of America, N.A.	14.28571429%	14.28571429%
ABN AMRO Bank, N.V.	11.42857143%	11.42857143%
SunTrust Bank	11.42857143%	11.42857143%
The Bank of Nova Scotia	11.42857143%	
Wachovia Bank, N.A.	14.28571429%	14.28571429%
Union Planters Bank, N.A.	2.85714286%	
TOTAL	100.00%	85.7136286%

SCHEDULE 6.01
to
Waiver and First Amendment to Amended and Restated Credit Agreement

C. Guarantees

1. Acxiom Corporation entered into that certain Continuing Payment and Performance Guaranty dated as of October 30, 1998, as amended, pursuant to which Acxiom Corporation unconditionally guaranteed the obligation of Kidco Holdings, LLC ("Kidco") to make timely payments of the principal amount owed, plus accrued interest, when the same become due, under that certain Promissory Note, dated as of October 30, 1998, as amended, between Mercantile Bank of Arkansas National Association, as lender, and Kidco, as borrower, in the principal amount of \$1,184,500.00. As of March 22, 2002, the balance of such loan was \$1,138,176.00. It is currently contemplated that Kidco's obligations under the Promissory Note referenced above will be refinanced at a new financial institution. Therefore, as a result of such re-financing, each of the above-referenced Payment and Performance Guarantee and Promissory Note will be restated in its entirety; provided, that the outstanding balance of the refinanced Promissory Note (and resulting guarantee obligations of Acxiom Corporation) will not exceed in the aggregate \$1,184,500.
2. Acxiom Corporation entered into a guaranty arrangement with First Community Bank ("First Community") pursuant to which Acxiom Corporation guaranteed the obligation of Cope's Aircraft Services, Inc. ("Cope's") to make timely payments of the principal amount owed, when the same become due, under a loan arrangement from First Community to Cope's in the principal amount of \$280,000.00. As of February 13, 2002, the balance of such loan was \$238,916.65.

SCHEDULE 6.02
to
Waiver and First Amendment to Amended and Restated Credit Agreement

Existing Liens

1. Liens relating to the Indebtedness described in Schedule 6.01
2. Liens against assets and capital stock of Acxiom CDC, Inc. in favor of Trans Union LLC to secure performance of services (UCC-1 originally filed August 31, 1992; continuation filed March 12, 1997)
3. Liens against assets and capital stock of Acxiom Corporation in favor of Bankers/Softech Division of EAB Leasing Corp.

EXHIBIT A
to
Waiver and First Amendment to Amended and Restated Credit Agreement

Existing Defaults

1. Acxiom Corporation entered into a lease agreement, dated as of September 22, 1999, with Softech Financial ("Softech") pursuant to which Acxiom Corporation granted to Softech a security interest in substantially all of the personal property of Acxiom Corporation. The debt or other obligations secured by such security interest does not exceed a maximum amount equal to \$2,000,000.
2. Acxiom Corporation entered into that certain Continuing Payment and Performance Guaranty dated as of October 30, 1998, as amended, pursuant to which Acxiom Corporation unconditionally guaranteed the obligation of Kidco Holdings, LLC ("Kidco") to make timely payments of the principal amount owed, plus accrued interest, when the same become due, under that certain Promissory Note, dated as of October 30, 1998, as amended, between Mercantile Bank of Arkansas National Association, as lender, and Kidco, as borrower, in the principal amount of \$1,184,500.00. As of March 22, 2002, the balance of such loan was \$1,138,176.00. It is currently contemplated that Kidco's obligations under the Promissory Note referenced above will be refinanced at a new financial institution. Therefore, as a result of such re-financing, each of the above-referenced Payment and Performance Guarantee and Promissory Note will be restated in its entirety; provided, that the outstanding balance of the refinanced Promissory Note (and resulting guarantee obligations of Acxiom Corporation) will not exceed in the aggregate \$1,184,500.
3. Acxiom Corporation entered into a guaranty arrangement with First Community Bank ("First Community") pursuant to which Acxiom Corporation guaranteed the obligation of Cope's Aircraft Services, Inc. ("Cope's") to make timely payments of the principal amount owed, when the same become due, under a loan arrangement from First Community to Cope's in the principal amount of \$280,000.00. As of February 13, 2002, the balance of such loan was \$238,916.65.

SECOND AMENDMENT TO TERM CREDIT AGREEMENT

This Second Amendment to Term Credit Agreement (this "Second Amendment"), dated as of May 13, 2002, is by and between Acxiom Corporation, a Delaware corporation (the "Borrower") and JPMorgan Chase Bank, successor in interest by merger to The Chase Manhattan Bank (the "Lender").

WITNESSETH:

WHEREAS, the Borrower and the Lender are parties to that certain Term Credit Agreement dated as of September 21, 2001 (as amended or otherwise modified from time to time, the "Credit Agreement") (unless otherwise defined herein, all terms used herein with their initial letter capitalized shall have the meaning given such term in the Credit Agreement); and

WHEREAS, pursuant to the Credit Agreement, the Lender has made the Loan to the Borrower; and

WHEREAS, the Borrower has advised the Lender that certain Defaults and Events of Default have occurred under clauses (c) and (d) of Article VIII of the Credit Agreement as a result of (a) the Borrower guaranteeing the obligations of Kidco Holdings, Inc. owing to Mercantile Bank of Arkansas National Association (as more fully described in paragraph 2 of Exhibit A attached hereto), which guaranty obligations constitute Indebtedness not permitted by Section 6.01 of the Credit Agreement; (b) the Borrower guaranteeing the obligations of Cope's Aircraft Services, Inc. owing to First Community Bank (as more fully described in paragraph 3 of Exhibit A), which guaranty obligations constitute Indebtedness not permitted by Section 6.01 of the Credit Agreement; (c) the Borrower granting a Lien on substantially all of its personal property to Softech Financial in connection with a lease agreement in violation of Section 6.02 of the Credit Agreement (as more fully described in paragraph 1 of Exhibit A); (d) the Borrower's inadvertent failure to disclose at the closing of the Revolving Credit Agreement and the First Amendment the existence of the Indebtedness described in paragraphs 2 and 3 of Exhibit A as required by Section 3.04(b) of the Credit Agreement; and (e) the Borrower's inadvertent failure to disclose at the closing of the Revolving Credit Agreement and the First Amendment the existence of the Lien described in paragraph 1 of Exhibit A as required by Section 3.05(a) of the Credit Agreement (the "Existing Defaults" and the covenants described in this paragraph, herein the "Violated Covenants"), and, in accordance with the Credit Agreement, the Borrower has requested that the Lender waive the Existing Defaults; and

WHEREAS, the Borrower has further requested that the Lender amend certain provisions of the Credit Agreement, and, subject to satisfaction of the conditions set forth herein, the Lender is willing to amend the Credit Agreement as herein set forth.

NOW, THEREFORE, in consideration of the premises herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows effective as of the date hereof unless otherwise indicated:

Section 1. **Amendments.** In reliance on the representations, warranties, covenants and agreements contained in this Second Amendment, and subject to the terms and conditions contained herein, the Credit Agreement is hereby amended effective as of the date hereof in the manner provided in this Section 1.

1.1 **Additional Definition.** Section 1.01 of the Credit Agreement is amended to add thereto in alphabetical order the definition of “Second Amendment” which shall read in full as follows:

“Second Amendment” means that certain Second Amendment to Term Credit Agreement dated as of May 13, 2002, between the Borrower and the Lender.

1.2 **Amendments to Definitions.** The definitions of “Intercreditor Agreement” and “Loan Documents” set forth in Section 1.01 of the Credit Agreement are amended to read in full as follows:

“Intercreditor Agreement” means that certain Intercreditor Agreement, dated as of September 21, 2001, executed by and among the Borrower, the Guarantors, the Collateral Agent, the Revolver Agent, Bank of America, N.A., as agent for the participants in the Synthetic Real Property Lease, the Lender and the Letter of Credit Bank, as amended by that certain First Amendment to Intercreditor Agreement dated as of January 28, 2002, and Second Amendment to Intercreditor Agreement dated as of May 13, 2002, and as the same may be further amended or otherwise modified.

“Loan Documents” means this Agreement, the First Amendment, the Second Amendment, the Term Notes, the Subsidiary Guaranty, the Security Agreement, the Mortgages, the Intercreditor Agreement and all other certificates, agreements and other documents or instruments now or hereafter executed and/or delivered pursuant to or in connection with the foregoing and any and all amendments, modifications, supplements, renewals, extensions or restatements thereof.

1.3 **Amendment to Debt Covenant.** Section 6.01(a) of the Credit Agreement is amended to read in full as follows:

“(a) The Borrower will not, and will not permit any Subsidiary to, create, incur, assume or permit to exist any Indebtedness, except:

 (i) Indebtedness created under the Loan Documents and the Subordinated Debt Documents;

 (ii) Indebtedness existing on January 28, 2002 and set forth in Schedule 6.01 and extensions, renewals and replacements of any such Indebtedness that do not increase the outstanding principal amount thereof or result in an earlier maturity date or decreased weighted average life thereof; provided, that, the Indebtedness outstanding under or in respect of the Senior Notes, the letter of credit securing the payment thereof, and the May & Speh Notes is not permitted after May 31, 2002;

(iii) Indebtedness owed by a Subsidiary to the Borrower or owed by a Subsidiary to its parent incurred in accordance with the restrictions set forth in Section 6.04; provided that (A) the obligations of each obligor of such Indebtedness must be subordinated in right of payment to any liability such obligor may have for the obligations arising hereunder from and after such time as any portion of the obligations arising hereunder or under any other Loan Documents shall become due and payable (whether at stated maturity, by acceleration or otherwise), (B) such Indebtedness must be incurred in the ordinary course of business or incurred to finance general corporate needs, (C) such Indebtedness must be provided on terms customary for intercompany borrowings among the Borrower and the Subsidiaries or must be made on such other terms and provisions as the Lender may reasonably require, and (D) the sum of the aggregate outstanding amount of the obligations of Excluded Subsidiaries guaranteed pursuant to clause 1.6(iv) below plus the aggregate outstanding principal amount of the loans and advances made to Excluded Subsidiaries by the Borrower and the Subsidiaries (such sum the “Excluded Subsidiary Loan and Guaranty Amount”) shall not at any time exceed the Dollar Amount equal to \$20,000,000 (the “Excluded Subsidiary Loan and Guaranty Limit”);

(iv) Guarantees by the Borrower or a Subsidiary of (A) Indebtedness of any of its wholly owned direct Subsidiaries; (B) trade accounts payable owed by any of its wholly owned direct Subsidiaries and arising in the ordinary course of business; or (C) operating leases of any of its wholly owned direct Subsidiaries entered into in the ordinary course of business; provided that: (1) the Indebtedness guaranteed is otherwise permitted hereunder; (2) no Default exists or would result from such Guarantee; and (3) the Excluded Subsidiary Loan and Guaranty Amount shall not exceed the Excluded Subsidiary Loan and Guaranty Limit;

(v) Guarantees incurred in the ordinary course of business with respect to surety and appeal bonds, performance and return-of-money bonds, and other similar obligations not exceeding at any time outstanding a Dollar Amount equal to \$5,000,000 in aggregate liability;

(vi) Indebtedness constituting obligations to reimburse worker's compensation insurance companies for claims paid by such companies on the Borrower's or a Subsidiaries' behalf in accordance with the policies issued to the Borrower and the Subsidiaries;

(vii) Indebtedness arising in connection with Hedging Agreements entered into in the ordinary course of business to enable the Borrower or a Subsidiary (A) to limit the market risk of holding currency in either the cash or futures market, or (B) to fix or limit the Borrower's or any Subsidiaries' interest expense;

(viii) the obligations arising under the Synthetic Real Property Lease, the Synthetic Airplane Lease Facility and the Synthetic Equipment Lease

Facility; provided, however, notwithstanding anything to the contrary herein or in the Revolving Credit Agreement, the amount of funding for construction after August 14, 2001 under the Synthetic Real Property Lease (excluding any fundings for construction under the Synthetic Real Property Lease prior to August 14, 2001) shall not, at any time, exceed \$26,000,000 in aggregate amount;

(ix) Indebtedness arising in connection with preferred Equity Interest permitted to be issued in accordance with Section 6.01(b);

(x) Indebtedness for borrowed money not otherwise permitted under this Section 6.01 of any Excluded Subsidiary provided that the aggregate outstanding amount of all such Indebtedness shall not at any time exceed the Dollar Amount equal to \$5,000,000;

(xi) Indebtedness arising as a result of the licensing of software by the Borrower and the Subsidiaries; and

(xii) the following Indebtedness which may only be created, incurred, assumed or permitted to exist if no Default exists or would result therefrom:

(A) Indebtedness of the Borrower or any Subsidiary incurred to finance the acquisition, construction or improvement of any fixed or capital assets (but excluding the acquisition of assets which constitute a business unit of a Person), including Capital Lease Obligations and any Indebtedness assumed in connection with the acquisition of any such assets or secured by a Lien on any such assets prior to the acquisition thereof, and extensions, renewals and replacements of any such Indebtedness that do not increase the outstanding principal amount thereof or result in an earlier maturity date or decreased weighted average life thereof; provided that (1) such Indebtedness (other than any Indebtedness incurred in connection with any sale and leaseback transactions permitted hereby) is incurred prior to or within 90 days after such acquisition or the completion of such construction or improvement; (2) such Indebtedness does not exceed the amount of the purchase price or the costs of construction or improvement, as the case may be, of the applicable asset; and (3) after giving proforma effect to such Indebtedness, the Borrower shall be in compliance with Section 7.02 as of the most recently ended fiscal quarter of the Borrower;

(B) Indebtedness (including Capital Lease Obligations) of the Borrower incurred to refinance the Conway Facility and extensions, renewals and replacements of any such Indebtedness that do not increase the outstanding principal amount thereof or result in an earlier maturity date or decreased weighted average life thereof; provided that (1) the aggregate principal amount thereof does not exceed \$45,000,000; (2) such Indebtedness does not exceed the appraised value of the Conway Facility;

(3) the maturity date of such Indebtedness does not occur prior to the Maturity Date; (4) after giving proforma effect to such Indebtedness, the Borrower shall be in compliance with Section 7.02 as of the most recently ended fiscal quarter of the Borrower; and (5) the Borrower shall comply with Section 6.06 in connection with the Net Proceeds of such financing;

(C) Indebtedness of any Person that becomes a Subsidiary after the date hereof or is merged with or into the Borrower or a Subsidiary in accordance with the permissions herein set forth; provided that (1) such Indebtedness exists at the time such Person becomes a Subsidiary or was so merged and is not created in contemplation of or in connection with such Person becoming a Subsidiary or merger; and (2) after giving proforma effect to such Indebtedness and the EBITDAR of the Person who became a Subsidiary, the Borrower shall be in compliance with Section 7.02 as of the most recently ended fiscal quarter of the Borrower;

(D) unsecured Indebtedness of the Borrower and of the Guarantors of the type described in clauses (a), (b), (c), (e), and (l) of the definition thereof, in addition to the Indebtedness permitted by clauses (i) through (xi) of this Section 6.01(a) and the foregoing clauses (A), (B), and (C); provided, that, after giving proforma effect to the Indebtedness incurred under the permissions of this clause (xii)(D), the Borrower shall be in compliance with Section 7.02 as of the most recently ended fiscal quarter of the Borrower and no Default shall exist as result therefrom; and

(E) unsecured Indebtedness arising under Guarantees which are not permitted under clauses (ii), (iv) and (v) of this Section 6.01(a) provided that, after giving proforma effect to the Indebtedness incurred under the permissions of this clause (xii)(E): (i) the Borrower shall be in compliance with Section 7.02 as of the most recently ended fiscal quarter of the Borrower, and (ii) the aggregate amount of Indebtedness incurred under the permissions of this clause (xii)(E) shall not exceed \$4,000,000.”

1.4 **Amendment to Asset Sales Covenant.** Section 6.05(d) of the Credit Agreement is amended to read in full as follows:

“(d) sales, transfers and other dispositions of assets that are not permitted by any other clause of this Section 6.05 (such other sales, transfers and other dispositions herein the “Dispositions”), if: (i) no Default exists or would result therefrom and (ii) after giving effect to such Disposition, the aggregate book value of all such assets sold, transferred or otherwise disposed of since January 28, 2002, under the permissions of this Section 6.05(d) would not exceed a Dollar Amount equal to the greater of (1) \$45,000,000, or (2) twelve percent (12%) of the Accumulated Asset Value, calculated as of the date of the Disposition. Notwithstanding the foregoing, the Borrower may make a

Disposition and the book value of the assets shall not be required to be included in the foregoing computation if no Default exists or would result from such Disposition and (A) such Disposition is pursuant to the Synthetic Equipment Lease Facility, Synthetic Real Property Lease or another sale and leaseback transaction permitted under Section 6.06, or (B) the Borrower shall, within 180 days after such Disposition, invest the Net Proceeds thereof in Collateral for use in the business of the Borrower and the Subsidiaries;

provided that all sales, transfers, leases and other dispositions permitted hereby (other than those permitted by Section 6.05(b) above) shall be made for fair value. For purposes of this Section 6.05, "Accumulated Asset Value" means, as of the date of determination, the sum of (a) the Asset Value (as defined in Section 7.04) as of December 31, 2001 plus (b) the increases (or minus the decreases) in the Asset Value since December 31, 2001 as reflected in the Borrower's consolidated balance sheet for each completed calendar year occurring subsequent to December 31, 2001 prior to the date of determination."

1.5 **Amendment to Leverage Ratio Covenant.** The definition of "Total Indebtedness" contained in Section 7.02 of the Credit Agreement is amended to read in full as follows:

"Total Indebtedness" means, at the time of determination, the sum of the following determined for the Borrower and the Subsidiaries on a consolidated basis (without duplication): (a) the amount of the outstanding principal balance of the Loan under this Agreement as of the date of determination; plus (b) all obligations for borrowed money, other than the Loan, or with respect to deposits or advances of any kind; plus (c) all obligations of such Person evidenced by bonds, notes, debentures, or other similar instruments, other than the Loan; plus (d) all obligations of such Person upon which interest charges are customarily paid, other than the Loan; plus (e) all obligations of such Person under conditional sale or other title retention agreements relating to property acquired by such Person; plus (f) all obligations of such Person in respect of the deferred purchase price of property or services (excluding current accounts payable incurred in the ordinary course of business); plus (g) all obligations of others secured by (or for which the holder of such obligations has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such Person, whether or not the obligations secured thereby have been assumed (provided that for purposes of this clause (g) the amount of any such Indebtedness shall be deemed not to exceed the higher of the market value or the book value of such assets); plus (h) all Capital Lease Obligations; plus (i) all obligations, contingent or otherwise, of such Person: (1) as an account party in respect of letters of credit and letters of guaranty; (2) arising under all Guarantees of such Person incurred under the permissions of Section 6.01(a)(xii)(E); and (3) arising under the Guarantees of such Person described under item C on Schedule 6.01; plus (j) all obligations, contingent or otherwise, of such Person in respect of bankers' acceptances; plus (k) all obligations, contingent or otherwise, for the payment of money under any non-compete, consulting or similar agreement

entered into with the seller of a Target or any other similar arrangements providing for the deferred payment of the purchase price for an acquisition; plus (l) all Indebtedness arising in connection with Hedging Agreements and preferred Equity Interests; plus (m) the net present value of all future payments to be made under all Synthetic Leases (excluding the Synthetic Real Property Lease) and any other operating leases (calculated by discounting all payments from their respective due dates to the date of determination in accordance with accepted financial practice, on the basis of a 360-day year and at a discount factor equal to 8%); plus (n) the total outstanding fundings under the Synthetic Real Property Lease; minus (o) to the extent included in clauses (a) through (n) of this definition, the amount reflected on the Borrower's consolidated balance sheet as software license liabilities; minus (p) the actual outstanding principal amount of the May & Speh Notes and the Senior Notes; provided that, in determining "Total Indebtedness," the amounts described in clause (p) shall only be subtracted if "Total Indebtedness" is being calculated during the period after the Borrower has received the proceeds of the Subordinated Debt but prior to the earlier of (i) the first date when the May & Speh Notes are required to be redeemed and the Senior Notes prepaid as determined herein, or (ii) the first date when the May & Speh Notes are actually redeemed or converted in full and the Senior Notes actually prepaid either directly or as a result of a draw on the letter of credit securing the payment thereof. The deferred purchase price of property or services to be paid through earnings of the purchaser to the extent such amount is not characterized as liabilities in accordance with GAAP shall not be included in "Total Indebtedness."

1.6 **Revised Schedules.** Schedules 6.01 and 6.02 of the Credit Agreement shall be replaced in their entirety with Schedules 6.01 and 6.02 attached hereto and made a part hereof.

Section 2. Limited Waiver and Consent. In reliance on the representations, warranties, covenants and agreements contained in this Second Amendment, the Lender hereby waives the Existing Defaults (such waiver being referred to herein as the "Limited Waiver"); provided, that the Limited Waiver is expressly limited as follows: (x) such waiver is limited solely to the Limited Waiver, (y) such Limited Waiver shall not be applicable to any provision of any Loan Document other than as expressly set forth herein, and (z) such Limited Waiver is a limited, one-time waiver and nothing contained herein shall obligate the Lender to grant any additional or future waiver with respect to any provision of any Loan Document. Additionally, to induce the Lender to grant such Limited Waiver, the Borrower agrees that: (a) the Lien described on Schedule 6.02 in the Borrower's assets in favor of Bankers/Softech Division of EAB Leasing Corp. shall not at any time secure debt or other obligations in an aggregate amount in excess of \$2,000,000; and (b) at no time shall both of the following have occurred: (i) Bankers/Softech Division of EAB Leasing Corp. or any Affiliate thereof have a perfected security interest in any collateral or asset of the Borrower or any Subsidiary (other than the property that is leased under the Borrower's lease agreement with EAB Leasing Corp.) and (ii) any judgment have been rendered against the Borrower or any Subsidiary in favor EAB Leasing Corp. or any of its Affiliates which shall remain undischarged for a period of five (5) or more Business Days during which execution shall not be effectively stayed, or any action (including

without limitation self-help remedies) shall be legally taken by EAB Leasing Corp. or any of its Affiliates to attach, seize or levy upon any collateral or assets of the Borrower or any Subsidiary (other than the property that is leased under the Borrower's lease agreement with EAB Leasing Corp.) to enforce or collect the obligations of the Borrower or any Subsidiary. Furthermore, the Borrower agrees that the waiver specifically described herein shall not constitute and shall not be deemed a waiver of any other Default or Event of Default, whether arising as a result of the further violation the Violated Covenants or otherwise, or a waiver of any rights or remedies arising as a result of such other Defaults or Events of Default. The failure to comply with the Violated Covenants at any time other than as described above in the definition of Existing Defaults shall constitute an Event of Default. The failure of any representation, warranty or certification made or deemed made by or on behalf of the Borrower in connection with any Loan Document shall prove to have been incorrect in any material respect when made or deemed made shall constitute an Event of Default.

Section 3. Conditions Precedent. The amendments to the Credit Agreement contained in Section 1 hereof shall become effective as of the date hereof (herein referred to as the "Effective Date") provided each of the following conditions is satisfied (or waived in writing by the Lender), on or prior to such date:

3.1 **Amendment.** The Lender (or its counsel) shall have received from the Borrower and each Guarantor a counterpart of this Second Amendment signed on behalf of such party.

3.2 **Amendment to Intercreditor Agreement.** The Lender shall have received from each required party thereto either (a) a counterpart of that certain Second Amendment to Intercreditor Agreement, signed on behalf of each such required party, or (b) written evidence satisfactory to the Lender that each such party has signed a counterpart of such amendment.

3.3 **Revolving Credit Agreement.** The Lender shall have received a fully executed copy of that certain Waiver and First Amendment to Amended and Restated Credit Agreement (or written evidence satisfactory to the Lender that such agreement has been fully executed).

3.4 **Fees and Expenses.** The Lender shall have received all fees and other amounts due and payable on or prior to the Effective Date, including, to the extent invoiced, reimbursement or payment of all out-of-pocket expenses (including fees, charges and disbursements of counsel) required to be reimbursed or paid by the Borrower hereunder or under any other Loan Document.

3.5 **Representations and Warranties.** The representations and warranties of the Borrower set forth in Section 4 hereof shall be true and correct.

3.6 **No Default.** After giving effect to the amendments set forth in Section 1 hereof, and the Limited Waiver set forth in Section 2 hereof, no Default shall have occurred and be continuing.

The Lender shall notify the Borrower of the Effective Date, and such notice shall be conclusive and binding.

Section 4. Representations and Warranties of the Borrower. To induce the Lender to enter into this Second Amendment, the Borrower hereby represents and warrants to the Lender as follows:

4.1 **Reaffirmation of Representations and Warranties.** Each representation and warranty of the Borrower and each Guarantor contained in the Credit Agreement and the other Loan Documents is true and correct on the date hereof after giving effect to the amendments set forth in Section 1 hereof and the Limited Waiver set forth in Section 2 hereof.

4.2 **Due Authorization, No Conflicts.** The execution, delivery and performance by the Borrower of this Second Amendment are within the Borrower's corporate powers, have been duly authorized by necessary action, require no action by or in respect of, or filing with, any governmental body, agency or official and do not violate or constitute a default under any provision of applicable law or any material agreement binding upon the Borrower or its Subsidiaries, or result in the creation or imposition of any Lien upon any of the assets of the Borrower or its Subsidiaries except to the extent permitted by the Loan Documents.

4.3 **Validity and Binding Effect.** This Second Amendment constitutes the valid and binding obligations of the Borrower enforceable in accordance with its terms, except as (a) the enforceability thereof may be limited by bankruptcy, insolvency or similar laws affecting creditor's rights generally, and (b) the availability of equitable remedies may be limited by equitable principles of general application.

4.4 **No Defenses.** The Borrower has no defenses to payment, counterclaim or rights of set-off with respect to the indebtedness, obligations and liabilities of the Borrower under the Loan Documents existing on the date hereof.

4.5 **Absence of Defaults.** After giving effect to the amendments set forth in Section 1 hereof, and the Limited Waiver set forth in Section 2 hereof, neither a Default nor an Event of Default has occurred which is continuing.

Section 5. Miscellaneous.

5.1 **Reaffirmation of Loan Documents.** Any and all of the terms and provisions of the Credit Agreement and the other Loan Documents shall, except as amended and modified hereby, remain in full force and effect. The Borrower hereby agrees that the amendments and modifications herein contained shall in no manner adversely affect or impair the indebtedness, obligations and liabilities of the Borrower under the Loan Documents.

5.2 **Parties in Interest.** All of the terms and provisions of this Second Amendment shall bind and inure to the benefit of the parties hereto and their respective successors and assigns.

5.3 **Counterparts.** This Second Amendment may be executed in counterparts, and all parties need not execute the same counterpart; however, no party shall be

bound by this Second Amendment until counterparts hereof have been executed by the Borrower and the Lender. Facsimiles shall be effective as originals.

5.4 **Complete Agreement.** THIS SECOND AMENDMENT, THE CREDIT AGREEMENT AND THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES WITH RESPECT TO THE SUBJECT MATTER HEREOF AND THEREOF AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN OR AMONG THE PARTIES.

5.5 **Headings.** The headings, captions and arrangements used in this Second Amendment are, unless specified otherwise, for convenience only and shall not be deemed to limit, amplify or modify the terms of this Second Amendment, nor affect the meaning thereof.

IN WITNESS WHEREOF, the parties hereto have caused this Second Amendment to be duly executed by their respective authorized officers on the date and year first above written.

[Signature Pages Follow]

SIGNATURE PAGE
TO
SECOND AMENDMENT TO TERM CREDIT AGREEMENT
BY AND BETWEEN
ACXIOM CORPORATION
AND JPMORGAN CHASE BANK

ACXIOM CORPORATION

By: /S/ DATHAN A. GASKILL

Name: Dathan A. Gaskill

Title: Corporate Finance Leader

[Signature Page]

SIGNATURE PAGE
TO
SECOND AMENDMENT TO TERM CREDIT AGREEMENT
BY AND BETWEEN
ACXIOM CORPORATION
AND JPMORGAN CHASE BANK

JPMORGAN CHASE BANK

By: /S/ ALLEN K. KING

Name: Allen K. King, Vice President

By: JP Morgan Chase Bank

[Signature Page]

GUARANTOR CONSENT

Each of the undersigned Guarantors (i) consent and agree to this Second Amendment, and (ii) agree that the Loan Documents to which it is a party shall remain in full force and effect and shall continue to be the legal, valid and binding obligation of such Guarantor enforceable against it in accordance with their respective terms.

ACXIOM ASIA, LTD.
ACXIOM CDC, INC.
ACXIOM/DIRECT MEDIA, INC.
ACXIOM/MAY & SPEH, INC.
ACXIOM PROPERTY DEVELOPMENT, INC.
ACXIOM/PYRAMID INFORMATION SYSTEMS, INC.
ACXIOM RM-TOOLS, INC.
ACXIOM SDC, INC.
ACXIOM TRANSPORTATION SERVICES, INC.
GIS INFORMATION SYSTEMS, INC.
ACXIOM UWS, LTD.

By: /S/ DATHAN A. GASKILL

Dathan A. Gaskill, Vice President and
Assistant Treasurer of all Guarantors

[Guarantor Consent]

EXHIBIT A

to

Second Amendment to Term Credit Agreement

Existing Defaults

1. Acxiom Corporation entered into a lease agreement, dated as of September 22, 1999, with Softech Financial ("Softech") pursuant to which Acxiom Corporation granted to Softech a security interest in substantially all of the personal property of Acxiom Corporation. The debt or other obligations secured by such security interest does not exceed a maximum amount equal to \$2,000,000.
2. Acxiom Corporation entered into that certain Continuing Payment and Performance Guaranty dated as of October 30, 1998, as amended, pursuant to which Acxiom Corporation unconditionally guaranteed the obligation of Kidco Holdings, LLC ("Kidco") to make timely payments of the principal amount owed, plus accrued interest, when the same become due, under that certain Promissory Note, dated as of October 30, 1998, as amended, between Mercantile Bank of Arkansas National Association, as lender, and Kidco, as borrower, in the principal amount of \$1,184,500.00. As of March 22, 2002, the balance of such loan was \$1,138,176.00. It is currently contemplated that Kidco's obligations under the Promissory Note referenced above will be refinanced at a new financial institution. Therefore, as a result of such re-financing, each of the above-referenced Payment and Performance Guarantee and Promissory Note will be restated in its entirety; provided, that the outstanding balance of the refinanced Promissory Note (and resulting guarantee obligations of Acxiom Corporation) will not exceed in the aggregate \$1,184,500.
3. Acxiom Corporation entered into a guaranty arrangement with First Community Bank ("First Community") pursuant to which Acxiom Corporation guaranteed the obligation of Cope's Aircraft Services, Inc. ("Cope's") to make timely payments of the principal amount owed, when the same become due, under a loan arrangement from First Community to Cope's in the principal amount of \$280,000.00. As of February 13, 2002, the balance of such loan was \$238,916.65.

SCHEDULE 6.01

to

ACXIOM CORPORATION TERM CREDIT AGREEMENT

Existing Indebtedness and Preferred Equity Interest

A. Existing Indebtedness

	Description	Principal Outstanding as of December 31, 2001	Liens
1.	Subordinated Debt	Not to exceed \$205,000,000 (outstanding as of the Effective Date of the First Amendment)	Unsecured
2.	May & Speh Notes	\$114,998,000	Unsecured
3.	6.92% Senior Notes due March 30, 2007	\$ 25,714,286	Secured pursuant to Intercreditor Agreement
4.	Revolver Debt	\$175,000,000 ¹	Secured pursuant to Intercreditor Agreement
5.	Capital Lease Obligations	\$13,248,000	Secured by Lien on land located in Downers Grove, Illinois and the related building and other related real and personal property assets of Acxiom/May & Speh, Inc.
6.	Software license liabilities	\$89,655,000	Interest is software licenses arising under related agreements.
7.	Construction loan	\$9,211,000	Secured by Lien on land located in Conway, Arkansas and the related building and other related real and personal assets of Borrower
8.	Mortgage loan	\$2,059,000	Secured by Lien on land located in Conway, Arkansas and the related building and other related real and personal assets of Borrower
9.	Aircraft lease Agreement with General Electric Capital Corporation	\$11,222,000 ²	Secured by Lien on Aircraft (as defined in the Aircraft Lease Agreement)
10.	Other capital leases, debt and long-term liabilities	\$668,000	Secured by various Liens on assets of Borrower and/or its Subsidiaries with a book value of less than \$500,000.
11.	Synthetic lease with General Electric Capital Corporation	\$159,699,000 ²	Secured by liens on equipment
12.	Chenal Joint Venture building loan to partnership in which Borrower is a	\$8,457,000	Secured by lien on Chenal building

¹ Amount represents total commitment under Revolving Credit Agreement.

² Amount represents total amount drawn through December 31, 2001.

	general partner		
13.	Riverdale Joint Venture building loan partnership in which Borrower is a general partner	\$4,554,000	Secured by lien on Acxiom Plaza building (amount represents total loan)
14.	Outstanding letters of credit	\$10,658,000	unsecured
15.	Capital Lease obligations resulting from refinancing of sale-leaseback transaction with Technology Investment Partners, LLC	\$4,035,000; balance is expected to increase to no more than \$18,000,000 upon receiving remaining funding	Secured by liens on equipment underlying lease.

B. Preferred Equity Interests.

1. Acxiom CDC, Inc. has issued an outstanding 60 shares of preferred stock (50 shares issued to Borrower and 10 shares to Trans Union LLC). All outstanding common and preferred stock of Acxiom CDC, Inc. has been pledged to Trans Union LLC.

C. Guarantees

1. Acxiom Corporation entered into that certain Continuing Payment and Performance Guaranty dated as of October 30, 1998, as amended, pursuant to which Acxiom Corporation unconditionally guaranteed the obligation of Kidco Holdings, LLC ("Kidco") to make timely payments of the principal amount owed, plus accrued interest, when the same become due, under that certain Promissory Note, dated as of October 30, 1998, as amended, between Mercantile Bank of Arkansas National Association, as lender, and Kidco, as borrower, in the principal amount of \$1,184,500.00. As of March 22, 2002, the balance of such loan was \$1,138,176.00. It is currently contemplated that Kidco's obligations under the Promissory Note referenced above will be refinanced at a new financial institution. Therefore, as a result of such re-financing, each of the above-referenced Payment and Performance Guarantee and Promissory Note will be restated in its entirety; provided, that the outstanding balance of the refinanced Promissory Note (and resulting guarantee obligations of Acxiom Corporation) will not exceed in the aggregate \$1,184,500.

2. Acxiom Corporation entered into a guaranty arrangement with First Community Bank ("First Community") pursuant to which Acxiom Corporation guaranteed the obligation of Cope's Aircraft Services, Inc. ("Cope's") to make timely payments of the principal amount owed, when the same become due, under a loan arrangement from First Community to Cope's in the principal amount of \$280,000.00. As of February 13, 2002, the balance of such loan was \$238,916.65.

SCHEDULE 6.02

to

ACXIOM CORPORATION TERM CREDIT AGREEMENT

Existing Liens

1. Liens described in Schedule 6.01
2. Lien against assets and capital stock of Acxiom CDC, Inc. in favor of Trans Union LLC to secure performance of services (UCC-1 originally filed August 31, 1992; continuation filed March 12, 1997)
3. Liens against assets and capital stock of Acxiom Corporation in favor of Bankers/Softech Division of EAB Leasing Corp.

FIFTH AMENDMENT TO CERTAIN OPERATIVE AGREEMENTS

FIFTH AMENDMENT TO CERTAIN OPERATIVE AGREEMENTS dated as of February 28, 2002 (this "Agreement") is by and among ACXIOM CORPORATION, a Delaware corporation (the "Lessee" or the "Construction Agent"); the various parties hereto from time to time as guarantors (subject to the definition of Guarantors in Appendix A to the Participation Agreement, individually, a "Guarantor" and collectively, the "Guarantors"); WELLS FARGO BANK NORTHWEST, NATIONAL ASSOCIATION (formerly First Security Bank, National Association), a national banking association, not individually, but solely as the Owner Trustee under the AC Trust 2000-1 (the "Owner Trustee", the "Borrower" or the "Lessor"); WELLS FARGO BANK NEVADA, NATIONAL ASSOCIATION (formerly First Security Trust Company of Nevada), not individually, but solely as Trustee under AC Trust 2000-2 (the "Trustee" or the "Series 2000-B Bond Purchaser"); the various banks and other lending institutions which are parties to the Participation Agreement from time to time as holders of certificates issued with respect to the AC Trust 2000-1 (subject to the definition of Holders in Appendix A to the Participation Agreement, individually, a "Holder" and collectively, the "Holders"); the various banks and other lending institutions which are parties to the Participation Agreement from time to time as lenders (subject to the definition of Lenders in Appendix A to the Participation Agreement, individually, a "Lender" and collectively, the "Lenders"); and BANK OF AMERICA, N.A., a national banking association, as the agent for the Lenders and respecting the Security Documents, as the agent for the Lenders and the Holders, to the extent of their interests (in such capacity, the "Agent").

WITNESSETH:

WHEREAS, the parties hereto, are parties to that certain Participation Agreement dated as of October 24, 2000, (as amended by that certain Waiver and First Amendment to Certain Operative Agreements dated as of August 14, 2001, the Second Amendment to Certain Operative Agreements dated as of September 14, 2001, the Third Amendment to Certain Operative Agreements dated as of September 21, 2001 and the Fourth Amendment to Certain Operative Agreements dated as of January 28, 2002 each by and among certain of the parties hereto and as such may be further amended, modified, extended, supplemented, restated and/or replaced from time to time, the "Participation Agreement");

WHEREAS, the Lessee has requested that the Lenders and Holders permit the Lessee to incur Property Costs with respect to the Property located in Phoenix, Arizona;

WHEREAS, the Lessee requests that the Lenders and Holders amend certain restrictions which limit the Lessee's access to the aggregate Commitments and Holder Commitments; and

WHEREAS, the parties hereto agree to amend the Operative Agreements in accordance with the terms and conditions set forth herein.

NOW, THEREFORE, IN CONSIDERATION of the premises and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the parties hereto agree as follows:

AGREEMENT:

1. **Definitions.** Capitalized terms used herein and not otherwise defined shall have the meaning given to such terms in Appendix A to the Participation Agreement and the Rules of Usage set forth therein shall apply herein.

2. **Appendix A to the Participation Agreement.** Appendix A to the Participation Agreement is amended by adding the following definition in the appropriate alphabetical order:

“Fifth Amendment” shall mean that certain Fifth Amendment to Certain Operative Agreements dated as of February 28, 2002 by and among certain of the parties to the Participation Agreement.

3. **Limitation on Requisitions.** In addition to the terms and conditions regarding Requisitions in the Operative Agreements, the Construction Agent agrees that unless otherwise agreed by the Majority Secured Parties, the Construction Agent shall not submit any Requisition except Requisitions which (a)(i) request Advances solely with respect to the Property located in Little Rock, Arkansas or (ii) request Advances solely with respect to the Property located in Phoenix, Arizona, provided with respect to the Phoenix, Arizona property only, the aggregate of all amounts described in all Requisitions delivered after February 1, 2002 shall not exceed \$250,000.00 and (b) in the aggregate with all other proposed Requisitions not yet funded and all Requisitions funded on or after August 13, 2001 shall not exceed \$25,250,000.00. Until such time as the Agent delivers written notice to the Lessee which expressly states that each Lender and each Holder (in each Lender’s and each Holder’s sole discretion) has agreed to remove the limit on advances set forth in this sentence, no Lender or Holder shall be obligated to make any Loan or Holder Advance in excess of its pro rata share of \$45,750,000.00, as determined in accordance with its Commitments and Holder Commitments, as applicable.

4. **Limited Release of Commitment and Holder Commitment Restrictions.** Each Lender and each Holder party hereto agrees and directs the Agent to and upon the effectiveness of this Agreement, the Agent shall be deemed to have delivered notice to the Lessee that the restriction in Section 8 of the First Amendment shall be replaced by the terms and conditions of Section 3 hereof.

5. **Conditions Precedent and Conditions Subsequent.** Notwithstanding anything contained herein to the contrary, this Agreement shall not become effective until (a) the Agent has received executed counterpart signature pages to this Agreement from each Credit Party, the Owner Trustee, the Trustee each Lender and each Holder, (b) completion and delivery to the Agent of each of the following in form and substance acceptable to the Agent: (i) a bring-down Secretary’s Certificate from each Credit Party, dated as of the date hereof, (ii) an Officer’s Certificate from the Lessee in the form attached to the Participation Agreement as Exhibit C, dated as of the date hereof, and (iii) all additional documentation and information as the Agent or its legal counsel, Moore & Van Allen PLLC, may request, (c) no Default or Event of Default shall have occurred and be continuing and (d) all proceedings taken in connection with the transactions contemplated by this Agreement and all documentation and other legal matters incident thereto shall be satisfactory to the Agent and its legal counsel, Moore & Van Allen PLLC.

6. **Representations and Warranties.** The Lessee hereby represents and warrants that, except as stated otherwise, as of the date hereof the representations and warranties contained in Section 6.2 of the Participation Agreement, each of the Incorporated Representations and Warranties and the representations and warranties in the Loan Documents (as defined in the Lessee Credit Agreement) are true and accurate as of the date hereof as if made on such date, except to the extent such representations and warranties relate solely to an earlier date, in which case such representations and warranties were true and accurate as of such earlier date, (ii) no event or condition exists or would result from or continue after the consummation of the transactions contemplated hereby, which constitutes a Default or an Event of Default, (iii) each Operative Agreement to which any Credit Party is a party remains in full force and effect with respect to it and shall remain in full force and effect after the effectiveness of this Agreement, and (iv) it knows of no event that would or with the passage of time or giving of notice or both could constitute a Casualty, Condemnation or Environmental Violation.

7. **Release.** In consideration of entering into this Agreement, each Credit Party (a) represents and warrants to each Financing Party that as of the date hereof there are no Claims or offsets against or defenses or counterclaims to its obligations under the Operative Agreements and furthermore, such Credit Party waives any and all such Claims, offsets, defenses or counterclaims whether known or unknown, arising prior to the date of this Agreement and (b) releases each Financing Party and each of their respective Affiliates, Subsidiaries, officers, employees, representatives, agents, counsel and directors and each Indemnified Party from any and all actions, causes of action, Claims, demands, damages and liabilities of whatever kind or nature, in law or in equity, now known or unknown, suspected or unsuspected to the extent that any of the foregoing arises from any action or failure to act with respect to this Agreement or any other Operative Agreement, on or prior to the date hereof.

8. **Continued Effectiveness of Operative Agreements.** Except as modified hereby, all of the terms and conditions of the Operative Agreements are hereby ratified and affirmed and shall remain in full force and effect.

9. **Direction to Owner Trustee.** The Agent, the Lenders and the Holders hereby instruct the Owner Trustee to enter into this Agreement and such other documents necessary to effectuate the intent of this Agreement.

10. **Miscellaneous.**

(a) **Severability.** Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

(b) **Counterparts.** This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

(c) **Headings.** The headings of the various articles and sections of this Agreement are for convenience of reference only and shall not modify, define, expand or limit any of the terms or provisions hereof.

(d) **Fees and Expenses.** The Lessee agrees to pay all reasonable costs and expenses of the Agent in connection with the preparation, execution and delivery of this Agreement, including, without limitation, the reasonable fees and expenses of Moore & Van Allen, PLLC.

(e) **Governing Law; Submission to Jurisdiction; Venue.** THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED AND CONSTRUED, INTERPRETED AND ENFORCED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NORTH CAROLINA. THE PROVISIONS OF THE PARTICIPATION AGREEMENT RELATING TO SUBMISSION TO JURISDICTION AND VENUE ARE HEREBY INCORPORATED BY REFERENCE HEREIN, MUTATIS MUTANDIS.

(f) **Further Assurances.** The provisions of the Participation Agreement relating to further assurances are hereby incorporated by reference herein, mutatis mutandis.

(g) **Survival of Representations and Warranties.** All representations and warranties made in this Agreement or any other Operative Agreement shall survive the execution and delivery of this Agreement and the other Operative Agreements, and no investigation by any Financing Party or any closing shall affect the representations and warranties or the right of the Financing Parties to rely upon them.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective officers thereunto duly authorized as of the date first above written.

CONSTRUCTION AGENT
AND LESSEE:

ACXIOM CORPORATION, as the Construction
Agent and as the Lessee

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

GUARANTORS:

ACXIOM CDC, INC.
ACXIOM/DIRECT MEDIA, INC.
ACXIOM RM-TOOLS, INC.
ACXIOM/MAY & SPEH, INC.
GIS INFORMATION SYSTEMS, INC.
ACXIOM ASIA, LTD.
ACXIOM NJA, INC.
ACXIOM PROPERTY DEVELOPMENT, INC.
ACXIOM/PYRAMID INFORMATION
SYSTEMS, INC.
ACXIOM RTC, INC.
ACXIOM SDC, INC.
ACXIOM TRANSPORT SERVICES, INC.
ACXIOM UWS, LTD.

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

(signature pages continue)

OWNER TRUSTEE AND
LESSOR:

WELLS FARGO BANK NORTHWEST,
NATIONAL ASSOCIATION (formerly First
Security Bank, National Association), not
individually, except as expressly stated herein, but
solely as the Owner Trustee under the AC Trust
2000-1

By: /s/ Val T. Orton
Name: Val T. Orton
Title: Vice President

SERIES 2000-B BOND
PURCHASER:

WELLS FARGO BANK NEVADA, NATIONAL
ASSOCIATION (formally known as First Security
Trust Company of Nevada), not individually, except
as expressly stated herein, but solely as the Trustee
under the AC Trust 2000-2

By: /s/ Val T. Orton
Name: Val T. Orton
Title: Trust Officer

(signature pages continue)

AGENT AND LENDERS:

BANK OF AMERICA, N.A., as a Lender and
as the Agent

By: /s/ B. Kenneth Burton, Jr.

Name: B. Kenneth Burton, Jr.

Title: Vice President

(signature pages continue)

ABN-AMRO BANK, N.V., as a Lender

By: /s/ Maria Vickroy-Peralta

Name: Maria Vickroy-Peralta

Title: Senior Vice President and Head

By: /s/ James A. Redmond

Name: James Anthony Redmond

Title: Assistant Vice President

(signature pages continue)

THE BANK OF NOVA SCOTIA, as a Lender

By: /s/ Nadine Bell

Name: Nadine Bell

Title: Senior Manager Loan Operations

(signature pages continue)

WACHOVIA BANK, N.A., as a Lender

By: /s/ Karin E. Reel

Name: Karin E. Reel

Title: Vice President

(signature pages continue)

SUNTRUST BANK, as a Lender

By: /s/ Leonard L. McKinnon

Name: Leonard L. McKinnon

Title: Vice President

(signature pages continue)

HOLDERS:

BANK OF AMERICA, N.A., as a Holder

By: /s/ B. Kenneth Burton, Jr.

Name: B. Kenneth Burton, Jr.

Title: Vice President

(signature pages continue)

SCOTIABANC INC., as a Holder

By: /s/ W.J.G. Brown

Name: W.J.G. Brown

Title: Managing Director

(signature pages continue)

LEASE PLAN NORTH AMERICA, INC., as a
Holder

By: /s/ Elizabeth R. McClellan

Name: Elizabeth R. McClellan

Title: Vice President

(signature pages continue)

WACHOVIA BANK, N.A., as a Holder

By: /s/ Karin E. Reel

Name: Karin E. Reel

Title: Vice President

(signature pages continue)

SUNTRUST BANK, as a Holder

By: /s/ Leonard L. McKinnon

Name: Leonard L. McKinnon

Title: Vice President

(signature pages end)

WAIVER AND SIXTH AMENDMENT TO CERTAIN OPERATIVE AGREEMENTS

WAIVER AND SIXTH AMENDMENT TO CERTAIN OPERATIVE AGREEMENTS
dated as of May 13, 2002 (this "Agreement") is by and among ACXIOM CORPORATION, a Delaware corporation (the "Lessee" or the "Construction Agent"); the various parties hereto from time to time as guarantors (subject to the definition of Guarantors in Appendix A to the Participation Agreement, individually, a "Guarantor" and collectively, the "Guarantors"); WELLS FARGO BANK NORTHWEST, NATIONAL ASSOCIATION (formerly First Security Bank, National Association), a national banking association, not individually, but solely as the Owner Trustee under the AC Trust 2000-1 (the "Owner Trustee", the "Borrower" or the "Lessor"); WELLS FARGO BANK NEVADA, NATIONAL ASSOCIATION (formerly First Security Trust Company of Nevada), not individually, but solely as Trustee under AC Trust 2000-2 (the "Trustee" or the "Series 2000-B Bond Purchaser"); the various banks and other lending institutions which are parties to the Participation Agreement from time to time as holders of certificates issued with respect to the AC Trust 2000-1 (subject to the definition of Holders in Appendix A to the Participation Agreement, individually, a "Holder" and collectively, the "Holders"); the various banks and other lending institutions which are parties to the Participation Agreement from time to time as lenders (subject to the definition of Lenders in Appendix A to the Participation Agreement, individually, a "Lender" and collectively, the "Lenders"); and BANK OF AMERICA, N.A., a national banking association, as the agent for the Lenders and respecting the Security Documents, as the agent for the Lenders and the Holders, to the extent of their interests (in such capacity, the "Agent").

WITNESSETH:

WHEREAS, the parties hereto, are parties to that certain Participation Agreement dated as of October 24, 2000, (as amended by that certain Waiver and First Amendment to Certain Operative Agreements dated as of August 14, 2001, the Second Amendment to Certain Operative Agreements dated as of September 14, 2001, the Third Amendment to Certain Operative Agreements dated as of September 21, 2001, the Fourth Amendment to Certain Operative Agreements dated as of January 28, 2002 and the Fifth Amendment to Certain Operative Agreements dated as of February 28, 2002 each by and among certain of the parties hereto and as such may be further amended, modified, extended, supplemented, restated and/or replaced from time to time, the "Participation Agreement");

WHEREAS, the Lessee has advised the Agent, the Lenders and the Holders that certain Defaults and Events of Default have occurred under Sections 17.1(d), (f) and (l) of the Lease, which such Defaults and Events of Default pursuant to 17.1(l) of the Lease arose as a result of violations of clauses (c) and (d) of Article VIII of the Lessee Credit Agreement, as a result of (a) the Lessee guaranteeing the obligations of Kidco Holdings, Inc. owing to Mercantile Bank of Arkansas National Association (as more fully described in paragraph 2 of Exhibit A attached hereto), which guaranty obligations constitute Indebtedness (as such term is defined in the Lessee Credit Agreement) not permitted by Section 6.01 of the Lessee Credit Agreement; (b) the Lessee guaranteeing the obligations of Cope's Aircraft Services, Inc. owing to First Community Bank (as more fully described in paragraph 3 of Exhibit A), which guaranty obligations constitute Indebtedness not permitted by Section 6.01 of the Lessee Credit Agreement; (c) the Lessee granting

a Lien on substantially all of its personal property to Softech Financial in connection with a lease agreement in violation of Section 6.02 of the Lessee Credit Agreement (as more fully described in paragraph 1 of Exhibit A); (d) the Lessee's inadvertent failure to disclose at the closing of the Lessee Credit Agreement the existence of the Indebtedness described in paragraphs 2 and 3 of Exhibit A as required by Section 3.04(b) of the Lessee Credit Agreement and Section 6.2(a) of the Participation Agreement; (e) the Lessee's inadvertent failure to disclose, at the closing of the Lessee Credit Agreement and on each date thereafter when the Lessee made the representations and warranties pursuant to Section 6.2(a) of the Participation Agreement, the existence of the Lien described in paragraph 1 of Exhibit A as required by Section 3.05(a) of the Lessee Credit Agreement and Section 6.2(a) of the Participation Agreement and (f) Lessee's failure to provide notice to the Agent of the Defaults and Events of Default described in (a)-(e) of this paragraph as required by Section 8.3(o) of the Participation Agreement (the "Existing Defaults" and the covenants and Incorporated Covenants described in this paragraph, herein the "Violated Covenants"). In accordance with the Operative Agreements, the Lessee has requested that the Majority Secured Parties waive the Existing Defaults; and

WHEREAS, the parties hereto agree to amend the Operative Agreements in accordance with the terms and conditions set forth herein.

NOW, THEREFORE, IN CONSIDERATION of the premises and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the parties hereto agree as follows:

AGREEMENT:

1. **Definitions.** Capitalized terms used herein and not otherwise defined shall have the meaning given to such terms in Appendix A to the Participation Agreement and the Rules of Usage set forth therein shall apply herein.

2. **Appendix A to the Participation Agreement.** Appendix A to the Participation Agreement is amended by adding the following definitions in the appropriate alphabetical order:

"Intercreditor Second Amendment" shall mean that certain Second Amendment to the Intercreditor Agreement dated as of May 13, 2002 which amends the Intercreditor Agreement and is by and among the parties to the Intercreditor Agreement.

"Lessee Credit Agreement First Amendment" shall mean that certain Waiver and First Amendment to Amended and Restated Credit Agreement dated as of May 13, 2002 by and among the parties to the Lessee Credit Agreement.

"Sixth Amendment" shall mean that certain Waiver and Sixth Amendment to Certain Operative Agreements dated as of May 13, 2002 by and among certain of the parties to the Participation Agreement.

3. **Incorporation of Representations and Warranties, Covenants and Additional Terms.** Pursuant to Section 28.1 of the Lease, the Majority Secured Parties hereby direct the Agent to consent to the waivers and to the incorporation of the applicable provisions set forth in the Lessee Credit Agreement First Amendment and the Agent, at the direction of the Majority Secured Parties,

hereby consents to the waiver of the Existing Defaults pursuant to Article III thereof and the incorporation of the amendments to the Incorporated Representations and Warranties, the Incorporated Covenants and the Additional Incorporated Terms, as applicable, as set forth in the Lessee Credit Agreement First Amendment substantially in the form attached hereto as Exhibit B.

4. **Authority to Execute Intercreditor Second Amendment.** Each party hereto that is a "Creditor" under the Intercreditor Agreement or a Financing Party hereby: (a) consents to and agrees to the Intercreditor Second Amendment substantially in the form attached hereto as Exhibit C; (b) authorizes and directs the Agent and the Collateral Agent to execute and deliver the Intercreditor Second Amendment and (c) grants the Agent the authority to execute the Intercreditor Second Amendment and each other document necessary to effectuate the provisions of this Agreement and the Intercreditor Second Amendment and such execution by the Agent shall bind each of the Financing Parties as if each such Financing Party was party to the Intercreditor Second Amendment.

5. **Waiver of Defaults.** The Lessee has advised the Financing Parties that certain Defaults or Events of Default have occurred and are continuing pursuant to Sections 17.1(d), (f) and (l) of the Lease as described above and in Exhibit A attached hereto. Each undersigned Financing Party hereby waives the Existing Defaults and agrees not to exercise any rights or remedies available as a result of the occurrence thereof; provided: (a) the Lien, described on Schedule 6.02 to the Lessee Credit Agreement, on the Lessee's or any other Credit Party's assets in favor of Bankers/Softtech Division of EAB Leasing Corp. shall not at any time secure debt or other obligations in an aggregate amount in excess of \$2,000,000; and (b) at no time shall both of the following have occurred: (i) Bankers/Softtech Division of EAB Leasing Corp. or any Affiliate thereof have a perfected security interest in any collateral or asset of any Credit Party or any Subsidiary of any Credit Party (other than the property that is leased under the Lessee's lease agreement with EAB Leasing Corp.) and (ii) any judgment have been rendered against any Credit Party or any Subsidiary of any Credit Party in favor EAB Leasing Corp. or any of its Affiliates which shall remain undischarged for a period of five (5) or more Business Days during which execution shall not be effectively stayed, or any action (including without limitation self-help remedies) shall be legally taken by EAB Leasing Corp. or any of its Affiliates to attach, seize or levy upon any collateral or assets of any Credit Party or any Subsidiary of any Credit Party (other than the property that is leased under the Lessee's lease agreement with EAB Leasing Corp.) to enforce or collect the obligations of any Credit Party or any Subsidiary of any Credit Party. The waiver specifically described in this Section 5 shall not constitute and shall not be deemed: (y) a waiver of any Default or Event of Default (whether arising as a result of the further violation of the Violated Covenants, any other covenant, Incorporated Covenant or otherwise) or a waiver of any rights or remedies arising as a result such other or further Defaults or Event of Defaults; or (z) a waiver by the Financing Parties of their right to require the Lessee or any other Credit Party to comply with any of the Violated Covenants at any time other than as described above in the definition of Existing Defaults. The failure to comply with the Violated Covenants, other than as contemplated by this Section 5, shall constitute a Default or Event of Default, as applicable. The failure of any representation, warranty or certification made or deemed made by or on behalf of the Lessee or any other Credit Party in connection with any Operative Agreement shall be false, misleading or inaccurate in any material respect when made or deemed made shall constitute an Event of Default.

6. **Conditions Precedent.** Notwithstanding anything contained herein to the contrary, this Agreement shall not become effective until (a) the Agent has received executed counterpart signature pages to this Agreement from each Credit Party, the Owner Trustee, the Trustee and the Majority Secured Parties, (b) prior or simultaneous effectiveness of the Lessee Credit Agreement First Amendment, (c) prior or simultaneous effectiveness of a waiver of the defaults and events of default under the Term Loan, which correspond to the Existing Defaults, (d) all additional documentation and information as the Agent or its legal counsel, Moore & Van Allen PLLC, may request, (e) no Default or Event of Default, save the Existing Defaults, shall have occurred and be continuing and (f) all proceedings taken in connection with the transactions contemplated by this Agreement and all documentation and other legal matters incident thereto shall be satisfactory to the Agent and its legal counsel, Moore & Van Allen PLLC.

7. **Representations and Warranties.** The Lessee hereby represents and warrants that, except as stated otherwise, as of the date hereof the representations and warranties contained in Section 6.2 of the Participation Agreement, each of the Incorporated Representations and Warranties and the representations and warranties in the Loan Documents (as defined in the Lessee Credit Agreement) are true and accurate as of the date hereof as if made on such date, except to the extent such representations and warranties relate solely to an earlier date, in which case such representations and warranties were true and accurate as of such earlier date, (ii) no event or condition exists or would result from or continue after the consummation of the transactions contemplated hereby, which constitutes a Default or an Event of Default, (iii) each Operative Agreement to which any Credit Party is a party remains in full force and effect with respect to it and shall remain in full force and effect after the effectiveness of this Agreement, and (iv) it knows of no event that would or with the passage of time or giving of notice or both could constitute a Casualty, Condemnation or Environmental Violation.

8. **Release.** In consideration of entering into this Agreement, each Credit Party (a) represents and warrants to each Financing Party that as of the date hereof there are no Claims or offsets against or defenses or counterclaims to its obligations under the Operative Agreements and furthermore, such Credit Party waives any and all such Claims, offsets, defenses or counterclaims whether known or unknown, arising prior to the date of this Agreement and (b) releases each Financing Party and each of their respective Affiliates, Subsidiaries, officers, employees, representatives, agents, counsel and directors and each Indemnified Party from any and all actions, causes of action, Claims, demands, damages and liabilities of whatever kind or nature, in law or in equity, now known or unknown, suspected or unsuspected to the extent that any of the foregoing arises from any action or failure to act with respect to this Agreement or any other Operative Agreement, on or prior to the date hereof.

9. **Continued Effectiveness of Operative Agreements.** Except as modified hereby, all of the terms and conditions of the Operative Agreements are hereby ratified and affirmed and shall remain in full force and effect.

10. **Direction to Owner Trustee.** The Agent, the Lenders and the Holders hereby instruct the Owner Trustee to enter into this Agreement and such other documents necessary to effectuate the intent of this Agreement.

11. **Miscellaneous.**

(a) **Severability.** Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

(b) **Counterparts.** This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

(c) **Headings.** The headings of the various articles and sections of this Agreement are for convenience of reference only and shall not modify, define, expand, limit or otherwise affect any of the terms or provisions hereof.

(d) **Fees and Expenses.** The Lessee agrees to pay all reasonable costs and expenses of the Agent in connection with the preparation, execution and delivery of this Agreement, including, without limitation, the reasonable fees and expenses of Moore & Van Allen, PLLC.

(e) **Governing Law; Submission to Jurisdiction; Venue.** THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED AND CONSTRUED, INTERPRETED AND ENFORCED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NORTH CAROLINA. THE PROVISIONS OF THE PARTICIPATION AGREEMENT RELATING TO SUBMISSION TO JURISDICTION AND VENUE ARE HEREBY INCORPORATED BY REFERENCE HEREIN, MUTATIS MUTANDIS.

(f) **Further Assurances.** The provisions of the Participation Agreement relating to further assurances are hereby incorporated by reference herein, mutatis mutandis.

(g) **Survival of Representations and Warranties.** All representations and warranties made in this Agreement or any other Operative Agreement shall survive the execution and delivery of this Agreement and the other Operative Agreements, and no investigation by any Financing Party or any closing shall affect the representations and warranties or the right of the Financing Parties to rely upon them.

(h) **Amendment.** This Agreement shall not be terminated, amended, supplemented, waived or modified except in accordance with Section 12.4 of the Participation Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective officers thereunto duly authorized as of the date first above written.

CONSTRUCTION AGENT
AND LESSEE:

ACXIOM CORPORATION, as the Construction
Agent and as the Lessee

By: /s/ Dathan A. Gaskill
Name: Dathan A. Gaskill
Title: Corporate Finance Leader

GUARANTORS:

ACXIOM CDC, INC.
ACXIOM/DIRECT MEDIA, INC.
ACXIOM RM-TOOLS, INC.
ACXIOM/MAY & SPEH, INC.
GIS INFORMATION SYSTEMS, INC.
ACXIOM ASIA, LTD.
ACXIOM PROPERTY DEVELOPMENT, INC.
ACXIOM/PYRAMID INFORMATION
SYSTEMS, INC.
ACXIOM SDC, INC.
ACXIOM TRANSPORT SERVICES, INC.
ACXIOM UWS, LTD.

By: /s/ Dathan A. Gaskill
Name: Dathan A. Gaskill
Title: Vice President, Assistant Treasurer

(signature pages continue)

OWNER TRUSTEE AND
LESSOR:

WELLS FARGO BANK NORTHWEST,
NATIONAL ASSOCIATION (formerly First
Security Bank, National Association), not
individually, except as expressly stated herein, but
solely as the Owner Trustee under the AC Trust
2000-1

By: /s/ Val T. Orton
Name: Val T. Orton
Title: Vice President

SERIES 2000-B BOND
PURCHASER:

WELLS FARGO BANK NEVADA, NATIONAL
ASSOCIATION (formally known as First Security
Trust Company of Nevada), not individually, except
as expressly stated herein, but solely as the Trustee
under the AC Trust 2000-2

By: /s/ Val T. Orton
Name: Val T. Orton
Title: Trust Officer

(signature pages continue)

AGENT AND LENDERS:

BANK OF AMERICA, N.A., as a Lender and
as the Agent

By: /s/ B. Kenneth Burton, Jr.

Name: B. Kenneth Burton, Jr.

Title: Vice President

(signature pages continue)

ABN-AMRO BANK, N.V., as a Lender

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

(signature pages continue)

THE BANK OF NOVA SCOTIA, as a Lender

By: _____

Name: _____

Title: _____

(signature pages continue)

WACHOVIA BANK, N.A., as a Lender

By: /s/ Daniel L. Evans

Name: Daniel L. Evans

Title: Managing Director

(signature pages continue)

SUNTRUST BANK, as a Lender

By: /s/ Leaonard L. McKinnon

Name: Leonard L. McKinnon

Title: Director

(signature pages continue)

HOLDERS:

BANK OF AMERICA, N.A., as a Holder

By: /s/ B. Kenneth Burton, Jr.

Name: B. Kenneth Burton, Jr.

Title: Vice President

(signature pages continue)

SCOTIABANC INC. , as a Holder

By: _____

Name: _____

Title: _____

(signature pages continue)

LEASE PLAN NORTH AMERICA, INC., as a
Holder

By: _____

Name: _____

Title: _____

(signature pages continue)

WACHOVIA BANK, N.A., as a Holder

By: /s/ Daniel L. Evans

Name: Daniel L. Evans

Title: Managing Director

(signature pages continue)

SUNTRUST BANK, as a Holder

By: /s/ Leonard L. McKinnon

Name: Leonard L. McKinnon

Title: Director

(signature pages end)

Exhibit A

Existing Defaults

The Credit Parties verify that:

1. Acxiom Corporation entered into a lease agreement, dated as of September 22, 1999 with Softech Financial ("Softech") pursuant to which Acxiom Corporation granted to Softech a security interest in substantially all of the personal property of Acxiom Corporation. The debt or other obligations secured by such security interest does not exceed a maximum amount equal to \$2,000,000.
2. Acxiom Corporation entered into that certain Continuing Payment and Performance Guaranty dated as of October 30, 1998, as amended, pursuant to which Acxiom Corporation unconditionally guaranteed the obligation of Kidco Holdings, LLC ("Kidco") to make timely payments of the principal amount owed, plus accrued interest, when the same become due, under that certain Promissory Note, dated as of October 30, 1998, as amended, between Mercantile Bank of Arkansas National Association, as lender, and Kidco, as borrower, in the principal amount of \$1,184,500.00. As of March 22, 2002, the balance of such loan was \$1,138,176.00. It is currently contemplated that Kidco's obligations under the Promissory Note referenced above will be refinanced at a new financial institution. Therefore, as a result of such re-financing, each of the above-referenced Payment and Performance Guarantee and Promissory Note will be restated in its entirety; provided, that the outstanding balance of the refinanced Promissory Note (and resulting guarantee obligations of Acxiom Corporation) will not exceed in the aggregate \$1,184,500.
3. Acxiom Corporation entered into a guaranty arrangement with First Community Bank ("First Community") pursuant to which Acxiom Corporation guaranteed the obligation of Cope's Aircraft Services, Inc. ("Cope's") to make timely payments of the principal amount owed, when the same become due, under a loan arrangement from First Community to Cope's in the principal amount of \$280,000.00. As of February 13, 2002, the balance of such loan was \$238,916.65.

Exhibit B

[Lessee Credit Agreement First Amendment]

Exhibit C

[Intercreditor Second Amendment]

SEVENTH AMENDMENT TO CERTAIN OPERATIVE AGREEMENTS

SEVENTH AMENDMENT TO CERTAIN OPERATIVE AGREEMENTS dated as of October 24, 2002 (this "Agreement") is by and among ACXIOM CORPORATION, a Delaware corporation (the "Lessee" or the "Construction Agent"); the various parties hereto from time to time as guarantors (subject to the definition of Guarantors in Appendix A to the Participation Agreement, individually, a "Guarantor" and collectively, the "Guarantors"); WELLS FARGO BANK NORTHWEST, NATIONAL ASSOCIATION (formerly First Security Bank, National Association), a national banking association, not individually, but solely as the Owner Trustee under the AC Trust 2000-1 (the "Owner Trustee", the "Borrower" or the "Lessor"); WELLS FARGO BANK NEVADA, NATIONAL ASSOCIATION (formerly First Security Trust Company of Nevada), not individually, but solely as Trustee under AC Trust 2000-2 (the "Trustee" or the "Series 2000-B Bond Purchaser"); the various banks and other lending institutions which are parties to the Participation Agreement from time to time as holders of certificates issued with respect to the AC Trust 2000-1 (subject to the definition of Holders in Appendix A to the Participation Agreement, individually, a "Holder" and collectively, the "Holders"); the various banks and other lending institutions which are parties to the Participation Agreement from time to time as lenders (subject to the definition of Lenders in Appendix A to the Participation Agreement, individually, a "Lender" and collectively, the "Lenders"); and BANK OF AMERICA, N.A., a national banking association, as the agent for the Lenders and respecting the Security Documents, as the agent for the Lenders and the Holders, to the extent of their interests (in such capacity, the "Agent").

WITNESSETH:

WHEREAS, the parties hereto, are parties to that certain Participation Agreement dated as of October 24, 2000, (as amended by that certain Waiver and First Amendment to Certain Operative Agreements dated as of August 14, 2001, the Second Amendment to Certain Operative Agreements dated as of September 14, 2001, the Third Amendment to Certain Operative Agreements dated as of September 21, 2001, the Fourth Amendment to Certain Operative Agreements dated as of January 28, 2002, the Fifth Amendment to Certain Operative Agreements dated as of February 28, 2002 and the Waiver and Sixth Amendment to Certain Operative Agreements dated as of May 13, 2002 each by and among certain of the parties hereto and as such may be further amended, modified, extended, supplemented, restated and/or replaced from time to time, the "Participation Agreement");

WHEREAS, the parties hereto agree to amend the Operative Agreements in accordance with the terms and conditions set forth herein;

WHEREAS, the Lessee has requested certain modifications to the Participation Agreement, and certain other Operative Agreements in connection with the Facility to permit funding of additional punch list items with respect to the Little Rock Property to be completed after the Completion Date for such Property;

WHEREAS, the Lessee anticipates that unless the Operative Agreements are amended, certain Events of Default will occur on or about October 24, 2002 due to the Construction Agent's failure to construct and complete construction of the Phoenix Property;

WHEREAS, the Lessee has requested that the Financing Parties amend or grant relief from, for a limited time period, the covenants and other provisions of the Operative Agreements which are or would be affected by the failure to construct Improvements on the Phoenix Property; and

WHEREAS, the Financing Parties which are signatories hereto have agreed to the requested modifications on the terms and conditions set forth herein;

NOW, THEREFORE, IN CONSIDERATION of the premises and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the parties hereto agree as follows:

AGREEMENT:

1. **Definitions.** Capitalized terms used herein and not otherwise defined shall have the meaning given to such terms in Appendix A to the Participation Agreement and the Rules of Usage set forth therein shall apply herein.

2. **Appendix A to the Participation Agreement.** Appendix A to the Participation Agreement is amended by (a) replacing, in its entirety, the existing definition of "Completion" with the following:

"Completion" shall mean, with respect to a Property, such time as the acquisition, installation, testing and substantial completion of the Improvements on such Property has been achieved in accordance with the Plans and Specifications, the Construction Agency Agreement and/or the Lease, and in compliance with all Legal Requirements and Insurance Requirements and a temporary or permanent certificate of occupancy, or its equivalent, has been issued with respect to such Property by the appropriate governmental entity (except if non-compliance, individually or in the aggregate, shall not have and could not reasonably be expected to have a Material Adverse Effect or if compliance with any of the foregoing is otherwise waived by the Agent upon instruction from the Majority Secured Parties). If the Lessor purchases a Property that includes existing Improvements that are to be immediately occupied by the Lessee without any improvements financed pursuant to the Operative Agreements, the date of Completion for such Property shall be the Property Closing Date.

and (b) adding the following definition in the appropriate alphabetical order:

"Seventh Amendment" shall mean that certain Seventh Amendment to Certain Operative Agreements dated as of October 24, 2002 by and among certain of the parties to the Participation Agreement.

3. **Little Rock Property Escrow of Final Funding.**

(a) *Post Completion Date Property Costs.* Subject to the satisfaction of all terms and conditions applicable to Construction Advances set forth in the Operative Agreements, including without limitation Section 5.4 of the Participation Agreement (other than the requirements of Sections 5.4 (h) and (i) to the extent supporting documentation is not reasonably available on the date when the applicable Requisition is delivered to the Agent, in which case such Sections 5.4 (h) and (i) shall be satisfied prior to disbursement of the Escrowed Amount (hereinafter defined) pursuant to Section 3(e) hereof), the Construction Agent may submit, prior to the Little Rock Property's Completion Date, one (1) additional Requisition, in an amount not to exceed the lesser of (i) \$3,000,000 (ii) the sum of the Available Commitments and Available Holder Commitments with respect to the Little Rock Property, for Property Costs for the Little Rock Property for such Advance to be made on or prior to the Little Rock Property's Completion Date to be held in escrow by the Agent pending disbursement to be made after the Little Rock Property's Completion Date (the "Escrow Requisition").

(b) *Escrowed Amount; Permitted Uses.* Provided all applicable conditions have been waived or met, the sums requested by the Escrow Requisition (the "Escrowed Amount") shall be funded pursuant to the Operative Agreements on or prior to the Completion Date for the Little Rock Property and subject to the terms and conditions of the Operative Agreements, except the Escrowed Amount shall be delivered to the Agent to be held for application pursuant to the Operative Agreements after the Completion Date for the Little Rock Property. Not more than \$1,700,000 from the Escrowed Amount may be used for the Little Rock Property general contractor retainage and not more than \$1,300,000 from the Escrowed Amount may be used for the final punch list items on the Little Rock Property. The Escrowed Amount shall not be disbursed for any other purpose other than the foregoing and application pursuant to 3(c) hereof and each disbursement from the Escrowed Amount shall reduce the Escrowed Amount.

(c) *Duration.* Notwithstanding Section 5.2(d) of the Participation Agreement, the Escrowed Amount may be held by the Agent for distribution pursuant to the Operative Agreements to pay for or reimburse certain Property Costs, subject to this Section 3, with respect to the Little Rock Property until January 22, 2003. If the entire Escrowed Amount has not been disbursed prior to such date, then the Agent shall apply the remaining funds in accordance with Section 5.2(d) of the Participation Agreement.

(d) *Interest on Escrowed Amount.* The Escrowed Amount shall bear interest and Holder Yield, as applicable, regardless of whether such amount, or any portion thereof, has been disbursed to pay Property Costs for the Little Rock Property. Lessee agrees to pay Rent with respect to the Escrowed Amount in accordance with the Operative Agreements.

(e) *Disbursements from Escrowed Amount.* Each of the terms and conditions of the Operative Agreements related to Construction Advances shall apply, mutatis mutandis, to disbursements from the Escrowed Amount even though the Escrowed Amount has been

previously advanced to the Agent pursuant to the Operative Agreements. The Agent shall have no obligation to make disbursements from the Escrowed Amount unless (i) the terms and conditions applicable to Construction Advances in the Operative Agreements on the date of each disbursement and the requirements for such disbursement have been satisfied, including, without limitation, the reassertion by the Credit Parties of the representations and warranties contained in Section 6.2 of the Participation Agreement as of each such disbursement date; provided that terms and conditions that prohibit disbursement of funds after the Completion Date of a Property shall not be applicable with respect to the Escrowed Amount, (ii) the remaining Escrowed Amount is greater than or equal to the amount requested and (iii) no Default or Event of Default has occurred and is continuing. The Agent shall determine, in its reasonable discretion, whether the Construction Advance requirements regarding each disbursement from the Escrowed Amount have been sufficiently met.

(f) *Termination of Commitments.* The Commitments and Holder Commitments with respect to the Little Rock Property shall terminate on the Completion Date for the Little Rock Property regardless of the Escrowed Amount.

4. **Certificate of Occupancy Covenant.** The following is added to the Participation Agreement after the last provision of Section 8.3:

(w) On or before January 22, 2003 the Lessee shall cause (i) a permanent certificate of occupancy to be issued with respect to the Little Rock Property and (ii) all punch list items regarding the Little Rock Property to have been completed in accordance with the terms and conditions of the Operative Agreements.

5. **No Construction Regarding Phoenix Property.** Provided the Rent Commencement Dates, with respect to the Little Rock Property and the Phoenix Property, have occurred on or before the date hereof, including without limitation the delivery of the Officer's Certificates pursuant to Section 5.5 of the Participation Agreement with respect to each Property, the parties hereto agree that as of the date hereof and until April 24, 2003:

(a) subsection (ii) of the definition of Permitted Facility shall be deemed to be replaced with "(ii) a parcel of Land without Improvements, except certain grading and street improvements, located in Phoenix, Arizona,";

(b) failure to construct Improvements on the Phoenix Property in accordance with the Plans and Specifications (prior to the changes referenced in subsection (e) hereof) shall not constitute a Construction Failure pursuant to Section 2.1 of the Agency Agreement;

(c) failure to complete all punch list items as required by Section 2.6(d) of the Agency Agreement prior to the Completion Dates with respect to the Phoenix Property and the Little Rock Property shall not constitute a violation of the covenant in Section 2.6(d) of the Agency Agreement (and no Event of Default shall result therefrom), provided the Lessee complies with Section 8.3(w) of the Participation Agreement;

(d) the Construction Budget, with respect to the Phoenix Property, is deemed to be equal to the Property Cost of the Phoenix Property as of the date hereof; and

(e) the Plans and Specifications, with respect to the Phoenix Property, are deemed to be amended as of the date hereof to indicate that the Phoenix Property shall consist of Land without Improvements, except the Improvements existing as of the date hereof, if any.

6. **Conditions Precedent.** Notwithstanding anything contained herein to the contrary, this Agreement shall not become effective until (a) the Agent has received executed counterpart signature pages to this Agreement from each Credit Party, the Owner Trustee, the Trustee and the Majority Secured Parties, (b) all additional documentation and information as the Agent or its legal counsel, Moore & Van Allen PLLC, may reasonably request, (c) no Default or Event of Default shall have occurred and be continuing and (d) all proceedings taken in connection with the transactions contemplated by this Agreement and all documentation and other legal matters incident thereto shall be reasonably satisfactory to the Agent.

7. **Representations and Warranties.** The Lessee hereby represents and warrants that, except as stated otherwise, as of the date hereof the representations and warranties contained in Section 6.2 of the Participation Agreement, each of the Incorporated Representations and Warranties and the representations and warranties in the Loan Documents (as defined in the Lessee Credit Agreement) are true and accurate as of the date hereof as if made on such date, except to the extent such representations and warranties relate solely to an earlier date, in which case such representations and warranties were true and accurate as of such earlier date, (ii) no event or condition exists or would result from or continue after the consummation of the transactions contemplated hereby, which constitutes a Default or an Event of Default, (iii) each Operative Agreement to which any Credit Party is a party remains in full force and effect with respect to it and shall remain in full force and effect after the effectiveness of this Agreement, and (iv) it knows of no event that would or with the passage of time or giving of notice or both could constitute a Casualty, Condemnation or Environmental Violation.

8. **Release.** In consideration of entering into this Agreement, each Credit Party (a) represents and warrants to each Financing Party that as of the date hereof there are no Claims or offsets against or defenses or counterclaims to its obligations under the Operative Agreements and furthermore, such Credit Party waives any and all such Claims, offsets, defenses or counterclaims whether known or unknown, arising prior to the date of this Agreement and (b) releases each Financing Party and each of their respective Affiliates, Subsidiaries, officers, employees, representatives, agents, counsel and directors and each Indemnified Party from any and all actions, causes of action, Claims, demands, damages and liabilities of whatever kind or nature, in law or in equity, now known or unknown, suspected or unsuspected to the extent that any of the foregoing arises from any action or failure to act with respect to this Agreement or any other Operative Agreement, on or prior to the date hereof.

9. **Continued Effectiveness of Operative Agreements.** Except as modified hereby, all of the terms and conditions of the Operative Agreements are hereby ratified and affirmed and shall remain in full force and effect.

10. **Direction to Owner Trustee.** The Agent, the Lenders and the Holders hereby instruct the Owner Trustee to enter into this Agreement and such other documents necessary to effectuate the intent of this Agreement.

11. **Miscellaneous.**

(a) **Severability.** Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

(b) **Counterparts.** This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

(c) **Headings.** The headings of the various articles and sections of this Agreement are for convenience of reference only and shall not modify, define, expand, limit or otherwise affect any of the terms or provisions hereof.

(d) **Fees and Expenses.** The Lessee agrees to pay all reasonable costs and expenses of the Agent in connection with the preparation, execution and delivery of this Agreement, including, without limitation, the reasonable fees and expenses of Moore & Van Allen, PLLC.

(e) **Governing Law; Submission to Jurisdiction; Venue.** THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED AND CONSTRUED, INTERPRETED AND ENFORCED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NORTH CAROLINA. THE PROVISIONS OF THE PARTICIPATION AGREEMENT RELATING TO SUBMISSION TO JURISDICTION AND VENUE ARE HEREBY INCORPORATED BY REFERENCE HEREIN, MUTATIS MUTANDIS.

(f) **Further Assurances.** The provisions of the Participation Agreement relating to further assurances are hereby incorporated by reference herein, mutatis mutandis.

(g) **Survival of Representations and Warranties.** All representations and warranties made in this Agreement or any other Operative Agreement shall survive the execution and delivery of this Agreement and the other Operative Agreements, and no investigation by any Financing Party or any closing shall affect the representations and warranties or the right of the Financing Parties to rely upon them.

(h) **Amendment.** This Agreement shall not be terminated, amended, supplemented, waived or modified except in accordance with Section 12.4 of the Participation Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective officers thereunto duly authorized as of the date first above written.

CONSTRUCTION AGENT
AND LESSEE:

ACXIOM CORPORATION, as the Construction
Agent and as the Lessee

By: /s/ Dathan A. Gaskill
Name: Dathan A. Gaskill
Title: Corporate Finance Leader

GUARANTORS:

ACXIOM CDC, INC.
ACXIOM/DIRECT MEDIA, INC.
ACXIOM RM-TOOLS, INC.
ACXIOM/MAY & SPEH, INC.
GIS INFORMATION SYSTEMS, INC.
ACXIOM ASIA, LTD.
ACXIOM PROPERTY DEVELOPMENT, INC.
ACXIOM/PYRAMID INFORMATION
SYSTEMS, INC.
ACXIOM SDC, INC.
ACXIOM TRANSPORT SERVICES, INC.
ACXIOM UWS, LTD.
ACXIOM INFORMATION SECURITY
SERVICES, INC.

By: /s/ Dathan A. Gaskill
Name: Dathan A. Gaskill
Title: Vice President, Assistant Treasurer

(signature pages continue)

OWNER TRUSTEE AND
LESSOR:

WELLS FARGO BANK NORTHWEST,
NATIONAL ASSOCIATION (formerly First
Security Bank, National Association), not
individually, except as expressly stated herein, but
solely as the Owner Trustee under the AC Trust
2000-1

By: /s/ Val T. Orton
Name: Val T. Orton
Title: Vice President

SERIES 2000-B BOND
PURCHASER:

WELLS FARGO BANK NEVADA, NATIONAL
ASSOCIATION (formally known as First Security
Trust Company of Nevada), not individually, except
as expressly stated herein, but solely as the Trustee
under the AC Trust 2000-2

By: /s/ Val T. Orton
Name: Val T. Orton
Title: Trust Officer

(signature pages continue)

AGENT AND LENDERS:

BANK OF AMERICA, N.A., as a Lender and
as the Agent

By: /s/ B. Kenneth Burton, Jr.

Name: B. Kenneth Burton, Jr.

Title: Vice President

(signature pages continue)

ABN-AMRO BANK, N.V., as a Lender

By: /s/ Elizabeth R. McClellan

Name: Elizabeth R. McClellan

Title: Vice President

By: /s/ Blake J. Lacher

Name: Blake J. Lacher

Title: Vice President

(signature pages continue)

THE BANK OF NOVA SCOTIA, as a Lender

By: /s/ Liz Hanson

Name: Liz Hanson

Title: Director

(signature pages continue)

WACHOVIA BANK, N.A., as a Lender

By: /s/ Karin E. Samuel

Name: Karin E. Samuel

Title: Vice President

(signature pages continue)

SUNTRUST BANK, as a Lender

By: /s/ Bryan W. Ford

Name: Bryan W. Ford

Title: Director

(signature pages continue)

HOLDERS:

BANK OF AMERICA, N.A., as a Holder

By: B. Kenneth Burton

Name: B. Kenneth Burton

Title: Vice President

(signature pages continue)

SCOTIABANC INC., as a Holder

By: /s/ William E. Zarrett

Name: William E. Zarrett

Title: Managing Director

(signature pages continue)

LEASE PLAN NORTH AMERICA, INC., as a
Holder

By: /s/ Elizabeth R. McClellan
Name: Elizabeth R. McClellan
Title: Vice President

(signature pages continue)

WACHOVIA BANK, N.A., as a Holder

By: /s/ Karin E. Samuel

Name: Karin E. Samuel

Title: Vice President

(signature pages continue)

SUNTRUST BANK, as a Holder

By: /s/ Bryan W. Ford

Name: Bryan W. Ford

Title: Director

(signature pages end)

**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 Quarterly Report of Acxiom Corporation (the Company) on Form 10-Q for the period ending September 30, 2002 as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Charles D. Morgan, Company Leader (principal executive 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/ Charles D. Morgan
Charles D. Morgan
Company Leader
(principal executive officer)
November 12, 2002

**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 Quarterly Report of Acxiom Corporation (the Company) on Form 10-Q for the period ending September 30, 2002 as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Jefferson D. Stalnaker, Financial Operations Leader (principal 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/ Jefferson D. Stalnaker
Jefferson D. Stalnaker
Company Financial Operations Leader
(principal financial officer)
November 12, 2002