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ACXIOM CORP
Form 8-K
July 20, 2005

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

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

Date of report (Date of earliest event reported): July 20, 2005

ACXIOM CORPORATION
(Exact Name of Registrant as Specified in Its Charter)

DELAWARE
(State or Other Jurisdiction of Incorporation)

0-13163
(Commission File Number)

71-0581897
(IRS Employer Identification Number)

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

72203-8180
(Zip Code)

501-342-1000
(Registrant's Telephone Number, Including Area Code)

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

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

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

Item 2.02 Results of Operations and Financial Condition

On July 20, 2005, Acxiom Corporation (the "Company") issued a press release announcing its financial performance for the first quarter of fiscal year 2006. The Company will hold a conference call at 4:30 p.m. CDT today to discuss this information further. Interested parties are invited to listen to the call, which will be broadcast via the Internet at www.acxiom.com. The press release is furnished herewith as Exhibit 99.1 and incorporated by reference herein.

The Company's press release, including the Financial Road Map, and other communications at the same time include certain non-GAAP financial measures. A "non-GAAP financial measure" is defined as a measure of a company's financial performance, financial position or cash flows that excludes (or includes) amounts that are included in (or excluded from) the most directly comparable measure calculated in accordance with GAAP in the Company's financial statements.

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The attached press release utilizes a measure of free cash flow. Free cash flow is defined as cash flow less cash used by investing activities excluding the impact of investments in joint ventures, business alliances and cash paid and/or received in acquisitions and dispositions. The Company's management believes that while free cash flow does not represent the amount of money available for the Company's discretionary spending since certain obligations of the Company must be funded out of free cash flow, nevertheless provides a useful measure of liquidity for assessing the amount of cash available for corporate and strategic purposes after funding operating activities and capital expenditures, capital expenditures, software expenses, and deferred costs.

In addition, return on invested capital, also included in the attached press release, is a financial measure. Management defines "return on invested capital" as income from operations adjusted for implied interest expense included in operating leases divided by the trailing four quarters' average invested capital. The implied interest adjustment for operating leases is calculated by multiplying the average balances of the present value of operating leases [(beginning balance + ending balance)/2] times the interest rate on the leases. Average invested capital is defined as the trailing 4 quarter average quarterly balances for total assets less cash, less non-interest bearing liabilities, plus the present value of operating leases. Management believes that return on invested capital is useful because it provides with additional useful information for evaluating the efficiency of the Company's capital deployment in its operations. Return on invested capital does not consider whether the business is financed with debt but rather calculates a return on all capital invested in the business. Return on invested capital does not adjust the present value of future payments on operating leases as a component of the denominator of the calculation but adjusts the numerator of the calculation for the implied interest expense on those operating leases. Management recognizes the fact that the Company finances portions of its operations with leases instead of debt or equity.

EBITDA is defined as earnings before interest, taxes, depreciation and amortization. EBITDA is mentioned in the attached press release, but may be discussed during the conference call. EBITDA is calculated directly from the financial statements by adding pre-tax income plus interest expense from the statement of operations plus depreciation and amortization from the cash flow statement. Management believes EBITDA is a useful measure of liquidity which may be used by investors to assess the Company's operating performance and liquidity.

The non-GAAP financial measures used by the Company in the attached press release may not be comparable to similarly titled measures used by other companies and should not be considered in isolation or as a substitute for measures of performance or liquidity prepared in accordance with GAAP.

ITEM 8.01. OTHER EVENTS

The Registrant issued a second press release dated July 20, 2005 announcing that the Company's Board of Directors has completed its evaluation of ValueAct Capital's July 12, 2005 proposal to negotiate a sale of the Company, and has determined that pursuing the ValueAct proposal is not in the best interests of the Company and its shareholders. The Press Release is furnished herewith and is attached as Exhibit 99.1 incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits

(c) Exhibits

The following exhibits are furnished herewith:

Exhibit Number	Description
99.1	Press Release of the Company dated July 20, 2005 announcing 1st quarter earnings for the quarter ended June 30, 2005.
99.2	Press Release of the Company dated July 20, 2005 announcing the Board of Directors' decision regarding ValueAct Capital's July 12, 2005 proposal.

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SIGNATURE

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

Dated: July 20, 2005

ACXIOM CORPORATION

By: /s/ Jerry C. Jones

Name: Jerry C. Jones

Title: Business Development/Legal Leader

EXHIBIT INDEX

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