

ACXIOM CORP
Form 11-K
June 29, 2007
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 11-K

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

(Mark One)

Annual Report pursuant to Section 15(d) of the Securities Exchange Act of 1934
For the fiscal year ended December 31, 2006.

OR

Transition Report pursuant to Section 15(d) of the Securities Exchange Act of 1934
For the transition period from _____ to _____
Commission File Number 0-16163

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

Acxiom Corporation

Retirement Savings Plan

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

Acxiom Corporation

1 Information Way

Little Rock, AR 72202

ACXIOM CORPORATION

RETIREMENT SAVINGS PLAN

Financial Statements and Supplemental Schedule

December 31, 2006 and 2005

(With Report of Independent Registered Public Accounting Firm)

ACXIOM CORPORATION

RETIREMENT SAVINGS PLAN

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All other schedules required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 are omitted as they are inapplicable or not required.

Report of Independent Registered Public Accounting Firm

The Plan Administrator

Acxiom Corporation Retirement Savings Plan:

We have audited the accompanying statements of net assets available for benefits of the Acxiom Corporation Retirement Savings Plan (the Plan) as of December 31, 2006 and 2005, and the related statement of changes in net assets available for benefits for the year ended December 31, 2006. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Acxiom Corporation Retirement Savings Plan as of December 31, 2006 and 2005, and the changes in net assets available for benefits for the year ended December 31, 2006, in conformity with U.S. generally accepted accounting principles.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of schedule H, line 4i schedule of assets (held at end of year) as of December 31, 2006 is presented for the purpose of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ KPMG LLP
KPMG LLP

Dallas, Texas

June 28, 2007

ACXIOM CORPORATION
RETIREMENT SAVINGS PLAN
 Statements of Net Assets Available for Benefits
 December 31, 2006 and 2005

| | 2006 | 2005 |
|--|----------------|-------------|
| Assets: | | |
| Non interest-bearing cash | \$ 15,136 | 35,532 |
| Investments, at fair value: | | |
| Axiom Corporation common stock | 72,321,192 | 72,852,982 |
| Participant brokerage accounts | 2,049,266 | 1,167,548 |
| Mutual funds | 206,304,466 | 166,112,187 |
| Common collective trust funds | 26,176,577 | 24,487,389 |
| Participant notes receivable | 6,223,467 | 5,555,017 |
| Total assets reflecting investments at fair value | 313,074,968 | 270,175,123 |
| Net assets available for benefits (fair value) | 313,090,104 | 270,210,655 |
| Adjustment from fair value to contract value | | |
| for fully benefit-responsive investment contracts | 156,955 | 148,642 |
| Net assets available for benefits (contract value) | \$ 313,247,059 | 270,359,297 |

See accompanying notes to financial statements.

**ACXIOM CORPORATION
RETIREMENT SAVINGS PLAN**

Statement of Changes in Net Assets Available for Benefits
Year ended December 31, 2006

Additions to net assets attributed to:

Investment income:

| | | |
|---|----|------------|
| Dividends | \$ | 10,811,148 |
| Interest | | 466,775 |
| Net appreciation in fair value of investments | | 24,006,694 |
| | | 35,284,617 |

Contributions:

| | | |
|--------------|--|------------|
| Participants | | 20,631,788 |
| Employer | | 7,152,848 |
| Rollovers | | 2,303,117 |

Total additions

30,087,753
65,372,370

Deductions from net assets attributed to:

| | | |
|---|--|------------|
| Benefits paid to participants and beneficiaries | | 22,462,325 |
| Plan expenses | | 22,283 |

Total deductions

22,484,608

Net increase in net assets available for
benefits

42,887,762

Net assets available for benefits, beginning of year

270,359,297

Net assets available for benefits, end of year

\$

313,247,059

See accompanying notes to financial statements.

ACXIOM CORPORATION

RETIREMENT SAVINGS PLAN

Notes to Financial Statements

December 31, 2006 and 2005

(1) Plan Description

The following description of the Acxiom Corporation Retirement Savings Plan (the Plan) provides only general information. Participants should refer to the plan agreement (the Agreement) for a more complete description of the Plan's provisions.

(a) General

The Plan is a defined contribution plan covering substantially all employees of Acxiom Corporation and its domestic subsidiaries (Acxiom, the Company, or the Employer). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

(b) Participation

Employees of the Company may participate in the Plan upon commencement of employment, except for those employees, if any, who already receive retirement benefits in connection with a collective bargaining agreement, certain nonresident employees, and leased employees.

(c) Contributions

The Plan includes a 401(k) provision whereby each nonhighly compensated participant may defer up to 30% of annual compensation, not to exceed limits determined under Section 415(c) of the Internal Revenue Code (IRC). Deferrals for highly compensated participants are limited to meet nondiscrimination requirements of the IRC and are currently limited to 6% of annual compensation.

The Plan provides a discretionary matching contribution of 50% of deferrals for deferrals up to 6% (maximum matching contribution of 3%).

Participant contributions to the Plan are invested as directed by participants into various investment options. The Company's matching contributions are made with Acxiom common stock and are recorded based on the fair value of the common stock at the date contributed. During the years ended December 31, 2006 and 2005 the Company contributed 310,192 and 319,302 shares, respectively, of Acxiom common stock. Immediately upon deposit into the Plan, the match shares are 100% diversifiable, at the election of the participant, among the other investment options with the Plan.

(d) Participant Accounts

Each participant's account is credited with the participant's contribution, rollovers, if any, the Company's matching contribution, and discretionary contributions, if any, and is adjusted for investment income/losses and expenses. Allocations of income/losses and expenses are made according to formulas specified in the Agreement based on participant compensation or account balances. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

(e) Participant Notes Receivable

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000, less the highest outstanding balance in the previous 12 months or 50% of their

ACXIOM CORPORATION

RETIREMENT SAVINGS PLAN

Notes to Financial Statements

December 31, 2006 and 2005

vested account balance. Loans are repayable through payroll deductions ranging up to five years unless the loan is for the purchase of a primary residence, in which case the loan can be repaid over ten years. The loans are secured by the balance in the participant's account and bear interest at the prime rate in effect at the date of the loan plus 2%. The interest rates on outstanding participant loans at December 31, 2006 and 2005 range from 6.00% to 11.50%, with maturity dates ranging to November 2016.

(f) Vesting

Participants are immediately vested in their voluntary contributions, rollovers, if any, and the earnings thereon. Participants are vested in the remainder of their accounts based on years of service, whereby partial vesting occurs in 20% increments beginning after two years of service until participants become fully vested after six years of service. If applicable, nonvested portions of company contributions are forfeited as of an employee's termination date and are used to reduce future company matching contributions or to pay plan expenses.

At December 31, 2006 and 2005, forfeited nonvested accounts totaled \$40,713 and \$34,974, respectively. These accounts will be used to reduce future Employer contributions. During 2006 \$529,627 of participants' accounts were forfeited and Employer contributions were reduced by \$529,997 from forfeited nonvested accounts. During 2006 the forfeiture account balance was increased by \$5,740 on the fair market value of the investments held in the account.

(g) Investment Options

Upon enrollment in the Plan, a participant may direct employee contributions in any of 21 mutual funds, two common collective trust funds, or the Acxiom common stock fund. In addition, participants have the option to open a self-directed brokerage account with T. Rowe Price in order to invest in numerous other stocks, bonds, and mutual funds.

The Plan's investment in the T. Rowe Price Stable Value Fund (the Fund), a common trust fund, holds substantial investments in guaranteed investment contracts, bank investment contracts, and synthetic investment contracts. The value of the Fund reflects the value of the underlying contracts, which consist of changes in principal value, reinvested dividends and capital gains distributions, and approximate fair market value. The stated interest rates of the contracts vary and the average yield for the year ended December 31, 2006 was 4.81% after expenses.

The Plan's investment in the T. Rowe Price Equity Index Trust (the Trust), a common trust fund, holds substantial investments in common stocks of companies that comprise the S&P Index. The returns from the investments vary and the average yield for the year ended December 31, 2006 was 15.82% after expenses.

(h) Benefits Paid to Participants and Beneficiaries

Benefits paid upon retirement, death, or disability are made in the form of a lump-sum payment of cash or common stock of the Company. If a participant receives benefits prior to retirement, death, or disability, the benefits paid from the participant's Employer contribution account shall not exceed the participant's vested balance therein.

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Notes to Financial Statements

December 31, 2006 and 2005

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

The financial statements of the Plan are prepared under the accrual method of accounting.

(b) Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

(c) Investment Valuation and Income Recognition

The Plan's investments in mutual funds, Acxiom Corporation common stock, and participant brokerage accounts are stated at fair value, based upon quoted market prices. Investments in common collective trust are valued based on their net asset value as determined by the Trustee, based on the fair value of the underlying assets. Participant notes receivable are stated at unpaid principal balance, which approximates fair value. As described in Financial Accounting Standards Board Staff Position, FSP AAG INV-1 and SOP 94-4-1, *Reporting of Fully Benefit-Responsive Investment Contracts Held by Certain Investment Companies Subject to the AICPA Investment Company Guide and Defined-Contribution Health and Welfare and Pension Plans (BFSP)*, investment contracts held by a defined-contribution plan are required to be recorded at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined-contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the plan. The Plan's T. Rowe Price Stable Value Common Trust Fund invests in investment contracts. As required by the FSP, the statement of net assets available for benefits presents the fair value of the investments in the collective trust as well as the adjustment of the investments in the collective trust from fair value to contract value relating to the investment contracts. The statement of changes in net assets available for benefits is prepared on contract value basis.

Purchases and sales of securities are recorded on a trade date basis. Dividends are recorded on the ex-dividend date. Interest is recorded as earned. Net appreciation in fair value of investments represents realized gains/(losses) on investments sold and unrealized appreciation/(depreciation) on investments held at year end.

The Plan provides for investment in investment securities that, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

ACXIOM CORPORATION

RETIREMENT SAVINGS PLAN

Notes to Financial Statements

December 31, 2006 and 2005

(d) Payment of Benefits

Benefits are recorded when paid.

(3) Investments

The fair value of individual investments representing 5% or more of net assets available for benefits as of December 31, is as follows:

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RETIREMENT SAVINGS PLAN

Notes to Financial Statements

December 31, 2006 and 2005

During 2006, the Plan's investments (including investments bought, sold, and held during the year) appreciated/depreciated in value as follows:

(4) Plan Administration

The Plan is administered by the Company. T. Rowe Price Trust Company (T. Rowe Price) is the recordkeeper and trustee of the Plan.

(5) Tax Status

The Internal Revenue Service has determined and informed the Company in a letter dated July 21, 2003, that the Plan is designed in accordance with applicable sections of the IRC. The Plan has been amended since receiving the determination letter. The plan administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC.

(6) Related Party Transactions

Certain investments represent mutual funds managed by T. Rowe Price, the trustee. In addition, non interest-bearing cash of \$15,136 at December 31, 2006, is with T. Rowe Price. Accordingly, these transactions qualify as related party transactions. During 2006 and 2005, total fees paid to T. Rowe Price were \$21,194 and \$20,888, respectively. Other related party transactions involve the common stock of the Company and participant notes receivable.

(7) Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500:

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Notes to Financial Statements

December 31, 2006 and 2005

(8) Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. Upon complete discontinuance of contributions, termination, or partial termination of the Plan, participants will become 100% vested in their accounts, in which event the value of such accounts shall be distributed as provided in the Plan.

ACXIOM CORPORATION
RETIREMENT SAVINGS PLAN

Schedule H, Line 4i Schedule of Assets (Held at End of Year)

December 31, 2006

| Identity of issuer, borrower, lessor, or similar party | Description | Shares | | Current value |
|---|--|------------|----|------------------|
| * Acxiom Corporation | Common stock | 2,819,540 | \$ | 72,321,192 |
| Participant Brokerage Accounts | Tradelink Investments | | | 2,049,266 |
| * T. Rowe Price | Mutual funds: | | | |
| | PIMCO Total Return Admin. | 191,955 | | 1,992,488 |
| | American Growth Fund of America | 238,092 | | 7,826,079 |
| | Retirement Income Fund | 19,900 | | 261,290 |
| | Retirement 2005 Fund | 32,637 | | 378,910 |
| | Retirement 2010 Fund | 82,462 | | 1,388,027 |
| | Retirement 2015 Fund | 124,718 | | 1,542,757 |
| | Retirement 2020 Fund | 191,427 | | 3,321,256 |
| | Retirement 2025 Fund | 232,722 | | 2,992,802 |
| | Retirement 2030 Fund | 224,924 | | 4,181,336 |
| | Retirement 2035 Fund | 177,264 | | 2,334,562 |
| | Retirement 2040 Fund | 161,377 | | 3,025,815 |
| | American Funds Europacific Growth | 368,700 | | 17,166,652 |
| | J P Morgan Mid-Cap Value, A Growth Stock Fund | 168,909 | | 4,351,102 |
| | New Horizons Fund | 795,738 | | 25,169,181 |
| | Small-Cap Value Fund | 374,590 | | 12,095,502 |
| | Mid-Cap Value Fund | 546,856 | | 22,535,953 |
| | Mid-Cap Growth Fund | 496,223 | | 26,642,214 |
| | Balanced Fund | 1,065,386 | | 22,682,075 |
| | Equity Income Fund | 974,176 | | 28,786,887 |
| | Spectrum Income Fund | 685,192 | | 8,352,485 |
| | Spectrum Growth Fund | 454,759 | | 9,277,093 |
| | Total mutual funds | | | 206,304,466 |
| | Common collective trust funds: | | | |
| * T. Rowe Price | Stable Value Fund | 18,465,616 | | 18,308,661 |
| * T. Rowe Price | Equity Index Trust | 190,046 | | 7,867,916 |
| | Total common collective trust funds | | | 26,176,577 |
| * Participant notes receivable, interest rates range from 6% 11.50% and maturities of January 2006 to September 2016 | | | | 6,223,467 |
| | Total investments | | \$ | 313,074,968 |

Historical cost information is not presented on this schedule, as all investments are participant directed.

* Indicates a party in interest to the Plan.

See accompanying report of independent registered public accounting firm.

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Signatures

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

Date: June 29, 2007
Rodger S. Kline

Chief Financial Officer /

Chief Administrative Leader

Acxiom Corporation
As Sponsor and Administrator of the
Acxiom Corporation Retirement Savings Plan
By: /s/ Rodger S. Kline

Exhibit Index

Exhibit 23.1 Consent of KPMG LLP