

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

	For the Three Months Ended			
	March 31,			
	2008	2007	\$ Variance	% Variance
Revenue:				
Services	259,886	266,441	(6,555)	(2.5%)
Data	89,911	89,957	(46)	(0.1%)
Total revenue	<u>349,797</u>	<u>356,398</u>	<u>(6,601)</u>	<u>(1.9%)</u>
Operating costs and expenses:				
Cost of revenue				
Services	235,742	209,830	25,912	12.3%
Data	58,153	52,991	5,162	9.7%
Total cost of revenue	<u>293,895</u>	<u>262,821</u>	<u>31,074</u>	<u>11.8%</u>
Services gross margin	9.3%	21.2%		
Data gross margin	35.3%	41.1%		
Total gross margin	16.0%	26.3%		
Selling, general and administrative	57,341	56,031	1,310	2.3%
Gains, losses and other items, net	74,519	9,122	65,397	100.0%
Total operating costs and expenses	<u>425,755</u>	<u>327,974</u>	<u>97,781</u>	<u>29.8%</u>
Income (loss) from operations	<u>(75,958)</u>	<u>28,424</u>	<u>(104,382)</u>	<u>(367.2%)</u>
Other income (expense):				
Interest expense	(11,016)	(15,002)	3,986	(26.6%)
Other, net	(1,685)	1,444	(3,129)	(216.7%)
Total other income (expense)	<u>(12,701)</u>	<u>(13,558)</u>	857	(6.3%)
Earnings (loss) before income taxes	<u>(88,659)</u>	14,866	<u>(103,525)</u>	<u>(696.4%)</u>
Income taxes	<u>(30,375)</u>	9,136	<u>(39,511)</u>	<u>(432.5%)</u>
Net earnings (loss)	<u><u>(58,284)</u></u>	<u><u>5,730</u></u>	<u><u>(64,014)</u></u>	<u><u>(1117.2%)</u></u>
Earnings (loss) per share:				
Basic	<u><u>(0.76)</u></u>	<u><u>0.07</u></u>	<u><u>(0.83)</u></u>	<u><u>(1185.7%)</u></u>
Diluted	<u><u>(0.76)</u></u>	<u><u>0.07</u></u>	<u><u>(0.83)</u></u>	<u><u>(1185.7%)</u></u>

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

	For the Twelve Months Ended March 31,			
	2008	2007	\$ Variance	% Variance
Revenue:				
Services	1,049,790	1,056,478	(6,688)	(0.6%)
Data	334,289	334,033	256	0.1%
Total revenue	<u>1,384,079</u>	<u>1,390,511</u>	(6,432)	(0.5%)
Operating costs and expenses:				
Cost of revenue				
Services	858,173	806,991	51,182	6.3%
Data	229,587	206,629	22,958	11.1%
Total cost of revenue	<u>1,087,760</u>	<u>1,013,620</u>	74,140	7.3%
Services gross margin	18.3%	23.6%		
Data gross margin	31.3%	38.1%		
Total gross margin	21.4%	27.1%		
Selling, general and administrative	219,721	213,849	5,872	2.7%
Gains, losses and other items, net	<u>36,352</u>	<u>8,897</u>	27,455	100.0%
Total operating costs and expenses	<u>1,343,833</u>	<u>1,236,366</u>	107,467	8.7%
Income from operations	<u>40,246</u>	<u>154,145</u>	(113,899)	(73.9%)
Other income (expense):				
Interest expense	(51,230)	(46,632)	(4,598)	9.9%
Other, net	<u>1,223</u>	<u>5,933</u>	(4,710)	(79.4%)
Total other income (expense)	<u>(50,007)</u>	<u>(40,699)</u>	(9,308)	22.9%
Earnings (loss) before income taxes	(9,761)	113,446	(123,207)	(108.6%)
Income taxes	<u>(1,981)</u>	<u>45,573</u>	(47,554)	(104.3%)
Net earnings (loss)	<u>(7,780)</u>	<u>67,873</u>	(75,653)	(111.5%)
Earnings (loss) per share:				
Basic	<u>(0.10)</u>	<u>0.82</u>	(0.92)	(112.2%)
Diluted	<u>(0.10)</u>	<u>0.80</u>	(0.90)	(112.5%)

ACXIOM CORPORATION AND SUBSIDIARIES
CALCULATION OF EARNINGS PER SHARE
(Unaudited)
(In thousands, except earnings (loss) per share)

	For the Three Months Ended	
	March 31, 2008	March 31, 2007
Basic earnings per share:		
Numerator - net earnings (loss)	(58,284)	5,730
Denominator - weighted-average shares outstanding	77,085	78,385
Basic earnings (loss) per share	(0.76)	0.07
Diluted earnings per share:		
Numerator - net earnings (loss)	(58,284)	5,730
Denominator - weighted-average shares outstanding	77,085	78,385
Dilutive effect of common stock options, warrants and restricted stock	-	1,750
	77,085	80,135
Diluted earnings (loss) per share	(0.76)	0.07

ACXIOM CORPORATION AND SUBSIDIARIES
CALCULATION OF EARNINGS (LOSS) PER SHARE
(Unaudited)
(In thousands, except earnings (loss) per share)

	For the Twelve Months Ended	
	March 31, 2008	March 31, 2007
Basic earnings (loss) per share:		
Numerator - net earnings (loss)	(7,780)	67,873
Denominator - weighted-average shares outstanding	79,123	82,564
Basic earnings (loss) per share	(0.10)	0.82
Diluted earnings (loss) per share:		
Numerator - net earnings (loss)	(7,780)	67,873
Denominator - weighted-average shares outstanding	79,123	82,564
Dilutive effect of common stock options, warrants and restricted stock	-	2,115
	79,123	84,679
Diluted earnings (loss) per share	(0.10)	0.80

ACXIOM CORPORATION AND SUBSIDIARIES
RESULTS BY SEGMENT
(Unaudited)
(Dollars in thousands)

	For the Three Months Ended	
	March 31, 2008	March 31, 2007
Revenue:		
Information services	189,727	188,265
Information products	115,189	109,546
Infrastructure management	108,169	118,593
Eliminations	(63,288)	(60,006)
Total revenue	349,797	356,398
 Income from operations:		
Information services	24,114	26,121
Information products	13,129	8,997
Infrastructure management	8,271	9,858
Corporate & other	(121,472)	(16,552)
Total income (loss) from operations	(75,958)	28,424
 Margin:		
Information services	12.7%	13.9%
Information products	11.4%	8.2%
Infrastructure management	7.6%	8.3%
Total margin	-21.7%	8.0%

ACXIOM CORPORATION AND SUBSIDIARIES
RESULTS BY SEGMENT
(Unaudited)
(Dollars in thousands)

	For the Twelve Months Ended	
	March 31, 2008	March 31, 2007
Revenue:		
Information services	741,259	728,014
Information products	431,316	415,417
Infrastructure management	447,488	476,333
Eliminations	(235,984)	(229,253)
Total revenue	1,384,079	1,390,511
 Income from operations:		
Information services	97,248	124,628
Information products	23,783	18,922
Infrastructure management	44,287	49,381
Corporate & other	(125,072)	(38,786)
Total income from operations	40,246	154,145
 Margin:		
Information services	13.1%	17.1%
Information products	5.5%	4.6%
Infrastructure management	9.9%	10.4%
Total margin	2.9%	11.1%

ACXIOM CORPORATION AND SUBSIDIARIES
DATA REVENUE AND COST OF DATA SUPPLEMENTAL SCHEDULE
(Unaudited)
(Dollars in thousands)

	For the Three Months Ended			
	March 31, 2008	March 31, 2007	\$ Variance	% Variance
Data	67,817	69,596	(1,779)	(2.6%)
Passthrough data	22,094	20,361	1,733	8.5%
Total data revenue	89,911	89,957	(46)	(0.1%)
Cost of data revenue:				
Data	36,059	32,630	3,429	10.5%
Passthrough data	22,094	20,361	1,733	8.5%
Total cost of data	58,153	52,991	5,162	9.7%
Margin:				
Data	46.8%	53.1%		
Passthrough data	0.0%	0.0%		
Total data	35.3%	41.1%		

ACXIOM CORPORATION AND SUBSIDIARIES
DATA REVENUE AND COST OF DATA SUPPLEMENTAL SCHEDULE
(Unaudited)
(Dollars in thousands)

	For the Twelve Months Ended			
	March 31, 2008	March 31, 2007	\$ Variance	% Variance
Data	252,287	255,299	(3,012)	(1.2%)
Passthrough data	82,002	78,734	3,268	4.2%
Total data revenue	334,289	334,033	256	0.1%
Cost of data revenue:				
Data	147,585	127,895	19,690	15.4%
Passthrough data	82,002	78,734	3,268	4.2%
Total cost of data	229,587	206,629	22,958	11.1%
Margin:				
Data	41.5%	49.9%		
Passthrough data	0.0%	0.0%		
Total data	31.3%	38.1%		

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

	March 31, 2008	March 31, 2007	\$ Variance	% Variance
<u>Assets</u>				
Current assets:				
Cash and cash equivalents	62,661	37,776	24,885	65.9%
Trade accounts receivable, net	216,462	234,511	(18,049)	(7.7%)
Refundable income taxes	16,080	7,657	8,423	110.0%
Deferred income taxes	44,211	41,850	2,361	5.6%
Other current assets	45,645	59,252	(13,607)	(23.0%)
Total current assets	385,059	381,046	4,013	1.1%
Property and equipment	765,046	733,175	31,871	4.3%
Less - accumulated depreciation and amortization	498,777	420,883	77,894	18.5%
Property and equipment, net	266,269	312,292	(46,023)	(14.7%)
Software, net of accumulated amortization	59,263	44,289	14,974	33.8%
Goodwill	484,796	522,046	(37,250)	(7.1%)
Purchased software licenses, net of accumulated amortization	111,574	151,326	(39,752)	(26.3%)
Deferred costs, net	90,707	137,684	(46,977)	(34.1%)
Data acquisition costs	51,566	35,398	16,168	45.7%
Other assets, net	22,621	39,993	(17,372)	(43.4%)
	1,471,855	1,624,074	(152,219)	(9.4%)
<u>Liabilities and Stockholders' Equity</u>				
Current liabilities:				
Current installments of long-term debt	69,259	106,921	(37,662)	(35.2%)
Trade accounts payable	45,749	54,808	(9,059)	(16.5%)
Accrued payroll and related expenses	39,061	33,663	5,398	16.0%
Other accrued expenses	121,441	79,078	42,363	53.6%
Deferred revenue	64,116	113,318	(49,202)	(43.4%)
Total current liabilities	339,626	387,788	(48,162)	(12.4%)
Long-term debt	575,308	648,879	(73,571)	(11.3%)
Deferred income taxes	51,429	97,926	(46,497)	(47.5%)
Other liabilities	4,980	-	4,980	100.0%
Stockholders' equity:				
Common stock	11,428	11,145	283	2.5%
Additional paid-in capital	779,815	718,336	61,479	8.6%
Retained earnings	413,758	431,014	(17,256)	(4.0%)
Accumulated other comprehensive income	33,976	17,526	16,450	93.9%
Treasury stock, at cost	(738,465)	(688,540)	(49,925)	7.3%
Total stockholders' equity	500,512	489,481	11,031	2.3%
	1,471,855	1,624,074	(152,219)	(9.4%)

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

	For the Three Months Ended	
	March 31,	
	2008	2007
Cash flows from operating activities:		
Net earnings (loss)	(58,284)	5,730
Non-cash operating activities:		
Non-cash impact of restructuring	72,503	-
Depreciation and amortization	95,447	59,187
Loss (gain) on disposal or impairment of assets, net	2,708	(235)
Deferred income taxes	(672)	16,770
Non-cash stock compensation expense	3,254	1,124
Changes in operating assets and liabilities:		
Accounts receivable	11,153	(13,499)
Other assets	(10,510)	(16,942)
Accounts payable and other liabilities	(17,262)	11,804
Deferred revenue	(7,863)	12,595
Net cash provided by operating activities	<u>90,474</u>	<u>76,534</u>
Cash flows from investing activities:		
Capitalized software	(6,571)	(8,000)
Capital expenditures	(6,551)	(8,230)
Deferral of costs	(21,482)	(17,092)
Payments received from investments	-	50
Net cash paid in acquisitions	<u>(2,044)</u>	<u>(18,667)</u>
Net cash used by investing activities	<u>(36,648)</u>	<u>(51,939)</u>
Cash flows from financing activities:		
Payments of debt	(50,690)	(77,928)
Dividends paid	(4,626)	(4,703)
Sale of common stock	3,131	7,663
Acquisition of treasury stock	(4,986)	-
Tax benefit of stock options exercised	(480)	61
Net cash used by financing activities	<u>(57,651)</u>	<u>(74,907)</u>
Effect of exchange rate changes on cash	<u>221</u>	<u>74</u>
Net decrease in cash and cash equivalents	(3,604)	(50,238)
Cash and cash equivalents at beginning of period	<u>66,265</u>	<u>88,014</u>
Cash and cash equivalents at end of period	<u><u>62,661</u></u>	<u><u>37,776</u></u>
Supplemental cash flow information:		
Cash paid during the period for:		
Interest	11,661	15,270
Income taxes	3,025	6,569
Payments on capital leases and installment payment arrangements	15,376	18,579
Payments on software and data license liabilities	11,821	5,746
Other debt payments, excluding line of credit	13,493	3,603
Prepayment of debt	10,000	50,000
Noncash investing and financing activities:		
Acquisition of property and equipment under capital lease and installment payment arrangements	4,117	14,474
Construction and other financing	1,679	213
Software licenses and maintenance acquired under software obligation	20	8,305
Note payable issued in acquisition	-	1,300

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

	For the Twelve Months Ended	
	March 31,	
	2008	2007
Cash flows from operating activities:		
Net earnings (loss)	(7,780)	67,873
Non-cash operating activities:		
Non-cash impact of restructuring	72,503	-
Depreciation and amortization	272,792	229,566
Gain on disposal or impairment of assets, net	(9)	(1,718)
Deferred income taxes	(2,135)	14,369
Non-cash stock compensation expense	8,932	3,823
Changes in operating assets and liabilities:		
Accounts receivable	14,781	(25,515)
Other assets	8,653	(19,101)
Accounts payable and other liabilities	(17,258)	3,960
Deferred revenue	(50,135)	(13,305)
Net cash provided by operating activities	300,344	259,952
Cash flows from investing activities:		
Disposition of operations	14,250	-
Capitalized software	(33,345)	(27,443)
Capital expenditures	(21,600)	(14,225)
Cash collected from the sale and license of software	-	10,000
Deferral of costs	(64,701)	(66,687)
Payments received from investments	3,603	2,758
Net cash paid in acquisitions	(11,235)	(33,067)
Net cash used by investing activities	(113,028)	(128,664)
Cash flows from financing activities:		
Proceeds from debt	2,127	649,756
Payments of debt	(158,699)	(471,670)
Dividends paid	(9,476)	(18,174)
Sale of common stock	47,943	33,464
Acquisition of treasury stock	(50,551)	(299,301)
Tax benefit of stock options exercised	5,513	4,142
Net cash used by financing activities	(163,143)	(101,783)
Effect of exchange rate changes on cash	712	566
Net increase in cash and cash equivalents	24,885	30,071
Cash and cash equivalents at beginning of period	37,776	7,705
Cash and cash equivalents at end of period	62,661	37,776
Supplemental cash flow information:		
Cash paid during the period for:		
Interest	51,669	46,645
Income taxes	7,979	37,596
Payments on capital leases and installment payment arrangements	69,706	76,135
Payments on software and data license liabilities	31,819	26,897
Other debt payments, excluding line of credit	25,047	10,235
Prepayment of debt	30,000	50,000
Revolving credit payments	2,127	308,403
Noncash investing and financing activities:		
Acquisition of property and equipment under capital lease and installment payment arrangements	24,841	58,928
Disposal of asset under financing	(5,304)	-
Construction and other financing	11,025	18,380
Software licenses and maintenance acquired under software obligation	513	23,571
Asset acquired under data obligation	15,306	-
Note payable issued in acquisition	300	1,300
Issuance of common stock for acquisition	-	3,610

ACXION CORPORATION AND SUBSIDIARIES
CALCULATION OF FREE CASH FLOW AVAILABLE TO EQUITY
AND RECONCILIATION TO OPERATING CASH FLOW
(Unaudited)
(Dollars in thousands)

	06/30/06	09/30/06	12/31/06	03/31/07	YTD FY2007	06/30/07	09/30/07	12/31/07	03/31/08	YTD FY2008
Net cash provided by operating activities	56,350	64,409	62,659	76,534	259,952	39,132	40,644	130,094	90,474	300,344
Plus:										
Payments received from investments	783	1,925	-	50	2,758	-	1,799	1,804	-	3,603
Disposition of operations	-	-	-	-	-	-	-	14,250	-	14,250
Less:										
Capitalized software	(5,719)	(6,926)	(6,798)	(8,000)	(27,443)	(8,447)	(9,820)	(8,507)	(6,571)	(33,345)
Capital expenditures	(217)	(3,260)	(2,518)	(8,230)	(14,225)	(2,867)	(5,291)	(6,891)	(6,551)	(21,600)
Deferral of costs	(16,887)	(16,559)	(16,149)	(17,092)	(66,687)	(14,129)	(11,630)	(17,460)	(21,482)	(64,701)
Payments on capital leases and installment payment arrangements	(18,905)	(21,951)	(16,700)	(18,579)	(76,135)	(19,137)	(17,651)	(17,542)	(15,376)	(69,706)
Payments on software and data license liabilities	(7,847)	(7,304)	(6,000)	(5,746)	(26,897)	(6,493)	(7,279)	(6,226)	(11,821)	(31,819)
Other required debt payments	(1,711)	(1,804)	(3,117)	(3,603)	(10,235)	(3,526)	(2,416)	(5,612)	(13,493)	(25,047)
Subtotal	5,847	8,530	11,377	15,334	41,088	(15,467)	(11,644)	83,910	15,180	71,979
Plus:										
Tax benefit of stock options and warrants	1,079	1,765	1,237	61	4,142	5,624	344	25	(480)	5,513
Subtotal	6,926	10,295	12,614	15,395	45,230	(9,843)	(11,300)	83,935	14,700	77,492
Plus:										
Cash collected from sale of software	5,000	5,000	-	-	10,000	-	-	-	-	-
Total	11,926	15,295	12,614	15,395	55,230	(9,843)	(11,300)	83,935	14,700	77,492

ACXIOM CORPORATION AND SUBSIDIARIES
RECONCILIATION OF GAAP TO NON-GAAP EPS
(Unaudited)
(Dollars in thousands, except earnings per share)

	For the Three Months ended March 31, 2008	For the Twelve Months ended March 31, 2008
Loss before income taxes	(88,659)	(9,761)
Unusual items	<u>107,160</u>	<u>84,222</u>
Earnings before income taxes and unusual items	<u><u>18,501</u></u>	<u><u>74,461</u></u>
Loss before income taxes	(88,659)	(9,761)
Income taxes	<u>(30,375)</u>	<u>(1,981)</u>
Net loss	<u><u>(58,284)</u></u>	<u><u>(7,780)</u></u>
Loss per share:		
Basic	<u><u>(0.76)</u></u>	<u><u>(0.10)</u></u>
Diluted	<u><u>(0.76)</u></u>	<u><u>(0.10)</u></u>
Unusual items:		
Transaction costs	-	17,689
Transaction termination payment	-	(65,000)
Payment to retired Company Leader	-	3,000
Disposition of operation in France	(584)	(3,157)
Restructuring - severance and related	13,374	19,358
Restructuring - facilities and related	22,832	22,832
Restructuring - contract accruals	6,671	6,671
Restructuring - Closing of Harbinger	9,527	9,527
Restructuring - flight services closing	3,993	3,993
Restructuring - software disposals and impairment	15,018	15,018
Other restructuring and other items	3,688	6,421
Accrued revenue adjustment	(4,001)	1,180
IT contract restructuring	33,968	44,016
Investment loss	<u>2,674</u>	<u>2,674</u>
Total unusual items	<u><u>107,160</u></u>	<u><u>84,222</u></u>
Earnings before income taxes and excluding unusual items	18,501	74,461
Income taxes	<u>6,633</u>	<u>25,977</u>
Non-GAAP net earnings	<u><u>11,868</u></u>	<u><u>48,484</u></u>
Non-GAAP earnings per share:		
Basic	<u><u>0.15</u></u>	<u><u>0.61</u></u>
Diluted	<u><u>0.15</u></u>	<u><u>0.60</u></u>