Decide with Confidence™

"To be the most trusted source of business insight so our customers can **decide with confidence.**"

2004 Annual Report
Notice of 2005 Annual Meeting and Proxy Statement

Our Aspiration

D&B's aspiration reflects our intense focus on our customers' success because when our customers win, we win. Our aspiration directs how we will achieve year over year growth and create the most value for our shareholders.

Let's take a closer look at each of its components:

"To be	something we are striving to achieve
the most trusted	a level of trust that is unrivaled and is built on our 160-year heritage
source of	the one and only place a customer should go for business information
business insight	what we provide; not just data, not just information
so our customers can	we always want to enable our customers; they come first and our success depends on their success
decide with confidence"	to make critical business decisions with the utmost confidence with D&B; what our Brand stands behind

Steven W. Alesio, *Chief Executive Officer & President*
Allan Z. Loren, *Chairman of the Board*

To Our Shareholders

Fellow Shareholders,

One of the most satisfying parts of a journey is being able to see progress over time. We have come a long way since our launch of the Blueprint for Growth strategy in October 2000. By consistently leveraging this strategy we have made very good progress transforming D&B, and our results in 2004 illustrate this point. We reported another year of strong financial performance on our journey to transform D&B into a great company. Core revenue, before the effects of foreign exchange, grew 8%[1] and we had our first full year of strong organic growth since we launched our strategy. EPS, before non-core gains and charges, was up 17%[2], marking our fourth consecutive year of double-digit earnings growth, before non-core gains and charges. And our business delivered solid free cash flow growth producing $239 million[3] in 2004. Our unwavering focus on our strategy has resulted in an increase in shareholder value as evidenced by the tripling of our stock price over the last four and a half years. We are proud of the progress we have made and as we look ahead, we believe our strategy has even more potential to deliver greater value to our customers and drive sustainable growth for D&B. Here's why.

The Foundational Elements of our Blueprint for Growth Strategy

As we said, our success continues to be driven by our Blueprint for Growth strategy. It is the roadmap for our transformation and for achieving our aspiration, "To be the most trusted source of business insight so our customers can decide with confidence." This aspiration reflects our belief that by intensifying our focus on our customers they will be even more successful in the marketplace. And when our customers win, we win.

Our strategy has five components: the Brand, Financial Flexibility, Winning Culture, Current Business and E-Business. Over the last several years we have leveraged the three foundational elements of our strategy—the Brand, Winning Culture, and Financial Flexibility—into more than just elements of a strategy; they are now powerful competitive advantages that drive the growth and profitability of our Current Business and E-Business and are genuine assets that we did not have four years ago. By leveraging these assets in the marketplace, we are driving results for our shareholders and providing value to our customers.

Leveraging the Brand

Our first foundational element, the Brand, is built on the power of our proprietary DUNSRight™ quality process. DUNSRight™ drives our unique ability to provide insightful information to our customers and it is why our customers can make confident business decisions. Because DUNSRight™ is the center of our value proposition, we now communicate more consistently to our customers the value of DUNSRight™ in helping them grow their business and improve their profitability. As a result, our customers' understanding and appreciation of what we offer has improved, we have differentiated ourselves from the competition, and we win more business as a result.

> *"We believe that superb leadership leads to superb execution, which leads to superb results for our customers and shareholders."*

In order to ensure that DUNSRight™ remains a competitive advantage, we continually make investments to improve our quality process. These enhancements over the past four years have significantly increased the accuracy, completeness, timeliness and cross-border consistency of DUNSRight™. A few examples of the customer benefits of our 2004 DUNSRight™ investments are: increasing the size of our database more than 10%, providing our customers with access to 92 million businesses globally; providing better insight to UK customers through higher match rates due to an enhanced *Quality Assurance* process; and adding almost 50% more Small Business Risk Indicator (SBRI) payment experiences, which enable customers to make more confident credit decisions on an increased number of small businesses.

In our International segment, we establish strategic partnerships with strong local players that are able to enhance our DUNSRight™ quality process. Since 2001, we have formed strategic relationships in over 20 countries. These partnerships have enabled us to increase our international database from 40 million to over 50 million records, which enhances our DUNSRight™ Global Data Coverage. In 2004, we formed strategic partnerships in Central Europe and the French and Iberian markets that enhanced our breadth and depth of coverage in these areas, thereby strengthening our DUNSRight™ value proposition for our global and European customers.

Building a Winning Culture

The second foundational element of our strategy is our Winning Culture. To us, developing a Winning Culture means focusing on creating a team of great leaders who succeed in the marketplace.

We place a strong emphasis on leadership improvement for one reason: we believe that superb leadership leads to superb execution, which leads to superb results for our customers and shareholders. Our focus on building a Winning Culture through improved leadership is making a difference. Twice a year we conduct a comprehensive survey to measure how effective we have been in creating a Winning Culture. This year, 99% of our team members participated in our year-end survey, the highest participation rate yet. Additionally, we achieved scores of 83% or higher on questions around understanding our Blueprint for Growth strategy, understanding our leadership model, and taking steps to improve leadership. Through our investments in building a Winning Culture, we are creating a company of great leaders focused on driving our success and achieving our aspiration. This continuous attention to leadership and on learning to drive and manage change, is the most significant contributor to our ability to deliver on our customer and shareholder commitments.

Creating Financial Flexibility

The third foundational element of our Blueprint for Growth strategy is Financial Flexibility. A critical step in transforming D&B was the creation of a flexible business model to invest for growth and create shareholder value. By changing our fixed-cost mindset we are now able to make a conscious decision about almost every dollar that we spend. We accomplish this through a structured process we call continuous reengineering. On an ongoing basis we look to identify opportunities to improve the performance of our business in terms of quality, efficiency, and cost in order to generate savings to invest for growth.

This process of continuous reengineering has enabled us to generate significant financial flexibility year after year. We have identified more than $70 million[4] of cost savings each year since we began our transformation. These savings are then reinvested in growing the business, in priorities such as DUNSRight™, with a portion being returned to shareholders. Every dollar invested back into the business is subject to future reengineering, making the process truly continuous. Our ability to create financial flexibility through continuous reengineering is a skill that very few companies have—and one we believe makes us distinct in the corporate world.

“Our four solution sets represent a strong portfolio of services that enable our customers to make confident business decisions.”

Powering our Customer Solutions Portfolio

As we said earlier, the foundational elements of our strategy—the Brand, Winning Culture and Financial Flexibility—drive the growth of our Current Business and E-Business. Our success is in the performance, over time and on average, of our portfolio of customer solution sets:

- Risk Management Solutions
- Sales & Marketing Solutions
- Supply Management Solutions
- E-Business Solutions

Each of these customer solution sets, powered by our DUNSRight™ quality process, offers a unique value proposition, and provides the tools that allow our customers to decide with confidence, whether they are making daily business decisions or major strategic choices.

Risk Management Solutions’ core revenue grew 7%[5] (10% after the effect of foreign exchange) in 2004. This growth was driven by our Self Awareness Solutions, which allows our small business customers to establish, improve and protect their own credit, and our subscription plan, introduced in the fourth quarter of 2003, which provides expanded access to our Risk Management Solutions in a way that provides more certainty over related costs.

Sales & Marketing’s core revenue increased 6%[5] (8% after the effect of foreign exchange) for the year. This growth was primarily driven by double-digit growth in North America’s Customer Information Management products and our migration of customers from traditional lists and labels to our more automated Value-Added products in North America.

Supply Management Solutions had the most challenging year with a decline in core revenue of 11%[5] (10% after the effect of foreign exchange). In addition to new leadership, we are working to improve sales performance and product delivery while increasing customer renewal rates.

Our successful E-Business Solutions grew 72%[5] (including 52 points of growth before the effects of purchase accounting on 2003 results). The E-Business Solution set is primarily Hoover’s. Hoover’s, acquired in 2003, has proven to be an exceptional acquisition that has outperformed our expectations and provided immediate synergies. As a result of this acquisition, the Hoover’s database has doubled and relationships with our traditional Sales & Marketing Solutions customers have been strengthened as our customers appreciate and leverage the competitive edge that Hoover’s in-depth reporting provides them.

Together, our four solution sets represent a strong portfolio of services that enable our customers to make confident business decisions and provide profitability and growth potential for D&B.

Continuing the Transformation of D&B

This is our fifth annual report since we launched the Blueprint for Growth strategy. During this time we have leveraged the competitive advantages of our strategy—the Brand, Winning Culture and Financial Flexibility—as we continue to transform D&B into a great company.

In addition to having a great strategy, a great team and a powerful competitive advantage, we also have an independent and diverse Board to help us deliver on our strategy and create shareholder value. During 2004, we added two new members to our Board. Joining us were James Fernandez, executive vice president and chief financial officer of Tiffany & Co., and Christopher Coughlin, chief financial officer of Tyco International Ltd. In March of this year, Michael Winkler, executive vice president of Customer Solutions Group and chief marketing officer at Hewlett-Packard, joined our Board bringing it to a total of 11 members, including nine independent directors. Both our new and existing Board members will be instrumental as we continue our transformation into a great company and work to achieve our aspiration.

"We have an experienced board, a team of focused leaders, a strong strategy, and a profound market opportunity."

In May of 2004, we announced the succession of Steve to CEO and Chairman, in a plan that would occur in two phases, over 13 months. The first phase was completed in January 2005 when Steve took over as CEO and the final phase will be accomplished at the end of May 2005, when Steve assumes the role of Chairman. At that time, Allan will retire from D&B. This succession plan was put in place by the Board over two years ago and has been executed in a thoughtful and orderly manner. For the past four years, we have been partners in guiding the implementation of the Blueprint and we are pleased with how far we have come on our journey.

As good as we feel about the progress we have made, we feel even better about our future. We are a much different company today than we were in October 2000. We have a powerful set of assets—our Brand, our Winning Culture and our Flexible Business Model—that together form a competitive advantage we think is unique in corporate America. Our confidence comes not only from our financial results of the past year, but also from the fact that our customer solutions fulfill needs that are critical to our customers' success, and the opportunity to provide more is profound. For instance, we know that our customers spend significant time and resources to mitigate risk, improve cash flow and achieve regulatory compliance. By recognizing our customers' needs we have identified areas of growth in each of our core businesses that we will unlock through the power of DUNSRight™. By leveraging our assets and focusing even more on our customers, we believe we will drive sustainable top and bottom line growth, thereby creating more shareholder value.

So, as we move into the next phase of our transformation we are very confident about our future. We have an experienced Board, a team of focused leaders, a strong strategy, and a profound market opportunity, all of which will continue to drive growth and create value for our shareholders. That is why we are confident the best is yet to come!

Sincerely,

Allan Z. Loren
Chairman of the Board

Steven W. Alesio
Chief Executive Officer & President

1. The Company achieved 2004 total revenue growth of 2% determined in accordance with generally accepted accounting principles ("GAAP") . See Schedule I to the attached Proxy Statement for a quantitative reconciliation of total revenue in accordance with GAAP to core revenue for the 2004 fiscal year, as well as the effects of foreign exchange on the 2004 core revenue growth rate. See "Item 1. Business—How We Evaluate Our Performance" in the attached Form 10-K for the year ended December 31, 2004 for a discussion of why the Company uses core revenue growth before the effects of foreign exchange and why management believes this measure provides useful information to investors.

2. The Company achieved 2004 reported EPS growth of 26% on a GAAP basis. See Schedule II of the attached Proxy Statement for a quantitative reconciliation of reported EPS in accordance with GAAP to EPS before non-core gains and charges for the 2004 fiscal year. See "Item 1. Business—How We Evaluate Our Performance" in the attached Form 10-K for the year ended December 31, 2004 for a discussion of why the Company uses EPS before non-core gains and charges and why management believes this measure provides useful information to investors.

3. Free cash flow represents net cash provided by operating activities minus capital expenditures and additions to computer software and other intangibles. The Company achieved 2004 net cash provided by operating activities of $267.6 million, capital expenditures of $12.1 million and additions to computer software and other intangibles of $16.7 million. See "Item 1. Business—How We Evaluate Our Performance" in the attached Form 10-K for the year ended December 31, 2004 for a discussion of why the Company uses free cash flow and why management believes this measure provides useful information to investors.

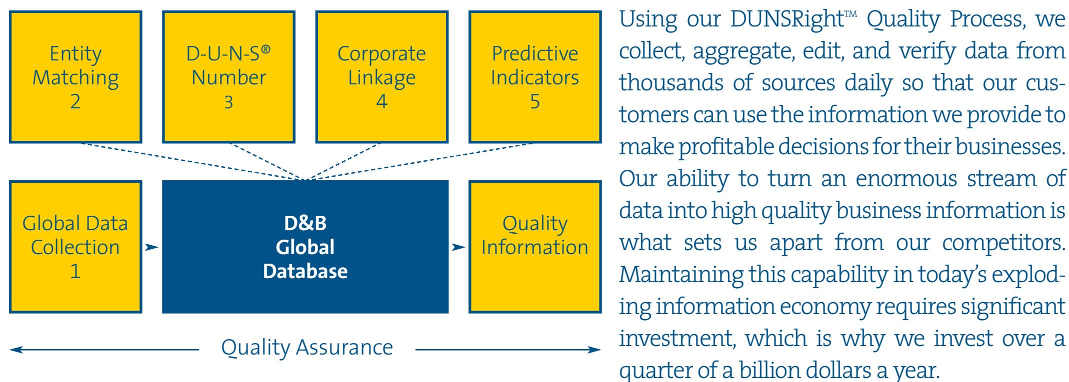
4. On an annualized basis before any restructuring charges and transition costs and before any reallocation of spending.

5. See "How We Manage Our Business" and "Results of Operations" of "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" in the attached Form 10-K for the year ended December 31, 2004 for a quantitative reconciliation of total revenue in accordance with GAAP to core revenue for the 2004 fiscal year, for a discussion of why the Company uses core revenue growth before the effects of foreign exchange and why management believes this measure provides useful information to investors.

> *“Our unique DUNSRight™ Quality Process is the power behind business insight.”*

The DUNSRight™ Quality Process

The D&B Brand has stood for high quality business information for more than 160 years. Our Brand reputation rests on providing our customers with the insightful information they need to make business decisions with confidence. We know we have to “get it right,” and we do that by using our patent pending process called DUNSRight™ Quality Process.



Using our DUNSRight™ Quality Process, we collect, aggregate, edit, and verify data from thousands of sources daily so that our customers can use the information we provide to make profitable decisions for their businesses. Our ability to turn an enormous stream of data into high quality business information is what sets us apart from our competitors. Maintaining this capability in today’s exploding information economy requires significant investment, which is why we invest over a quarter of a billion dollars a year.

Our database covers over 92 million businesses, and we update our database more than 1.5 million times a day. Through our DUNSRight™ Quality Process, our customers have access to comprehensive data which we constantly endeavor to make accurate, complete, timely, and consistent around the world.

The insightful information we offer to our customers to help them make better business decisions is the product of DUNSRight™—a quality process that is second to none. The foundation of our DUNSRight™ Quality Process is **Quality Assurance** which includes over 2000 separate automated checks, plus many manual ones, to ensure that data meets our high quality standards. In addition, five Quality Drivers work sequentially to collect and enhance the data. The process works like this:

- **Global Data Collection** brings together data from a variety of sources worldwide.
- We integrate the data into our database through our patented **Entity Matching**, which produces a single, more accurate picture of each business.
- We apply the **D-U-N-S® Number** as a unique means of identifying and tracking a business globally through every step in the life and activity of the business.
- We use **Corporate Linkage** to enable our customers to view their total risk or opportunity across related businesses.
- Finally, our **Predictive Indicators** use statistical analysis to rate a business’ past performance and to indicate how likely the business is to perform that same way in the future.

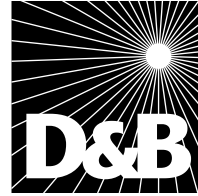
The output of this extensive process? High quality business insight that our customers rely on to—*Decide with Confidence.*

“All our activities and decisions must be based on, and guided by, our values.”

Our Values

- Treat all **people** with respect and dignity; value differences.
- Pursue an unrelenting quest for **quality**; use speed and simplicity to achieve goals.
- Conduct ourselves with the highest level of **integrity** and business ethics.
- Place the interest of **customers** first; our success depends on their success.
- Commit to **teamwork**; seek out and utilize the ideas and skills of all team members.
- Reach for the highest standards of **performance**; show a passion for winning.

By behaving in accordance with these values, we will provide outstanding service to our customers, maintain a leadership position in our business, improve satisfaction for our team members and provide superior value to our shareholders.



Decide with Confidence

March 24, 2005

Dear Shareholder:

You are cordially invited to attend the 2005 Annual Meeting of Shareholders of The Dun & Bradstreet Corporation on Tuesday, May 3, 2005, at 8:00 a.m. at The Ritz-Carlton New York, Central Park, 50 Central Park South, New York, New York.

The Notice of Annual Meeting and Proxy Statement accompanying this letter more fully describe the business to be acted upon at the meeting. The Annual Report on Form 10-K for the year ended December 31, 2004 is also enclosed.

Your vote is important. Please vote your shares whether or not you plan to attend the meeting. In addition to voting in person or by mail, shareholders of record have the option of voting by telephone or via the Internet. If your shares are held in the name of a bank, broker or other holder of record, check your proxy card to see which of these options are available to you.

On behalf of your Board of Directors, thank you for your continued support of D&B.

Sincerely,

ALLAN Z. LOREN
Chairman of the Board

STEVEN W. ALESIO
Chief Executive Officer and President

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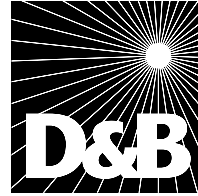

Decide with Confidence

Notice of 2005 Annual Meeting of Shareholders

The 2005 Annual Meeting of Shareholders of The Dun & Bradstreet Corporation will be held on Tuesday, May 3, 2005, at 8:00 a.m. at The Ritz-Carlton New York, Central Park, 50 Central Park South, New York, New York. The purpose of the meeting is to:

1. Elect four Class II directors for a three-year term;

2. Ratify the appointment of independent auditors;

3. Vote upon proposals to amend and restate The Dun & Bradstreet Corporation 2000 Stock Incentive Plan and to amend the 2000 Dun & Bradstreet Corporation Non-employee Directors' Stock Incentive Plan; and

4. Transact such other business as may properly come before the meeting. The Company knows of no other business to be brought before the meeting.

Only shareholders of record at the close of business on March 14, 2005 will be entitled to vote at the meeting.

By Order of the Board of Directors,

DAVID J. LEWINTER
General Counsel and Corporate Secretary

Dated: March 24, 2005

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PROXY STATEMENT

GENERAL INFORMATION

The Board of Directors of The Dun & Bradstreet Corporation ("D&B," the "Company" or "we") is soliciting your proxy for use at the Annual Meeting of Shareholders to be held on May 3, 2005. These proxy materials are being mailed to shareholders beginning on or about March 24, 2005. The principal executive offices of D&B are located at 103 JFK Parkway, Short Hills, New Jersey 07078-2708, and the Company's main telephone number is 973.921.5500. D&B is listed on the New York Stock Exchange (NYSE) with the ticker symbol DNB.

On September 30, 2000, the company then known as The Dun & Bradstreet Corporation ("Old D&B") separated into two publicly traded companies: the "new" Dun & Bradstreet Corporation (*i.e.*, the company to which this Proxy Statement relates) and Moody's Corporation. The separation of the two companies was accomplished through a tax-free distribution by Old D&B of the shares of Common Stock of the Company (the "Spin-Off"). Old D&B then changed its name to "Moody's Corporation" ("Moody's"). Information included in this Proxy Statement concerning the Company and its management during periods prior to the Spin-Off actually relates to Old D&B and its management.

Annual Meeting Admission

You will need an admission ticket to enter the Annual Meeting. For shareholders of record, an admission ticket is attached to the proxy card sent to you. If your shares are held in the name of a bank, broker or other holder of record (in "street name") and you plan to attend the meeting in person, you may obtain an admission ticket in advance by sending a written request, along with proof of share ownership, such as a bank or brokerage account statement, to the Company's Corporate Secretary at the address noted above. Shareholders who do not have admission tickets for the Annual Meeting will be admitted at the door following verification of ownership as of the record date and at the discretion of the Company.

Who Can Vote

Only shareholders of record at the close of business on March 14, 2005 are eligible to vote at the meeting. As of the close of business on that date, D&B had outstanding 68,632,081 shares of Common Stock.

List of Shareholders

The names of registered shareholders of record entitled to vote at the meeting will be available for inspection at the Annual Meeting and, for 10 days prior to the meeting, at the office of the Corporate Secretary of the Company, 103 JFK Parkway, Short Hills, New Jersey 07078-2708.

How to Vote

In addition to voting in person at the meeting, shareholders of record can vote by proxy by calling a toll-free telephone number, by using the Internet or by mailing their signed proxy cards. The telephone and Internet voting procedures are designed to authenticate shareholders' identities, to allow shareholders to give their voting instructions and to confirm that shareholders' instructions have been recorded properly. We have been advised that the Internet and telephone procedures that have been made available to you are consistent with the requirements of applicable law. Shareholders voting via the Internet and by telephone should understand that there may be costs associated with voting in these manners, such as usage charges from Internet access providers and telephone companies, that must be borne by the shareholder.

Specific instructions for shareholders of record who wish to use the telephone or Internet voting procedures are set forth below and can also be found on the enclosed proxy card.

Registered Shareholders

Vote by Telephone. Registered shareholders can vote by calling toll-free 1.800.690.6903. Easy-to-follow voice prompts allow you to vote your shares and confirm that your instructions have been properly recorded.

Vote on the Internet. Registered shareholders can vote on the Internet at the Web site *www.proxyvote.com.* As with telephone voting, you can confirm that your instructions have been properly recorded.

Vote by Mail. Registered shareholders can vote by mail by simply indicating your response on your proxy card, dating and signing it, and returning it in the postage-paid envelope provided. If the envelope is missing, please mail your completed proxy card to The Dun & Bradstreet Corporation, c/o Automatic Data Processing, Inc. (ADP), 51 Mercedes Way, Edgewood, NY 11717.

Beneficial Holders

If your shares are held in the name of a bank, broker or other holder of record, you will receive instructions from the holder of record that you must follow in order for your shares to be voted. Certain of these institutions offer telephone and Internet voting.

Revocation of Proxies

A shareholder of record can revoke a proxy at any time before the vote is taken at the Annual Meeting by sending written notice of the revocation to the Corporate Secretary of the Company, by submitting another proxy that is properly signed and bears a later date, or by voting in person at the meeting. All properly executed proxies not revoked will be voted at the meeting in accordance with their instructions. A proxy that is signed and returned by a shareholder of record without specifications marked in the instruction boxes will be voted in accordance with the recommendations of the Board of Directors, as outlined in this Proxy Statement. If any other proposals are properly brought before the meeting and submitted to a vote, all proxies will be voted on those other proposals in accordance with the judgment of the persons voting the proxies.

Consolidation of Your Vote

You will receive only one proxy card for all of the D&B shares you hold in your name in the Employee Stock Purchase Plan (the ESPP) and in the D&B Common Stock Fund of the D&B or Moody's Profit Participation Plan (collectively, the PPP). If you are a current or former employee of the Company who currently has D&B shares in the ESPP or PPP, you are entitled to give voting instructions for the shares held in your account. Your proxy card will serve as a voting instruction card for the plans' trustees.

For the PPP, if you do not vote your shares or specify your voting instructions on your proxy card, the plans' trustee will vote your shares in the same proportion as the shares for which voting instructions have been received from other participants of the PPP, except as otherwise required by law. For the ESPP, the plan's trustee will only submit voting instructions for the shares for which voting instructions have been received. To allow sufficient time for voting by the trustees of the plans, your voting instructions must be received by the applicable trustee by April 28, 2005.

Householding Information

We have adopted a procedure approved by the Securities and Exchange Commission (SEC) called "householding." Under this procedure, shareholders of record who have the same address and last name and do not participate in electronic delivery of proxy materials will receive only one copy of our Proxy Statement and Annual Report, unless one or more of the shareholders at that address notifies us that they wish to continue receiving individual copies. We believe this procedure provides greater convenience to our shareholders and saves money by reducing our printing and mailing costs and fees.

If you and other shareholders of record with whom you share an address and last name currently receive multiple copies of our Proxy Statement and Annual Report and would like to participate in our householding

program, please contact ADP by calling toll-free at 800.542.1061, or by writing to ADP, Householding Department, 51 Mercedes Way, Edgewood, NY 11717. Alternatively, if you participate in householding and wish to revoke your consent and receive separate copies of future Proxy Statements and Annual Reports, please contact ADP as described above.

A number of brokerage firms have instituted householding. If you hold your shares in street name, please contact your bank, broker or other holder of record to request information about householding.

Proxy Solicitation

Directors, officers and employees of D&B may solicit proxies on behalf of the Company by communicating with shareholders personally or by telephone, facsimile, e-mail, telegraph or mail. D&B also has retained the firm of MacKenzie Partners, Inc. to assist in the solicitation of proxies for a fee estimated at $12,500 plus expenses. D&B will pay all expenses related to such solicitations of proxies. D&B and MacKenzie will request banks and brokers to solicit proxies from their customers, where appropriate, and will reimburse them for reasonable out-of-pocket expenses.

Quorum and Voting Requirements

D&B's Bylaws provide that a majority of the shares entitled to vote, whether present in person or represented by proxy, constitute a quorum at meetings of shareholders. Abstentions and broker "non-votes" are counted for purposes of establishing a quorum. A broker non-vote occurs when a broker holding shares for a beneficial owner does not vote on a particular proposal because the broker has not received instructions from the beneficial owner and does not have discretionary voting power for that particular matter. Brokers are permitted by the NYSE to vote shares without instructions from beneficial owners on routine matters such as the election of directors and the ratification of the selection of independent auditors.

Election of directors (Proposal No. 1) shall be determined by a plurality of the voting power present in person or represented by proxy at the meeting (*i.e.*, the director nominees receiving the greatest number of votes will be elected). Only shares that are voted in favor of a particular nominee will be counted toward such nominee's achievement of a plurality. Thus, shares present at the meeting that are not voted for a particular nominee, shares present by proxy for which the shareholder properly withholds authority to vote for such nominees, and broker non-votes will not be counted towards such nominee's achievement of a plurality.

Ratification of the selection of independent auditors (Proposal No. 2) shall be determined by the affirmative vote of the majority of the voting power represented at the meeting and entitled to vote on the matter. Approval of the amended and restated The Dun & Bradstreet Corporation 2000 Stock Incentive Plan (Proposal No. 3) and amendments to the 2000 Dun & Bradstreet Corporation Non-Employee Directors' Stock Incentive Plan (Proposal No. 4) shall be determined by the majority of the votes cast on the matters, provided that a majority of the outstanding shares on March 14, 2005 actually cast votes on the applicable matter. If a shareholder abstains from voting or directs the shareholder's proxy to abstain from voting on the matter, the shares are considered present at the meeting for such matter, but since they are not affirmative votes for the matter, they will have the same effect as votes against the matter. On the other hand, shares resulting in broker non-votes are considered present at the meeting for such matter and, therefore, have the practical effect of reducing the number of affirmative votes required to achieve a majority for such matter by reducing the total number of shares from which the majority is calculated.

Shareholder Account Maintenance

Our transfer agent is EquiServe Trust Company, N.A. All communications concerning accounts of registered shareholders of record, including address changes, name changes, inquiries as to requirements to transfer shares of Common Stock and similar issues, can be handled by calling EquiServe's toll-free number, 800.254.5196 (foreign holders dial 816.843.4299; hearing-impaired holders dial 781.575.2692), or by fax at 781.828.8813. In addition, you can access your account at EquiServe's Web site *www.equiserve.com*.

CORPORATE GOVERNANCE

Corporate Governance Principles, Committee Charters and Code of Conduct

The objective of our Board of Directors is to conduct our business activities so as to enhance shareholder value. Our Board of Directors believes that good corporate governance practices support successful business performance and thus the creation of shareholder value. To institutionalize the Board's view of governance, our Board has adopted Corporate Governance Principles and charters for each Committee of our Board. Our Corporate Governance Principles, Code of Conduct and the charters of our Audit, Board Affairs and Compensation & Benefits Committees are available on our Web site (*www.dnb.com*) and are also available in print, without charge, to any shareholder upon request to the Corporate Secretary of the Company, whose address is 103 JFK Parkway, Short Hills, New Jersey 07078-2708.

We have adopted a Code of Conduct that applies to all of our directors, officers and employees (including our chief executive officer, chief financial officer and corporate controller) and have posted the Code of Conduct on our Web site, which address is listed above. We intend to satisfy the disclosure requirement under Item 5.05 of Form 8-K relating to amendments to or waivers from any provision of our Code of Conduct applicable to our chief executive officer, chief financial officer and corporate controller by posting this information on our Web site.

Independence of the Board and Committees

D&B's Corporate Governance Principles require that at least two-thirds of the Board of Directors meet the criteria for independence established by the NYSE and other applicable laws. Additionally, all members of the Audit Committee, the Compensation & Benefits Committee and the Board Affairs Committee of the D&B Board of Directors are required to be independent.

Under the NYSE listing standards, to be considered independent, the Board of Directors must affirmatively determine that a director has no material relationship with D&B (either directly or as a partner, shareholder or officer of an organization that has a relationship with D&B). After considering all relevant facts and circumstances, D&B's Board of Directors has determined that each of its members, except Allan Z. Loren and Steven W. Alesio, are independent under the NYSE listing standards. It has also determined that each member of the Audit Committee, the Compensation & Benefits Committee and the Board Affairs Committee is independent under the NYSE standards.

Board Meetings

The Board of Directors of the Company held seven meetings in 2004, with no director attending fewer than 75% of the aggregate meetings of the Board and of the Committees of the Board on which he or she served.

The Chairman of the Board and the Corporate Secretary of the Company draft the agenda for each Board meeting and distribute it in advance of each meeting to the Board. Each Board member is encouraged to suggest items for inclusion on the agenda.

Information and data that are important to the Board's understanding of the business and of scheduled agenda items are distributed sufficiently in advance of each Board meeting to give the directors a reasonable opportunity for review. Generally, directors receive Board materials no less than three days in advance of a meeting.

D&B's non-management directors meet in regularly scheduled executive sessions without members of management. The Chair of the Board Affairs Committee (the "presiding director") presides over these executive sessions. The presiding director is currently Michael R. Quinlan. The non-management directors held six executive sessions in 2004.

Committees and Meetings

There are three standing committees of the Board of Directors: Audit, Board Affairs and Compensation & Benefits.

The table below provides the current membership information for each of the Board's committees.

Name	Audit	Board Affairs	Compensation & Benefits
John W. Alden		X	X
Christopher J. Coughlin	X		
James N. Fernandez	X		
Ronald L. Kuehn, Jr.	X		X*
Victor A. Pelson	X*		X
Sandra E. Peterson		X	X
Michael R. Quinlan		X*	X
Naomi O. Seligman	X	X	
Michael J. Winkler		X	
2004 Committee Meetings	9	9	6

* Committee Chair

The Audit Committee. Under the terms of its charter, the Audit Committee's primary function is to appoint annually the independent auditors and to assist the Board in the oversight of: (1) the integrity of the financial statements of the Company, (2) the independent auditors' qualifications and independence, (3) the performance of the Company's internal audit function and independent auditors, and (4) the compliance by the Company with legal and regulatory requirements. A copy of the Audit Committee's Charter, which was amended and restated by the Board of Directors in December 2004, is attached as Exhibit A. The Report of the Audit Committee can be found under the "Audit Committee Information" section of this Proxy Statement.

All of the members of the Audit Committee are independent within the meaning of SEC regulations and NYSE listing standards. The Board of Directors has determined that all members of the Audit Committee are "financially literate" within the meaning of NYSE regulations.

D&B's Board of Directors has reviewed the qualifications and experience of each of the Audit Committee members and determined that Christopher J. Coughlin and James N. Fernandez each qualifies as an "audit committee financial expert" as that term has been defined by rules of the SEC and have "accounting or related financial management expertise" within the meaning of the NYSE listing standards.

The Board Affairs Committee. Under the terms of its charter, the Board Affairs Committee's primary responsibilities include: (1) identifying individuals qualified to become Board members, (2) recommending candidates to fill Board vacancies and newly created director positions, (3) recommending whether incumbent directors should be nominated for reelection to the Board upon expiration of their terms, (4) developing and recommending to the Board a set of corporate governance principles applicable to the Board and the Company's employees, and (5) overseeing the evaluation of the Board.

In accordance with the Company's Corporate Governance Principles and its Board Affairs Committee Charter, the Board Affairs Committee oversees the entire process of selection and nomination of Board nominees, including screening candidates for directorships in accordance with the Board-approved criteria described below. The Committee, with input from the Chairman of the Board, will identify individuals believed to be qualified to become Board members. The Committee solicits candidates from its current directors and, if deemed appropriate, retains for a fee, a third-party search firm to identify and help evaluate candidates. The Committee will recommend candidates to the Board to fill new or vacant positions based on such factors as it deems appropriate, including independence, professional experience, personal character,

diversity, outside commitments (*e.g.*, service on other Boards) and particular areas of expertise — all in the context of the needs of the Board. The Committee uses the same criteria to evaluate nominees recommended by the Company's shareholders. Mr. Michael J. Winkler, who was elected to the Board effective March 17, 2005 and who is standing for election at the 2005 Annual Meeting of Shareholders, was identified as a candidate to join our Board by a third-party search firm.

The Board Affairs Committee will also consider nominees recommended by D&B shareholders. Any shareholder wishing to propose a nominee for consideration by the Board Affairs Committee may nominate persons for election to the Board of Directors if such shareholder complies with the notice procedures set forth in the Bylaws and summarized under the "Shareholder Proposals for the 2006 Annual Meeting" section of this Proxy Statement.

No individuals were validly proposed for nomination by any shareholders in connection with this Proxy Statement or the 2005 Annual Meeting of Shareholders.

The Compensation & Benefits Committee. Under the terms of its charter, the Compensation & Benefits Committee's primary function is to discharge the Board's responsibilities relating to compensation of the chief executive officer and other executive officers of the Company. Among other things, the Committee: (1) evaluates the chief executive officer's performance and reviews with the chief executive officer the performance of other executive officers, (2) establishes and administers the Company's policies, programs and procedures for compensating its executive officers, (3) has oversight responsibility for the administration of the Company's employee benefits plans and (4) oversees the evaluation of management. The "Report of the Compensation & Benefits Committee" can be found in the "Compensation of Executive Officers and Directors" section of this Proxy Statement.

Communications with the Board and Audit Committee

D&B has a process in place that permits shareholders and other interested persons to communicate with D&B's Board of Directors through the presiding director, Michael R. Quinlan, and the Audit Committee through its chair. To report complaints about D&B's accounting, internal accounting controls or auditing matters, shareholders and other interested persons should write, care of our third party compliance vendor, to the D&B Audit Committee Chair, c/o Listen Up Reports, Post Office Box 274, Highland Park, Illinois 60035. To report all other concerns to the non-management board of directors, shareholders and other interested persons should write, care of our third party compliance vendor, to the D&B Board Affairs Committee Chair (presiding director), at the address noted above. Communications that are not specifically addressed to either of the chairpersons listed above will be provided to the Chairman of D&B's Board Affairs Committee. Concerns can be reported anonymously (by not including a name and/or contact information) or confidentially (by marking the envelope containing the communication as "Confidential"). Copies of all communications will be simultaneously provided to D&B's Compliance Officer unless marked as "Confidential." These instructions can also be found in the Corporate Governance information maintained in the Investors section of D&B's Web site (*www.dnb.com*).

Attendance at Annual Meetings

The Company has a policy of director attendance at its Annual Meeting of Shareholders. All directors are expected to attend the 2005 Annual Meeting. All directors attended the 2004 Annual Meeting.

Service on Multiple Audit Committees

The D&B Corporate Governance Principles prohibit D&B Audit Committee members from serving as members of more than two other public company audit committees without the Board's approval. Any determination by the Board of Directors approving of service on more than two other public company audit committees will be disclosed in the Company's annual Proxy Statement. No Audit Committee member currently serves on more than one other audit committee of a public company.

AUDIT COMMITTEE INFORMATION

Report of the Audit Committee

The Board of Directors has determined that each member of the Audit Committee is "independent" within the meaning of the rules of the SEC and the NYSE. The Audit Committee selects the Company's independent auditors. Management has the primary responsibility for the Company's financial reporting process, including its system of internal controls, and for the preparation of consolidated financial statements in compliance with generally accepted accounting principles, applicable laws and regulations. The Company's independent auditors are responsible for performing an independent audit of the financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States), expressing an opinion as to the conformity of such financial statements with generally accepted accounting principles and auditing management's assessment of the effectiveness of internal control over financial reporting. It is not the Audit Committee's duty or responsibility to conduct auditing or accounting reviews or procedures.

Management has represented to the Audit Committee that the Company's financial statements were prepared in accordance with generally accepted accounting principles, and the Audit Committee has reviewed and discussed the financial statements with management and the independent auditors in the course of performing its oversight role.

The Audit Committee has discussed with the independent auditors the matters required to be discussed by Statement on Auditing Standards No. 61 (Communication with Audit Committees). In addition, the Audit Committee has received from the independent auditors the written disclosures required by Independence Standards Board No. 1 (Independence Discussions with Audit Committees) and discussed with them their independence from the Company and its management. The Audit Committee also considered whether the independent auditors' provision of non-audit services to the Company is compatible with the auditors' independence.

Based on the reviews and discussions referred to above, the Audit Committee recommended to the Board of Directors, and the Board has approved, that the audited financial statements be included in the Company's Annual Report on SEC Form 10-K for the year ended December 31, 2004 for filing with the SEC.

Audit Committee

Victor A. Pelson, *Chairman*
Christopher J. Coughlin
James N. Fernandez
Ronald L. Kuehn, Jr.
Naomi O. Seligman

March 8, 2005

Audit Committee Pre-Approval Policy

In 2003, the Audit Committee of the Board of Directors adopted the D&B Audit Committee Pre-Approval Policy (the "Policy"). In accordance with this Policy, the Audit Committee must pre-approve the engagement terms and fees, and any changes to those terms and fees, of all audit and non-audit services performed by PricewaterhouseCoopers LLP. All pre-approval requests submitted to the Audit Committee are required to be accompanied by detailed backup documentation and an opinion from PricewaterhouseCoopers LLP and D&B's chief financial officer that the services will not impair auditor independence. The Policy does not include any delegation of the Audit Committee's responsibilities to management. The Audit Committee may delegate its authority to one or more of its members, subject to an overall annual limit. Pre-approvals by the delegated member or members must be reported to the Audit Committee at its next scheduled meeting.

Fees Paid to Independent Auditors

The aggregate fees billed to the Company by PricewaterhouseCoopers LLP for the last two fiscal years are as follows:

	Fiscal Year Ended December 31,	
	2004	2003
	(In thousands)	
Audit Fees (1)	$3,141	$1,905
Audit Related Fees (2)	192	241
Tax Fees (3)	585	683
All Other Fees	—	—
Total Fees	$3,918	$2,829

(1) Consists primarily of fees for services provided in connection with the audit of the Company's financial statements and review of its quarterly financial statements. The increase in fiscal year 2004 was primarily driven by $1,460,000 for work associated with the assessment of the effectiveness of internal controls over the Company's financial reporting in connection with Sarbanes-Oxley compliance.

(2) Consists primarily of fees for audit of the Company's employee benefit plans, consultation on financial accounting and reporting standards, and due diligence on acquisitions and dispositions. Also includes services in connection with the review of certain compensation-related disclosures in the Company's Proxy Statement.

(3) Consists primarily of foreign and domestic tax planning and structuring, and assistance in the preparation and review of the Company's foreign income tax returns. Fiscal year 2004 also includes $125,000 the Company agreed to pay PricewaterhouseCoopers LLP in consideration for work performed under a June 9, 1999 engagement letter for which PricewaterhouseCoopers LLP was to receive 33⅓% of any potential refund derived by the Company from federal communication excise tax refund claims filed by the Company. The Company and PricewaterhouseCoopers LLP have severed this agreement. The Company has no other contingency fee arrangements with PricewaterhouseCoopers LLP.

PROPOSAL NO. 1

ELECTION OF DIRECTORS

The members of the Board of Directors of D&B are classified into three classes, one of which is elected at each Annual Meeting of Shareholders to hold office for a three-year term and until successors of such class are elected and have qualified.

Upon recommendation of the Board Affairs Committee, the Board of Directors has nominated Mr. Steven W. Alesio, Mr. Ronald L. Kuehn, Jr., Ms. Naomi O. Seligman and Mr. Michael J. Winkler for election as Class II Directors at the 2005 Annual Meeting for a three-year term expiring at the 2008 Annual Meeting of Shareholders.

YOUR BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE ELECTION OF THE NOMINEES NAMED ABOVE AS DIRECTORS.

Nominees for Election as Directors with Terms Expiring at the 2008 Annual Meeting

Steven W. Alesio
Chief Executive Officer and President
The Dun & Bradstreet Corporation

Mr. Alesio, age 50, was named chief executive officer of D&B in January 2005, and was previously elected as president and named to D&B's Board of Directors in May 2002. Prior to that, he served as chief operating officer from May 2002 to December 2004. Mr. Alesio also previously served as D&B's senior vice president of global marketing, strategy implementation, e-business solutions and Asia-Pacific/Latin America from July 2001 to April 2002, with additional leadership responsibility for data and operations from February 2001 to April 2002, and as senior vice president of marketing, technology, communications and strategy implementation from January 2001 to June 2001. Before joining D&B, Mr. Alesio was with the American Express Company for 19 years, most recently serving as president and general manager of the Business Services Group and as a member of that company's Planning and Policy Committee, a position he held from January 1996 to December 2000. Mr. Alesio does not serve on the board of any public company other than D&B.

Ronald L. Kuehn, Jr.
Chairman of the Board
El Paso Corporation

Ronald L. Kuehn, Jr., age 69, has served as a director of D&B since 1996, and is chairman of the Compensation & Benefits Committee and a member of the Audit Committee. Mr. Kuehn was appointed as chairman of the board of El Paso Corporation, a diversified energy company, in March 2003, and also served as El Paso's chief executive officer from March 2003 to September 2003. He previously served as chairman of the board of directors of El Paso from the time of its merger with Sonat Inc. in October 1999 until December 31, 2000. Prior to that, Mr. Kuehn was chairman, president and chief executive officer of Sonat Inc. from 1986 through October 1999. In addition to serving on the board of El Paso, Mr. Kuehn is also a director of the following public companies: AmSouth Bancorporation and Praxair, Inc.

Naomi O. Seligman
Senior Partner
Ostriker von Simson, Inc.

Naomi O. Seligman, age 66, has served as a director of D&B since June 1999, and is a member of the Audit and Board Affairs Committees. Since June 1999, Ms. Seligman has been a senior partner at Ostriker von Simson, Inc., an IT strategy exchange which facilitates a dialogue between the chief information officers of large multinational corporations, premier venture capitalists and computer industry establishment chief executive officers (this is a private forum for discussion and research). Previously, Ms. Seligman was a senior partner of the Research Board, Inc., which she co-founded in 1977 and led until June 1999. Ms. Seligman is also a director of the following public companies: Akamai Technologies, Inc. and Sun Microsystems, Inc.

Michael J. Winkler
Executive Vice President, Customer Solutions Group and Chief Marketing Officer
Hewlett-Packard Company

Michael J. Winkler, age 60, was elected as a director of D&B effective March 17, 2005, and is a member of the Board Affairs Committee. Mr. Winkler has served with Hewlett-Packard Company, a technology solutions provider to consumers, businesses and institutions globally, since May 2002. He became executive vice president and chief marketing officer of Hewlett-Packard in November 2003. Mr. Winkler was previously executive vice president for HP Worldwide Operations from May 2002 to November 2003. Prior to that, Mr. Winkler served as executive vice president, Global Business Units for Compaq Computer Corporation from June 2000 to May 2002. Mr. Winkler also served as senior vice president and general manager of Compaq's Commercial Personal Computing Group from February 1998 to June 2000. Mr. Winkler is also a director of the following public company: Banta Corporation.

Directors with Terms Expiring at the 2006 Annual Meeting

James N. Fernandez
Executive Vice President and Chief Financial Officer
Tiffany & Company

James N. Fernandez, age 49, has served as a director of D&B since December 6, 2004, and is a member of the Audit Committee. Mr. Fernandez has served with Tiffany & Co., a specialty retailer, designer, manufacturer and distributor of fine jewelry, timepieces, sterling silverware, china, crystal, stationery, fragrances and accessories, since October 1983. He has held numerous positions with Tiffany & Co., the most recent of which is executive vice president and chief financial officer since January 1998, with responsibility for accounting, treasury, investor relations, information technology, financial planning, business development and diamond operations, and overall responsibility for distribution, manufacturing, customer service and security. Mr. Fernandez does not serve on the board of any public company other than D&B.

Sandra E. Peterson
Former Group President of Government
Medco Health Solutions, Inc.

Sandra E. Peterson, age 46, has served as a director of D&B since September 2002, and is a member of the Board Affairs and Compensation & Benefits Committees. Ms. Peterson served as group president of government for Medco Health Solutions, Inc., a pharmacy benefits manager company, from September 2003 until her resignation in February 2004. Prior to that, Ms. Peterson was senior vice president of Medco's health businesses from April 2001 through August 2003 and senior vice president of marketing for Merck-Medco Managed Care L.L.C. from January 1999 to March 2001. Ms. Peterson is also a director of the following public company: Handleman Company.

Michael R. Quinlan
Chairman Emeritus
McDonald's Corporation

Michael R. Quinlan, age 60, has served as a director of D&B since 1989, and is chairman of the Board Affairs Committee and a member of the Compensation & Benefits Committee. Mr. Quinlan is also the presiding director for the regularly scheduled executive sessions of non-management directors. Mr. Quinlan served as a director of McDonald's Corporation, a global food service retailer, from 1979 until his retirement in 2002. He was the chairman of the board of directors of McDonald's from March 1990 to May 1999 and chief executive officer from March 1987 through July 1998. Mr. Quinlan is also a director of the following public companies: May Department Stores Company and Warren Resources, Inc.

Directors with Terms Expiring at the 2007 Annual Meeting

John W. Alden
Retired Vice Chairman
United Parcel Service, Inc.

John W. Alden, age 63, has served as a director of D&B since December 2002, and is a member of the Board Affairs and Compensation & Benefits Committees. Mr. Alden served with United Parcel Service, Inc. (UPS), the largest express package carrier in the world, for 35 years. His most recent role was as vice chairman of the board of UPS from 1996 until his retirement in 2000. Mr. Alden is also a director of the following public companies: Barnes Group, Inc. and Silgan Holdings, Inc.

Christopher J. Coughlin
Executive Vice President and Chief Financial Officer
Tyco International Ltd.

Christopher J. Coughlin, age 52, has served as a director of D&B since December 6, 2004, and is a member of the Audit Committee. Mr. Coughlin has served as executive vice president and chief financial officer of Tyco International Ltd., a global, diversified company that provides vital products and services in five business segments (Fire & Security, Electronics, Healthcare, Engineered Products & Services and Plastics & Adhesives), since March 7, 2005. Previously, he served as executive vice president and chief operating officer of Interpublic Group of Companies, Inc. from June 2003 to December 2004. He also previously served as Interpublic's chief financial officer from August 2003 to June 2004, and as a director from July 2003 to July 2004. Prior to that, Mr. Coughlin served as executive vice president and chief financial officer of Pharmacia Corporation from 1998 to 2003. Mr. Coughlin does not serve on the board of any public company other than D&B.

Allan Z. Loren
Chairman of the Board
The Dun & Bradstreet Corporation

Allan Z. Loren, age 66, has served as chairman of the board of D&B since October 2000, and as a director since May 2000. As previously announced by the Company, Mr. Loren is expected to remain as chairman of the board through May 30, 2005, at which time he will retire from the Company and its Board of Directors. Mr. Loren also served as chief executive officer of D&B from October 2000 through December 2004, and as president of D&B from October 2000 to April 2002. Before our separation from Moody's, Mr. Loren served as chairman and chief executive officer of the Dun & Bradstreet operating company from May 2000 to September 2000. Before joining D&B, Mr. Loren served as executive vice president and chief information officer of the American Express Company from May 1994 to May 2000, and was also a member of that company's Planning and Policy Committee. Mr. Loren does not serve on the board of any public company other than D&B.

Victor A. Pelson
Senior Advisor
UBS Securities LLC

Victor A. Pelson, age 67, has served as a director of D&B since April 1999, and is chairman of the Audit Committee and a member of the Compensation & Benefits Committee. Mr. Pelson has served as senior advisor for UBS Securities LLC, an investment banking firm, and its predecessors since 1996. He was a director and senior advisor of Dillon Read at the time of its merger in 1997 with SBC Warburg. Mr. Pelson was associated with AT&T from 1959 to 1996. At the time of his retirement from AT&T, Mr. Pelson was chairman of global operations and a member of the board of directors. Mr. Pelson is also a director of the following public companies: Eaton Corporation and United Parcel Service.

PROPOSAL NO. 2

RATIFICATION OF APPOINTMENT OF INDEPENDENT AUDITORS

The Audit Committee of the Board of Directors of D&B has appointed PricewaterhouseCoopers LLP as independent auditors to audit the consolidated financial statements of the Company for the year 2005. Although shareholder approval of this appointment is not required, the Audit Committee and the Board of Directors believe that submitting the appointment to the shareholders for ratification is a matter of good corporate governance. If the shareholders do not ratify the appointment, the Audit Committee will review its future selection of independent auditors, but still may retain them. Even if the appointment is ratified, the Audit Committee, in its discretion, may change the appointment at any time during the year if it determines that such a change would be in the best interests of D&B and its shareholders.

PricewaterhouseCoopers LLP acted as independent auditors for the year 2004. In addition to its audit of the Company's consolidated financial statements, PricewaterhouseCoopers LLP also performed statutory audits required by certain international jurisdictions, audited the financial statements of various benefit plans of the Company, and performed certain non-audit services. Fees for these services are described under the "Fees Paid to Independent Auditors" section of this Proxy Statement.

A representative of PricewaterhouseCoopers LLP is expected to be present at the meeting. Such representative will have the opportunity to make a statement, if he or she so desires, and is expected to be available to respond to questions.

YOUR BOARD OF DIRECTORS RECOMMENDS A VOTE FOR RATIFICATION OF THE APPOINTMENT OF PRICEWATERHOUSECOOPERS LLP.

PROPOSAL NO. 3

AMENDED AND RESTATED KEY EMPLOYEES' STOCK INCENTIVE PLAN

The Board of Directors is seeking shareholder approval to amend and restate The Dun & Bradstreet Corporation 2000 Stock Incentive Plan (SIP). This plan, which provides for grants of stock options and "other stock-based awards" to key employees of the Company, is an integral part of the Company's pay-for-performance compensation program. This program is more fully described in the "Report of the Compensation & Benefits Committee" section of this Proxy Statement.

The Board believes that approval of the amended SIP has a number of important benefits to shareholders, including:

- Drives Shareholder Value Creation: By amending the SIP, the Company can continue its performance-based restricted stock program discussed in the "Report of the Compensation & Benefits Committee." This program delivers value to plan participants only if performance criteria, which the Company believes drive increases in shareholder value, are satisfied;

- Reduces Shareholder Dilution: The amended SIP includes provisions that will result in up to one million fewer shares ultimately being issued under the plan than currently authorized by shareholders, thereby reducing the dilutive impact of the SIP; and

- Ensures Tax Deductibility: Shareholder approval of the amended SIP will ensure the continuing deductibility of awards under the SIP under section 162(m) of the Tax Code.

As noted above, the proposed amendment of the SIP will allow for the continued granting of performance-based restricted stock, a form of other stock-based awards under Section 9 of the SIP. When the SIP was approved by shareholders in 2001, the total number of shares of Common Stock issuable under the plan was 9,700,000, with an amount not in excess of 6.75% of that total, or 654,750 Common Stock reserved and available for other stock-based awards (*e.g.*, performance-based restricted stock). As of March 14, 2005, the Company has 2,798,713 total shares of Common Stock remaining in the SIP out of the 2001 authorization of 9,700,000; as of the same date, the Company has 135,236 shares remaining out of the 654,570 available for grants of other stock-based awards.

Prior to 2004, equity grants to the Company's senior leadership team were entirely or predominately stock options. In 2004, the Company revised its long-term incentive program for key employees in two important respects: first, the Company reduced the number of stock options granted annually; and second, the Company introduced performance-based restricted stock awards in lieu of stock option grants, entirely or in part, in keeping with the Company's pay-for-performance principle. In 2004, stock option grants were limited to the senior leadership team of the Company (approximately 60 executives worldwide versus approximately 270 participants in 2003), and 50% of the total equity-based compensation granted to the Company's senior leadership team was in the form of a maximum performance-based restricted stock opportunity. The restricted stock opportunity represented a right to receive restricted Common Stock, provided one or more of the

performance-based targets (which the Company believes drive shareholder value creation), selected in advance by the Compensation & Benefits Committee, are met or exceeded. For the other participants in the Company's long-term incentive program who are below the senior leadership team level, 100% of the equity-based compensation is in the form of a maximum performance-based restricted stock opportunity. For these participants, too, the maximum award opportunity is earned and converted into a fixed number of restricted shares at the end of the performance period only if the participant meets or exceeds his or her performance-based targets.

The limited number of shares remaining for other stock-based awards pursuant to the SIP would preclude the Company from continuing to award performance-based restricted stock under the current long-term incentive program for key employees. Accordingly, the Board of Directors has proposed amending the SIP, as follows:

- First, in order to minimize shareholder dilution, a new provision would be added to provide that each share of Common Stock granted pursuant to an other stock-based award per Section 9 of the SIP and after the date of shareholder approval of the SIP, as amended and restated, would count against the total number of shares remaining available for award under the SIP as 2.6 shares of Common Stock (see example below); and

- Second, in order to enable the Company to continue to implement its performance-based restricted stock program, the 6.75% or 654,750 cap on shares reserved and initially available for other stock-based awards would be eliminated.

Example: If a participant is awarded 100 shares of performance-based restricted stock, the total pool of shares available for options, stock appreciation rights (SARs) and all other stock-based awards will be reduced by 260 shares.

The Board of Directors is not requesting an additional authorization of shares under the SIP and, thus, the total number of shares of Common Stock available for grant under the SIP will remain unchanged, as will other key provisions of the SIP. In fact, the Company believes that if this amendment is approved by shareholders, the Company will likely issue up to 1,000,000 fewer shares to employees under the SIP than are currently authorized, as each restricted share that is awarded reduces the remaining authorization by 2.6 shares.

The SIP permits options, SARs and other performance-based awards that may be granted after shareholder approval of the SIP to be considered "qualified performance-based compensation" as defined under regulations interpreting section 162(m) of the Tax Code. Section 162(m) of the Tax Code limits the deductibility of compensation in excess of $1 million paid by a publicly traded corporation to certain "covered employees" unless it is qualified performance-based compensation. Under current regulations interpreting section 162(m), the grant by a committee of "outside directors" of at-the-money options, SARs and other performance-based awards under a shareholder approved plan that expressly limits the amount of such grants that can be made to any individual employee over a specified period of time and, if applicable, sets forth the performance goals that the committee of outside directors may consider, is considered qualified performance-based compensation. Notwithstanding shareholder approval of the amended and restated SIP at the 2005 Annual Meeting, the Company reserves the right to pay its employees, including recipients of awards under the SIP, as amended and restated, amounts that may or may not be deductible under section 162(m) or other provisions of the Tax Code.

If the SIP, as amended and restated, is approved by shareholders at the 2005 Annual Meeting, it will be effective with respect to all awards granted thereafter. If the amended and restated SIP is not approved by shareholders, all awards granted under the SIP will be made in accordance with the terms of the original SIP approved by shareholders at the 2001 Annual Meeting.

In February 2005, the Compensation & Benefits Committee established a performance-based restricted stock opportunity for the Company's senior leadership team and for the balance of participants in the long-term incentive program, subject to shareholder approval of the amended and restated SIP. All awards granted

relative to that opportunity are fully contingent on 2005 performance against the same goals that drive payout of the annual cash bonus plan (*i.e.*, core revenue growth, earnings per share or operating income growth, employee satisfaction and customer satisfaction goals). Restricted stock awards will be granted, if at all, based on results against the annual performance goals and will then vest over a three-year period. Set forth below is a table indicating the maximum dollar value of the restricted stock that could be granted by the Compensation & Benefits Committee if the annual performance goals were met for each of our five most highly compensated executive officers, all other executive officers as a group and all non-executive officer employees as a group. Non-employee directors of the Company are not eligible for awards under the amended and restated SIP. In accordance with the Company's previously announced executive transition plan and as described in Mr. Loren's amended employment agreement (see the "Employment Arrangements" section of this Proxy Statement), Mr. Loren will retire effective May 30, 2005 and, accordingly, will not be eligible for any additional equity awards in 2005. In addition, Mr. Alesio's equity grant for 2005 reflects his appointment to chief executive officer effective January 1, 2005, as further described in his employment agreement (see the "Employment Arrangements" section of this Proxy Statement).

New Plan Benefits

2005 Long-Term Incentive Program

Name	Dollar Value of Maximum Performance-Based Restricted Stock Opportunity
Allan Z. Loren	$ 0
Steve W. Alesio	$2,000,000
Sara Mathew	$ 822,500
Cynthia B. Hamburger	$ 300,000
Michael Pepe	$ 550,000
All Other Executive Officers Group (12 persons)	$2,570,450
All Non-Executive Officer Employees Group (213 persons)	$8,430,600

The number of restricted shares actually granted for 2005 will depend upon the market value of the Company's Common Stock on the date of grant. The grants of other types of awards (*i.e.*, not other stock-based awards pursuant to Section 9 of the SIP) by the Compensation & Benefits Committee in accordance with the SIP are not subject to, nor dependent on, shareholder approval of the amended and restated SIP.

The following summary of the SIP is subject to the complete terms of the amended and restated plan, a copy of which is attached hereto as Exhibit B and incorporated herein by reference. For your convenience, we have indicated the proposed changes to the SIP in Exhibit B.

1. *Eligible Participants.* Key employees (but not members of the Compensation & Benefits Committee or any person who serves only as a director) of the Company and its subsidiaries who are from time to time responsible for the management, growth and protection of the business of the Company and its affiliates are eligible to participate in the SIP. Currently, approximately 230 employees are eligible to participate in the SIP.

2. *Shares Subject to Plan; Maximum Award.* Under the 2001 shareholder authorization, the total number of shares of Common Stock that may be awarded under the SIP is 9,700,000. The total number of shares of Common Stock that may be awarded to any participant during a calendar year is 700,000. The issuance of shares or the payment of cash pursuant to an award shall reduce the total number of shares available under the SIP *except* that each share awarded in accordance with Section 9 of the amended and restated SIP (approved as of the 2005 Annual Meeting) will reduce the total number of shares available under the SIP by 2.6 shares. No awards may be granted after October 18, 2010.

3. *Administration.* The Committee selects participants and the number of options or other types of awards to be granted to each participant, and has the authority to administer and interpret the SIP. Members of the Committee are "non-employee directors" within the meaning of Rule 16b-3 of the Securities Exchange

Act of 1934, as amended (the "Exchange Act"), and "outside directors" within the meaning of section 162(m) of the Tax Code.

4. *Types of Awards.* Stock options, SARs, limited stock appreciation rights (LSARs) and other equity-based awards (including, but not limited to, restricted stock) may be awarded under the SIP.

5. *Stock Options.* Options granted under the plan may be non-qualified or incentive for federal income tax purposes and will be subject to the following terms and conditions:

A. *Option Price.* The option price or purchase price per share of Common Stock underlying an option will be determined by the Committee, but may not be less than 100% of the arithmetic mean of the high and low trading prices of a share of Common Stock on the date of grant.

B. *Exercisability.* An option will be exercisable at such time and upon such terms and conditions as may be determined by the Committee, but in no event shall an option be exercisable more than ten years after the date of grant.

C. *Payment.* Payment in full for all shares purchased upon exercise of an option must be made at the time of exercise in cash, in shares of Common Stock held for at least six months, or partly in cash and partly in such shares. The Committee may permit a participant to elect to have a portion of the shares deliverable upon exercise of the option withheld to provide for payment of applicable federal, state or local withholding taxes. Otherwise, withholding taxes will be payable in cash or shares of Common Stock at the time of exercise.

D. *Termination of Employment by Death or Disability.* If a participant's employment terminates by reason of death or disability after the first anniversary of the date of grant of an option, the option shall immediately vest in full, and thereafter may be exercised during the five years after the date of death or disability or the remaining stated term of the option, whichever period is shorter.

E. *Termination of Employment by Retirement.* If a participant's employment terminates by reason of retirement after the first anniversary of the date of grant of an option, the option thereafter may be exercised during the five years after the date of retirement or the remaining stated term of the option, whichever period is shorter (the "Post-Retirement Exercise Period"), but only to the extent such option was exercisable at the time of retirement or becomes exercisable during such Post-Retirement Exercise Period; provided that if the participant dies during the fourth year after retirement, the Post-Retirement Exercise Period is extended through the first anniversary of the date of death unless the option expires earlier by its stated term.

F. *Other Termination of Employment.* If a participant's employment terminates for any reason (other than death, disability or retirement after the first anniversary of the date of grant), each option then held by the participant may be exercised through the 30th day after the date of such termination, but only to the extent such option was exercisable at the time of termination. Notwithstanding the foregoing, the Committee may, in its sole discretion, accelerate the vesting of options held by a participant if such participant is terminated by the Company without "cause" (as defined by the Committee).

6. *Stock Appreciation Rights.* A SAR entitles a participant to a cash payment equal to the excess of the fair market value of a share of Common Stock on the date on which the SAR is exercised over the exercise price per share of Common Stock of the SAR. The exercise price will be determined by the Committee, but may not be less than 100% of the arithmetic mean of the high and low trading price of a share of Common Stock on the date of grant. SARs may be granted in tandem with stock options or independently.

7. *Other Stock-Based Awards.* The Committee may grant awards of shares of unrestricted or restricted Common Stock and awards that are valued in whole or in part by reference to the fair market value of such shares. The terms and conditions of these other equity-based awards may be set by the Committee, and such awards may be granted in a manner intended to result in a deduction by the Company under section 162(m) of

the Tax Code ("Performance-Based Awards"). Any such Performance-Based Awards will be subject to the following additional terms and conditions:

A. *Maximum Individual Award.* The maximum dollar amount of a Performance-Based Award to any participant for any fiscal year of the Company shall be $5,000,000.

B. *Performance Goals.* A participant's Performance-Based Award shall be determined based on the attainment of written performance goals approved by the Committee for a performance period established by the Committee: (i) while the outcome for that performance period is substantially uncertain and: (ii) no more than 90 days after the commencement of the performance period to which the performance goal relates or, if less, the number of days that is equal to 25 percent of the relevant performance period. The performance goals, which must be objective, shall be based upon one or more of the following criteria: (i) earnings before or after taxes (including earnings before interest, taxes, depreciation and amortization); (ii) net income; (iii) operating income; (iv) earnings per share; (v) book value per share; (vi) return on stockholders' equity; (vii) expense management; (viii) return on investment before or after the cost of capital; (ix) improvements in capital structure; (x) profitability of an identifiable business unit or product; (xi) maintenance or improvement of profit margins; (xii) stock price; (xiii) market share; (xiv) revenues or sales; (xv) costs; (xvi) cash flow; (xvii) working capital; (xviii) changes in net assets (whether or not multiplied by a constant percentage intended to represent the cost of capital); and (xix) return on assets. These criteria may relate to the Company or one or more of its subsidiaries, divisions, units, minority investments, partnerships, joint ventures, product lines or products or any combination of the foregoing, and may be applied on an absolute basis or be relative to one or more peer group companies or indices, or any combination thereof, all as the Committee determines. To the degree consistent with section 162(m) of the Tax Code, the performance goals may be calculated without regard to extraordinary items or accounting changes.

C. *Payment.* The Committee determines whether the applicable performance goals have been met and certifies and ascertains the amount of the award. At the discretion of the Committee, the amount of the Performance-Based Award actually paid may be less than the amount determined by the applicable performance goal formula. The amount payable in respect of an award shall be paid at such time as determined by the Committee in its sole discretion after the end of such performance period.

8. *Transferability.* Awards under the SIP are not transferable otherwise than by will or by the laws of descent or distribution, except that the Committee may, in its discretion, authorize stock options to be on terms that permit irrevocable transfer for no consideration by the participant to: (i) any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, parent-in-law, child-in-law or sibling-in-law, including adoptive relationships, of the participant ("Immediate Family Members"); (ii) any trust for the exclusive benefit of the participant and/or any Immediate Family Member; (iii) any entity owned solely by such persons; or (iv) any other entity or person in respect of which such transfer would conform to the coverage rules of Form S-8 under the Securities Act of 1933 or any comparable Form from time to time in effect. In addition, the Committee in its sole discretion may waive the non-transferability provisions of the SIP to the extent that such provisions are not required under any law, rule or regulation applicable to the Company.

9. *Changes in Capital and Other Events.* In the event of any change in the outstanding shares of Common Stock by reason of any stock dividend or split, reorganization, recapitalization, merger, consolidation, spin-off, combination or exchange of stock or other corporate exchange, or any distribution to shareholders other than regular cash dividends, the Committee shall make such substitution or adjustment, if any, as it, in its sole discretion, deems equitable. In the event of a "Change in Control" (as defined in the SIP), awards granted under the plan shall accelerate as follows: (i) each stock option and SAR shall become immediately vested and exercisable, subject to the right of the Committee to make adjustments in certain circumstances; (ii) restrictions on restricted shares shall lapse; and (iii) performance-based awards shall become payable as if targets for the current period were satisfied at 100%.

10. *Amendments.* The SIP may be amended by the Board of Directors or the Committee, except that, without the approval of the shareholders, the Board may not, except upon a change in capital or other event

described in paragraph 9 above: (i) increase the total number of shares reserved or change the maximum number of shares that may be granted to any participant; or (ii) approve actions that result in any option being repriced either by lowering the option price of any outstanding option or granting a replacement option with a lower option price. With respect to participants who reside outside of the U.S. and who are not expected to be "Covered Employees" (as defined in section 162(m) of the Tax Code), the Committee may, in its sole discretion, amend the terms of the plan or awards granted thereunder in order to conform such terms with the requirements of local law.

11. *Consideration.* Consideration for the issuance of shares under the plan upon exercise of a stock option will consist of the payment of the option price.

12. *Effectiveness.* If the SIP, as amended and restated, is approved by shareholders at the 2005 Annual Meeting, it will be effective with respect to all awards granted thereafter. If the amended and restated SIP is not so approved by shareholders, all awards granted under the plan will be made in compliance with the original SIP approved by shareholders at the 2001 Annual Meeting.

13. *Federal Income Tax Consequences.* The following is a brief discussion of certain federal income tax consequences relevant to participants and to the Company. It is not intended to be a complete description of all possible tax consequences with respect to awards granted under the SIP.

A. *Non-Qualified Stock Options.* A participant who is granted a non-qualified option will not recognize income at the time the option is granted. Upon the exercise of the option, however, the difference between the fair market value of the Common Stock on the date of exercise and the option price will be treated as ordinary income to the participant, and the Company will generally be entitled to a deduction for income tax purposes in the same year in an amount measured by the amount of ordinary income recognized by the participant. The participant will have a basis in the shares received as a result of the exercise, for purposes of computing capital gain or loss, equal to the fair market value of those shares on the exercise date, and the participant's holding period of the shares received will commence on the day following the date of exercise. Upon a subsequent sale of such stock, the participant will recognize a short-term or long-term capital gain or loss, depending upon his or her holding period for such stock.

B. *Incentive Stock Options.* A participant who is granted an incentive stock option satisfying the requirements of the Tax Code will not recognize income at the time the option is granted or exercised. The excess of the fair market value of the stock on the date of exercise over the option price is, however, included in determining the participant's alternative minimum tax as of the date of exercise. If the participant does not dispose of shares received upon exercise of the option less than one year after exercise or two years after grant of the option (the "Holding Period"), upon the disposition of such shares the participant will recognize a long-term capital gain or loss based on the difference between the option exercise price and the fair market value of shares on the date of disposition. In such event, the Company is not entitled to a deduction for income tax purposes in connection with the exercise of the option. If the participant disposes of the shares received upon exercise of the incentive stock option without satisfying the Holding Period requirement, the participant must generally recognize ordinary income equal to the lesser of: (i) the fair market value of the shares at the date of exercise of the option over the option price; or (ii) the amount realized upon the disposition of such shares over the option price. Any further appreciation, if any, is taxed as a short-term or long-term capital gain, depending on the participant's holding period. In such event, the Company would be entitled to a deduction for income tax purposes in the same year in an amount measured by the amount of ordinary income taxable to the participant.

C. *Stock Appreciation Rights.* Upon exercise of a SAR, a participant will recognize taxable income in the amount of the aggregate cash received. The Company will be entitled to a deduction for income tax purposes in the amount of such taxable income recognized by the participant.

D. *Other Stock-Based Awards.* A participant who is granted a stock-based award other than an option or a SAR will generally recognize, in the year of grant, ordinary income equal to the fair market value of the property received. If such other stock-based award is subject to restrictions, the participant will

not recognize ordinary income until the restrictions lapse, unless the participant makes an election pursuant to section 83(b) of the Tax Code. The Company would be entitled to a deduction for income tax purposes in the same year in an amount measured by the amount of ordinary income taxable to the participant.

14. *Other Information.* The proposal does not relate to ratification or approval of any prior awards. As of March 14, 2005, the number of shares that have been awarded under the plan is as follows:

Total Number of Shares Awarded Less Forfeitures	6,381,773
Total Number of Other Stock-Based Awards Granted Less Forfeitures	519,514
Total Number of Shares Remaining from 2001 Authorization	2,798,713
Total Number of Other Stock-Based Awards Available for Grant	135,236

The closing market price of Dun & Bradstreet Common Stock on March 14, 2005 was $62.69.

Required vote. Approval of the amended and restated SIP requires the favorable vote of a majority of the votes cast on this matter, provided that the total votes cast on this matter represent a majority of the shares outstanding on March 14, 2005 and entitled to vote.

YOUR BOARD OF DIRECTORS RECOMMENDS A VOTE FOR APPROVAL OF THE AMENDED AND RESTATED KEY EMPLOYEES' STOCK INCENTIVE PLAN.

PROPOSAL NO. 4

AMENDMENT TO THE NON-EMPLOYEE DIRECTORS' STOCK INCENTIVE PLAN

The Board of Directors is seeking shareholder approval for amendments to the 2000 Dun & Bradstreet Corporation Non-Employee Directors' Stock Incentive Plan (DSIP). This plan, which provides for grants of stock options and "other stock-based awards" to non-employee directors of the Company, is an integral part of the Company's compensation program for non-employee directors. This program is more fully described in the "Compensation of Directors" section of this Proxy Statement.

The Board believes that approval of the amended DSIP has a number of important benefits to shareholders, including:

- Aligns the Interests of Directors with Shareholders: By amending the DSIP, the Board can continue to award restricted stock units to non-employee directors, and directors will continue to have the opportunity to convert the cash portion of their retainers into restricted stock units. This will enable the Board to implement its compensation principle of further aligning the interests of non-employee directors with those of shareholders through equity-based compensation that balances stock options with restricted stock units; and

- Reduces Shareholder Dilution: The amended DSIP will result in fewer shares ultimately being issued under the plan than currently authorized by shareholders, thereby reducing the dilutive impact of the DSIP.

The purpose of the proposed amendment to the DSIP is to allow for the continued granting of other stock-based awards. For purposes of the DSIP, "other stock-based awards" are awards such as restricted stock units that are valued in whole or in part by reference to, or are otherwise based on, the fair market value of shares of Common Stock. As noted above and further described below, the ability to issue these types of awards is fundamental to aligning the interests of non-employee directors with those of shareholders through equity-based compensation that balances stock options with restricted stock units.

When the DSIP was approved by shareholders in 2001, the total number of shares of Common Stock issuable under the plan was 300,000, with an amount not in excess of 15% of that total, or 45,000 shares of Common Stock reserved and available for other stock-based awards pursuant to Section 7 of the DSIP. As of

March 14, 2005, the Company had 85,477 total shares of Common Stock remaining in the DSIP out of the 2001 authorization of 300,000; as of the same date, the Company had no shares remaining out of the 45,000 reserved and available for grants of other stock-based awards.

The lack of shares remaining for other stock-based awards in the DSIP would preclude the Board of Directors from implementing the equity-based component of the non-employee directors' compensation program. In December 2004, the Board of Directors approved a resolution revising the equity-based component of the non-employee directors' compensation program effective 2005. Prior to 2005, the equity-based component of the non-employee directors' compensation program consisted of an annual grant of stock options valued at $80,000 (two-thirds of the total value of $120,000) and an annual grant of restricted stock units valued at $40,000 (one-third of the total value of $120,000). Starting in 2005, the mix of the equity-based component was modified in that the stock option portion was reduced to $60,000 (one-half of the total value) and the restricted stock unit portion was increased to $60,000 (also, one-half of the total value). In addition, the cash component of the non-employee directors' compensation program (including a $50,000 annual cash retainer and, where applicable, a $15,000 annual chairperson fee) may be converted, by election, to additional restricted stock units at a 10% premium. This opportunity to convert cash retainers into additional restricted stock units is designed to further align the interests of non-employee directors with those of shareholders.

The Board of Directors believes that an emphasis on equity-based compensation that balances stock options with full-value shares such as restricted stock units is in keeping with trends in non-employee director compensation and good governance practices and appropriately aligns the interests of non-employee directors with those of shareholders. To underscore the importance of alignment between shareholder interests and non-employee director compensation, non-employee directors are required to hold 50% of all equity awarded to them under the DSIP during their term of service.

The Board of Directors has proposed amending the DSIP, as follows:

- First, in order to minimize shareholder dilution, a new provision would be added to provide that each share of Common Stock granted pursuant to an other stock-based award to non-employee directors pursuant to Section 7 of the DSIP would count against the total number of shares remaining available for award under the DSIP as 2.6 shares of Common Stock (see example below); and

- Second, the 15% or 45,000 cap on shares reserved and available for other stock-based awards would be eliminated to enable the Board to continue to further align the interests of non-employee directors with those of shareholders via an equity-based program that is balanced between stock options and restricted stock units and that affords non-employee directors the opportunity to convert the cash portion of their retainers into additional restricted stock units.

Example: If a non-employee director is awarded 100 restricted stock units (with each unit representing the right to receive one share of Common Stock), the pool of shares available for options, SARs and all other types of awards will be reduced by 260 shares.

Please note that the Board of Directors is not requesting an additional authorization of shares under the DSIP and, thus, the total number of shares of Common Stock issuable under the DSIP will remain unchanged, as will other key provisions of the DSIP. In fact, the Company believes that if this amendment is approved by shareholders, the Company will likely issue up to approximately 60,000 fewer shares to non-employee directors under the DSIP than are currently authorized, as each restricted stock unit that is awarded reduces the remaining authorization by 2.6 shares.

If the amended DSIP is approved by shareholders at the 2005 Annual Meeting, it will be effective with respect to all awards granted thereafter. If the amended DSIP is not approved by shareholders, all awards granted under the DSIP will be made in accordance with the terms of the original DSIP approved by shareholders at the 2001 Annual Meeting.

On March 1, 2005, the non-employee directors were granted restricted stock units in respect of 7,402 shares of Common Stock, representing one-half of their 2005 annual director retainer payment in the form of

restricted stock units; the grant of the second half of the restricted stock units is scheduled to occur on July 1, 2005. The restricted stock units (the value of which was approved by the Board of Directors in 2004 as part of the 2005 non-employee directors' compensation program) are conditioned on shareholder approval of the proposed amendment to the DSIP at the 2005 Annual Meeting and will be null and void if the amendment to the DSIP is not so approved. No executive officers or other employees of the Company are eligible to participate in the DSIP.

The following summary of the DSIP is subject to the complete terms of the amended plan, a copy of which is attached hereto as Exhibit C and incorporated herein by reference. For your convenience, we have indicated the proposed changes to the DSIP in Exhibit C.

1. *Eligible Participants.* Any director of the Company who is not an employee of the Company or any subsidiary of the Company as of the date that an award is granted is eligible to participate in the DSIP. There are currently nine non-employee directors eligible to participate in the DSIP.

2. *Shares Subject to Plan.* The total number of shares that may be issued under the DSIP is 300,000; this represents the original authorization as approved by shareholders in 2001. The issuance of awards shall reduce the total number of shares available under the DSIP *except* that each share awarded pursuant to Section 7 of the amended DSIP (approved as of the 2005 Annual Meeting) will reduce the total number of shares available under the DSIP by 2.6 shares.

3. *Administration.* The DSIP shall be administered by the Board of Directors, which may delegate its duties and powers in whole or in part to any subcommittee. The Board of Directors has the authority to interpret the DSIP, establish, amend and rescind any rules and regulations relating to the plan, and make any other determinations that it deems necessary or desirable for the administration of the plan.

4. *Types of Awards.* Stock options or other stock-based awards that are valued in whole or in part by reference to, or are otherwise based on the fair market value of, shares may be awarded under the DSIP.

5. *Stock Options.* Options granted under the plan will be non-qualified stock options for federal income tax purposes and will be subject to the following terms and conditions:

A. *Option Price*. The option price will be determined by the Board of Directors, but will not be less than 100% of the arithmetic mean of the high and low trading prices of the Common Stock on the date the option is granted.

B. *Exercisability.* Options will be exercisable at such time and upon such terms and conditions as may be determined by the Board of Directors, but in no event shall an option be exercisable more than ten years after the date it is granted.

C. *Payment*. The purchase price for the shares as to which an option is exercised shall be paid to the Company in full at the time of exercise in cash, in shares having a fair market value equal to the aggregate option price for the shares being purchased, or partly in cash and partly in shares.

D. *Termination of Service by Death.* If a participant's service with the Company terminates by reason of death after the first anniversary date on which options are granted, the options shall immediately vest in full and thereafter be exercised during the shorter of the remaining term of the options or five years after the date of death.

E. *Termination of Service by Disability or Retirement*. If a participant's service with the Company terminates by reason of disability or retirement after the first anniversary date on which options are granted, the options thereafter may be exercised during the shorter of the remaining term of the options or five years after the date of such termination of service. However, if a participant dies within a period of five years after termination of service, the unexercised portion of the options shall immediately vest in full and may thereafter be exercised, during the shorter of the remaining term of the options or the period that is the longer of five years after the date of such termination of service or one year after the date of death.

F. *Other Termination of Service*. If a participant's service with the Company terminates by reason of disability or retirement prior to the first anniversary date on which options are granted, then a pro rata portion of options shall immediately vest in full and may be exercised thereafter, during the shorter of the remaining term of the options or five years after the date of such termination of service. If a participant's service with the Company terminates for any reason other than death, disability or retirement, the unexercised vested portion of options shall terminate 30 days following such termination of service.

6. *Other Stock-Based Awards.* Other stock-based awards may be granted alone or in addition to any other awards granted under the DSIP. Subject to the provisions of the plan, the Board of Directors shall determine to whom and when stock awards will be made; the number of shares subject to such award; whether such awards shall be settled in cash, shares or a combination of cash and shares; and all other terms and conditions of such awards.

7. *Transferability.* Options shall not be transferable by the participant otherwise than by will or by the laws of descent and distribution and, during the lifetime of the participant, an option shall be exercisable only by the participant. The Board of Directors may, in its discretion, authorize all or a portion of the options previously granted or to be granted to a participant to be on terms that permit irrevocable transfer for no consideration by such participant to any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including adoptive relationships, of the participant, trusts for the exclusive benefit of such person or persons, and any other entity owned solely by these persons. The Board of Directors may, in its discretion, amend the definition of eligible transferees to conform to the coverage rules of Form S-8 under the Securities Act of 1933 or any comparable Form from time to time in effect.

8. *Changes in Capital and Other Events*. In the event of any change in the outstanding shares by reason of any share dividend or split, reorganization, recapitalization, merger, consolidation, spin-off, combination or exchange of shares or other corporate exchange, or any distribution to stockholders of shares other than regular cash dividends or any transaction similar to the foregoing, the Board of Directors in its sole discretion and without liability to any person may make such substitution or adjustment, if any, as it deems to be equitable. In the event of a "Change in Control" as defined in the DSIP, all restrictions on shares of restricted stock shall lapse, all options shall vest and become exercisable, and the Board of Directors may make provision for a cash payment to the holder of an outstanding award in consideration for the cancellation of such award.

9. *Amendments.* The Board of Directors may amend, alter or discontinue the DSIP, but no amendment, alteration or discontinuation shall be made that, without the approval of the stockholders of the Company, would increase the total number of shares reserved for the purposes of the plan or result in any option being repriced either by lowering the option price of any outstanding option or by canceling an outstanding option and granting a replacement option with a lower option price.

10. *Consideration.* Consideration for the issuance of shares under the plan upon exercise of a stock option will consist of the payment of the option price.

11. *Federal Income Tax Consequences.* The following is a brief discussion of certain federal income tax consequences relevant to participants and to the Company. It is not intended to be a complete description of all possible tax consequences with respect to awards granted under the DSIP.

A. *Non-Qualified Stock Options.* A participant who is granted a non-qualified option will not recognize income at the time the option is granted. Upon the exercise of the option, however, the difference between the fair market value of the Common Stock on the date of exercise and the option price will be treated as ordinary income to the participant, and the Company will generally be entitled to a deduction for income tax purposes in the same year in an amount measured by the amount of ordinary income recognized by the participant. The participant will have a basis in the shares received as a result of the exercise, for purposes of computing a capital gain or loss, equal to the fair market value of those shares on the exercise date, and the participant's holding period for the shares received will commence on the day following the

date of exercise. Upon a subsequent sale of such stock, the participant will recognize a short-term or long-term capital gain or loss, depending upon his or her holding period for such stock.

B. *Other Stock-Based Awards.* A participant who is granted a stock-based award will generally recognize, in the year of grant, ordinary income equal to the fair market value of the property received. If such other stock-based award is subject to restrictions, the participant will not recognize ordinary income until the restrictions lapse, unless the participant makes an election pursuant to section 83(b) of the Tax Code. The Company would be entitled to a deduction for income tax purposes in the same year in an amount measured by the amount of ordinary income taxable to the participant.

12. *Effectiveness.* If the amended DSIP is approved by shareholders at the 2005 Annual Meeting, it will be effective with respect to all awards granted thereafter. If the amended DSIP is not so approved by shareholders, all awards granted under the plan will be made in compliance with the original 2001 DSIP approved by shareholders at the 2001 Annual Meeting.

Required vote. Approval of the amended DSIP requires the favorable vote of a majority of the votes cast on this matter, provided that the total votes cast on this matter represent a majority of the shares outstanding on March 14, 2005 and entitled to vote.

YOUR BOARD OF DIRECTORS RECOMMENDS A VOTE FOR APPROVAL OF THE AMENDMENT TO THE NON-EMPLOYEE DIRECTORS' STOCK INCENTIVE PLAN.

The following table summarizes our equity compensation plan information as of December 31, 2004.

Equity Compensation Plan Information

	(A)	(B)	(C)
Plan Category	**Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights**	**Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights**	**Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (A))**
Equity compensation plans approved by security holders(1)	8,352,348(2)	$28.03	4,647,158(3)

(1) This table includes information for two equity compensation plans adopted in connection with our separation from Moody's. As of December 31, 2004, a total of 2,466,154 shares of D&B Common Stock were issuable upon exercise of outstanding options and other rights under those two plans. The weighted average exercise price of those outstanding options and other rights is $14.62 per share. No additional options or other rights may be granted under those two plans.

(2) Includes options for 8,300,473 shares of D&B Common Stock, restricted stock units for 45,129 shares of D&B Common Stock and deferred performance shares for 6,746 shares of D&B Common Stock. This amount does not include outstanding shares of restricted Common Stock of 122,150.

(3) Includes shares available for future purchases under our 2000 ESPP. As of December 31, 2004, an aggregate of 1,000,275 shares of D&B Common Stock were available for purchase under the ESPP.

SECURITY OWNERSHIP OF DIRECTORS, OFFICERS AND OTHERS

The following table shows the number of shares of the Company's Common Stock beneficially owned by each of the directors, each of the executive officers named in the Summary Compensation Table located under the "Compensation of Executive Officers and Directors" section of this Proxy Statement (the "named executive officers"), and all present directors and executive officers of D&B as a group, on March 14, 2005. The table also shows the names, addresses and share ownership of the only persons known to D&B to be the beneficial owners (the "Owners") of more than 5% of the Company's outstanding Common Stock. This information is based upon information furnished by each such person (or, in the case of the Owners, based upon public filings by such Owners with the SEC). Unless otherwise stated, the indicated persons have sole voting and investment power over the shares listed. Percentages are based upon the number of shares of D&B Common Stock outstanding on March 14, 2005, plus, where applicable, the number of shares that the indicated person or group had a right to acquire within 60 days of such date. The table also sets forth ownership information concerning "Stock Units," the value of which is measured by the price of the Company's Common Stock. Stock Units do not confer voting rights and are not considered "beneficially owned" shares under SEC rules.

Name	Aggregate Number of Shares Beneficially Owned(a)(b)	D&B Stock Units(c)	Percent of Shares Outstanding
John W. Alden	13,508	4,606	*
Christopher J. Coughlin	0	1,023	*
James N. Fernandez	2,000(d)	1,023	*
Ronald L. Kuehn, Jr.	32,994	14,645	*
Victor A. Pelson	30,936(e)	9,888	*
Sandra E. Peterson	13,459	4,777	*
Michael R. Quinlan	32,985	13,503	*
Naomi O. Seligman	25,641	4,458	*
Michael J. Winkler(f)	0	0	*
Steven W. Alesio	364,799	0	*
Cynthia B. Hamburger	103,752	1,255	*
Allan Z. Loren	1,493,759	0	2.18%
Sara Mathew	100,935	0	*
Michael Pepe	17,495	0	*
All directors and executive officers as a group (26 persons)	2,556,764	55,179	3.81%
Davis Selected Advisers L.P. 2949 East Elvira Road, Suite 101 Tuscon, Arizona 85706	10,247,816(g)	0	14.93%
Harris Associates L.P. and its general partner, Harris Associates Inc. Two North LaSalle Street, Suite 500 Chicago, Illinois 60602-3790	5,296,889(h)	0	7.72%
Harris Associates Investment Trust, 36-4032559 series designated The Oakmark Select Fund Two North LaSalle Street, Suite 500 Chicago, Illinois 60602-3790	3,934,900(i)	0	5.73%

* Represents less than 1% of the Company's outstanding Common Stock.

(a) Includes shares of restricted Common Stock as follows: Mr. Alesio, 41,392; Ms. Hamburger, 16,608; Mr. Loren, 87,726; Ms. Mathew, 28,686; Mr. Pepe, 9,995; and all directors and executive officers as a group, 243,973.

(b) Includes the maximum number of shares of Common Stock that may be acquired within 60 days of March 14, 2005, upon the exercise of vested stock options as follows: Mr. Alden 13,508; Mr. Alesio, 263,620; Ms. Hamburger, 84,729; Mr. Kuehn, 32,267; Mr. Loren, 1,250,000; Ms. Mathew, 71,908; Mr. Pelson, 27,587; Mr. Pepe, 7,500; Ms. Peterson, 13,459; Mr. Quinlan, 32,267; Ms. Seligman, 25,087; and all directors and executive officers as a group, 2,070,084.

(c) Includes stock units granted to non-employee directors on March 1, 2005 that are subject to shareholder approval, as described in Proposal No. 4 "Amendment to the Non-Employee Directors' Stock Incentive Plan" section of this Proxy Statement, as follows: Mr. Alden, 931; Mr. Coughlin, 931; Mr. Fernandez, 931; Mr. Kuehn, 1,064; Mr. Pelson, 1,064; Ms. Peterson, 931; Mr. Quinlan, 1,064; Ms. Seligman, 486; and all directors as a group, 7,402.

(d) Includes 2,000 shares as to which Mr. Fernandez has shared voting and shared dispositive power.

(e) Includes 3,000 shares as to which Mr. Pelson has shared voting and shared dispositive power.

(f) Mr. Winkler joined the D&B Board of Directors effective March 17, 2005.

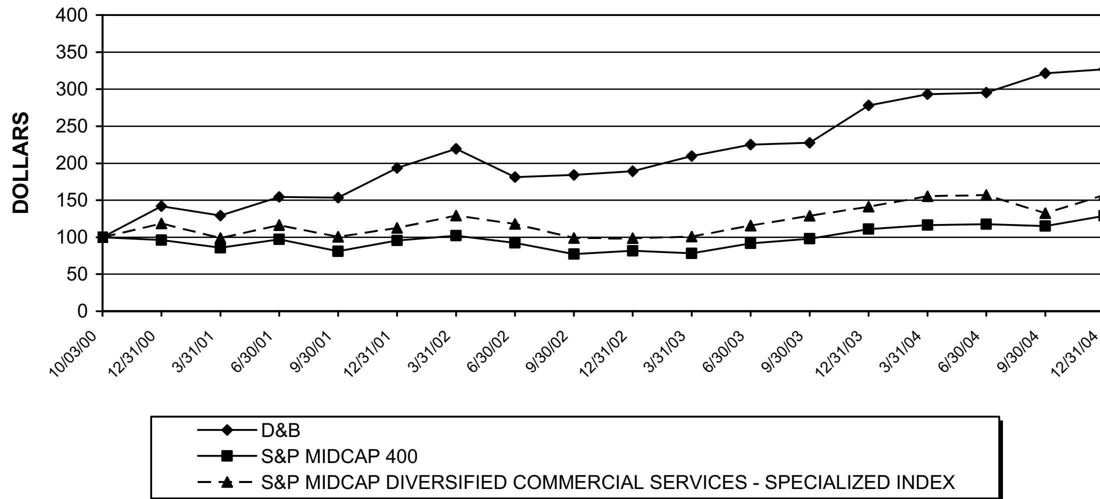
(g) Davis Selected Advisers L.P. ("Davis") filed an amended Schedule 13G with the SEC on March 2, 2005. This Schedule 13G reported that Davis, a registered investment adviser, had sole voting and dispositive power over 10,247,816 shares.

(h) Harris Associates L.P. ("Harris") and its general partner, Harris Associates Inc. ("Harris Associates"), jointly filed a Schedule 13G with the SEC on February 11, 2005. This Schedule 13G shows that Harris, a registered investment adviser, and Harris Associates, a Delaware corporation, had shared voting power over 5,296,889 shares, sole dispositive power over 1,361,989 shares and shared dispositive power over 3,934,900 shares. Harris serves as investment adviser to the Harris Associates Investment Trust (the "Trust"). The Trust owns 3,934,900 shares (see footnote (i) below), which are included as shares over which Harris has shared voting and dispositive power.

(i) Harris Associates Investment Trust, 36-4032559 series designated The Oakmark Select Fund (the "Fund"), filed a Schedule 13G with the SEC on February 11, 2005. This Schedule 13G shows that the Fund, an investment company, had shared voting and dispositive power over 3,934,900 shares.

FINANCIAL PERFORMANCE COMPARISON GRAPH*
SINCE OCTOBER 3, 2000

In accordance with SEC rules, the graph below compares the Company's cumulative total shareholder return against the cumulative total return of the Standard & Poor's MidCap 400 Index and a published industry index starting on October 3, 2000, the date on which the Company's Common Stock commenced regular-way trading on the New York Stock Exchange after the September 30, 2000 Spin-Off from Moody's (as described in the "General Information" section of this Proxy Statement). As an industry index, the Company chose the S&P MidCap Diversified Commercial Services-Specialized Index, a subset of the S&P 400 MidCap Index that includes companies that provide business-to-business services.



* Assumes $100 invested on October 3, 2000, and reinvestment of dividends.

COMPENSATION OF EXECUTIVE OFFICERS AND DIRECTORS

Report of the Compensation & Benefits Committee

Overview of Executive Compensation Philosophy and Program

The Compensation & Benefits Committee has responsibility for establishing the compensation of the Company's executive officers, including Allan Z. Loren, its chairman and chief executive officer ("Chairman & CEO"). The Committee operates pursuant to a written charter and consists solely of independent directors of the Company, in accordance with NYSE listing standards and other applicable regulations. In keeping with its charter[1], the Committee met six times during 2004 to establish, review and administer the Company's executive compensation policies and programs to ensure that they continue to support the Company's Blueprint for Growth strategy[2] and achievement of the Company's strategic priorities.

The Company's 2004 executive compensation program was designed to:

- Attract, motivate and retain top leadership by providing a total compensation opportunity that is competitive with the Company's market for executive talent;
- Ensure both a strong relationship between pay and Company performance and alignment of executive and shareholder interests; and
- Reinforce behaviors that are consistent with the Company's strategy to build a "Winning Culture"[3] in order to drive superior execution of its business plan.

To meet these objectives, the 2004 compensation program for executive officers consisted of the following four components:

- Base salary;
- Annual cash bonus plan;
- Company Scorecard; and
- Long-term incentives.

Base Salary. In setting the base salaries of executive officers, a variety of factors were considered, including: individual performance, competencies, skills and prior experience; scope of responsibility and accountability within the organization; and pay levels in the compensation comparison group. The compensation comparison group is a peer group of companies in financial services and business information and technology services selected by an independent third-party consulting organization retained by the Committee. Companies were selected for the compensation comparison group on the basis that they are broadly within the revenue size range of the Company; have executive positions comparable to those of the Company requiring a similar set of management skills and experience; and are representative of organizations that compete with the Company for business or executive talent.

Annual Cash Bonus Plan. Through the annual cash bonus plan, a significant portion (*i.e.,* over 50%) of 2004 total cash compensation was "at risk" since payment was based on performance against

1. A copy of the Compensation & Benefits Committee Charter is available on the Company's Web site (*www.dnb.com*) or by contacting the Corporate Secretary of the Company.
2. For a discussion of the Company's Blueprint for Growth strategy, refer to "Item 1. Business — Our Aspiration and Our Strategy" in the Company's Form 10-K for the year ended December 31, 2004.
3. For more information about "Winning Culture," refer to "Item 1. Business — Our Aspiration and Our Strategy — *Build a Winning Culture*" in the Company's Form 10-K for the year ended December 31, 2004.

predetermined annual measures. The performance measures for 2004 were set early in the year by the Committee after a detailed review by the Board of Directors of the Company's 2004 business plan.

The Company's executive officers were designated by the Committee as participants in the D&B Covered Employee Cash Incentive Plan (CIP) as approved by shareholders in 2001. Under the CIP, the Committee established on March 2, 2004 a maximum annual cash bonus opportunity of eight-tenths of one percent of D&B's 2004 earnings before taxes[1] for the Chairman & CEO and five-tenths of one percent of D&B's 2004 earnings before taxes for each of the other designated executive officers of the Company. Actual annual cash bonus payouts to the Chairman & CEO and other designated executive officers of the Company may be less than these maximums.

In 2004, D&B's earnings before taxes were $340.8 million. Therefore, the maximum annual cash bonus opportunity for the Chairman & CEO was $2,726,400; for other executive officers of the Company, the maximum was $1,704,000 per participant.

In determining whether to award the maximum annual cash bonus generated by the pre-tax earnings formula, the Committee also considered performance against four measures or goals weighted as follows: 50% to Company-wide core revenue growth; 30% to growth in earnings per share ("EPS"); 10% to employee satisfaction (an index measured by the Company's Winning Culture Survey, which gauges employee perspectives in a number of important dimensions such as leadership, strategy and work environment); and 10% to customer satisfaction (as measured by the Company's Customer Satisfaction Survey).

A target level of performance was established for each performance goal, which results in a full bonus payout being earned if the target for the measure was achieved. Achievement below the target results in a smaller or no bonus payout for that measure and achievement above the target yields a larger bonus payout.

Under the Company's annual cash bonus plan, payouts to individual executive officers (other than the Chairman & CEO) and other bonus plan participants were subject to a discretionary adjustment of +/-20%. In addition, in recognition of the size and scope of the leadership effort to identify, test, and implement controls to comply fully with the requirements of Sarbanes-Oxley Section 404, the Committee applied discretionary adjustments of up to +30% to selected executive officers and bonus plan participants. The Committee approves all discretionary adjustments with input from the Chairman & CEO. Such adjustments are limited and are based on exceptional cases where an individual's performance positively or negatively impacts Company performance. In no instance will such adjustments exceed the maximum annual cash bonus opportunity generated by the pre-tax earnings formula.

In 2004, Company results against the four performance measures or goals that the Committee used to evaluate the level of the individual executive officer's annual bonus payout were as follows:

- Goal weight of 50%: core revenue growth of 8%[2], which was at the upper range of the Company's external guidance of 6% to 8%, revised upwards from 3% to 5% at the beginning of the year;

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1. Refer to Income before Provision for Income Taxes in "Item 8. Consolidated Statements of Operations" in the Company's Form 10-K for the year ended December 31, 2004.
2. The Company achieved 2004 total revenue growth of 2% determined in accordance with generally accepted accounting principles ("GAAP"), down 1% before foreign exchange due to the impact of divested international businesses. See Schedule I to this Proxy Statement for a quantitative reconciliation of total revenue in accordance with GAAP to core revenue for the 2004 and 2003 fiscal year, as well as the effects of foreign exchange on the 2004 core revenue growth rate. See "Item 1. Business — How We Evaluate Our Performance" in the Company's Form 10-K for the year ended December 31, 2004 for a discussion of why the Company uses core revenue growth before the effects of foreign exchange and why management believes this measure provides useful information to investors.

- Goal weight of 30%: EPS growth (before non-core gains and charges) of 17%[1] or $2.98, which was in the middle of the range of external guidance of 16% to 18% or $2.94 to $2.99;
- Goal weight of 10%: Employee Satisfaction Index as measured by the Winning Culture Survey (which is tabulated by an independent third-party consulting organization) remained unchanged year-over-year, which was four percentage points below the improvement target; Company-wide employee participation in the survey was at 99%—the highest level since the Winning Culture Survey was implemented; and
- Goal weight of 10%: customer satisfaction as measured by the Company's Customer Satisfaction Survey decreased over the prior year's score and was below the improvement target set by the Committee.

Company Scorecard. The Company Scorecard is an important part of the Company's annual bonus plan; it ensures that the sum of total awards to all annual cash bonus plan participants (including executive officers and non-executive officers in the plan) is in line with overall Company results.

The Company Scorecard is based on three performance criteria: first, the Company-wide 2004 core revenue growth goal; second, 2004 growth in EPS; and third, a principles-based assessment by the Committee of the Company's overall performance. That assessment included the Company's performance against external guidance to shareholders and leadership as evidenced by the Company's execution of its Blueprint for Growth strategy. Upon review of performance against these criteria, the Committee may increase or decrease the size of the total bonus pool to ensure alignment with overall Company results. However, in no instance will the Company Scorecard increase the maximum annual cash bonus for the Chairman & CEO and other designated executive officers of the Company, as determined by the pre-tax earnings formula noted above.

The Committee's consideration of Company-wide core revenue growth and EPS growth before non-core gains and charges has already been noted above. In addition to these measures, the Committee also considered the following factors to be important in its overall assessment of Company performance:

- Free cash flow of $238.8 million in 2004, which met the Company's external guidance of $230 million to $245 million;
- Delivery of 82% of Company-wide revenue over the Web in 2004, which represents six percentage points of improvement over year-end 2003;
- Achievement of six consecutive quarters of organic revenue growth[2] (*i.e.*, core revenue growth excluding revenue growth from acquisitions);
- Implementation of full compliance with Sarbanes-Oxley Section 404 regulatory requirements which were completed and certified, while delivering on the Company's 2004 external guidance, financial flexibility and reengineering goals, and effecting a successful executive transition;
- Enhancement of the current business through completion of the Company's European strategy, including the formation of strategic partnerships in Central Europe, France and Iberia, to improve both the Company's global data quality and operating margins; and

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1. The Company achieved 2004 reported EPS growth of 26% on a GAAP basis. See Schedule II to this Proxy Statement for a quantitative reconciliation of reported EPS in accordance with GAAP to EPS before non-core gains and charges for the 2004 and 2003 fiscal years. See "Item 1. Business — How We Evaluate Our Performance" in the Company's Form 10-K for the year ended December 31, 2004 for a discussion of why the Company uses EPS before non-core gains and charges and why management believes this measure provides useful information to investors.
2. See "Item 1. Business — How We Evaluate Our Performance" in the Company's Form 10-K for the year ended December 31, 2004 for a discussion of the Company's organic revenue growth.

- Continued leveraging of the Company's financially flexible business model to fund investments for growth and to create shareholder value through its process of continuous reengineering, which on an annualized basis produced approximately $96 million of funds, of which approximately $61 million was generated in 2004[1].

Based on the Committee's review and consideration of all of these results, the total annual cash bonus pool for 2004 was set at 127.5% of total target annual bonus opportunities. The sum total of individual bonus recommendations was within the bonus pool set by the Committee and resulted in the specific 2004 compensation awards for executive officers as discussed above and as shown in the "Summary Compensation Table for the Last Three Fiscal Years (2002-2004)" that follows this report.

Long-Term Incentives. Through the 2004 long-term incentive program, over 50% of the total compensation opportunity provided to executive officers was equity-based (*i.e.*, stock options and performance-based restricted stock). This emphasis on equity compensation reflects the Committee's view that there should be a close alignment between executive officer rewards and shareholder value creation.

During 2003, the Company conducted a review of its compensation programs to ensure that these programs were effectively aligned with the Company's Blueprint for Growth strategy. As a result of that review, in 2004, the Company modified its long-term incentive program to:

- Enhance the plan's performance basis;
- Motivate and reward superior performance;
- Ensure the Company remains competitive in attracting and retaining key executive talent;
- Align more closely with shareholder interests and value creation over the longer term; and
- Reduce the dilutive effect of equity-based programs on shareholders.

Starting in 2004, stock option grants were limited to the senior leadership team of the Company, approximately 60 executives worldwide versus approximately 270 participants in 2003. Also, half of the equity value granted to the Company's senior leadership team was in the form of a performance-based restricted stock opportunity. This represented a change in practice from 2003, where the value of the equity grant to the Company's senior leadership team was entirely or predominately stock options. For the balance of participants in the Company's long-term incentive program below the senior leadership team level, 100% of the equity value is a performance-based restricted stock opportunity.

For the Chairman & CEO and executive officers of the Company, the total value of their equity-based compensation was comprised of a grant of stock options (50% of the total value) and a maximum dollar opportunity to be awarded a grant of restricted stock (the remaining 50% of the total value). The stock option grant was made effective February 9, 2004 and vests according to the terms and conditions as noted in the "Option/SAR Grants in the Last Fiscal Year (2004)" table that follows this report.

With respect to the performance-based restricted stock component, in 2004 each executive officer was provided with a maximum dollar opportunity to receive an award of restricted stock effective in 2005. That award was fully contingent on 2004 performance against the same measures or goals that were used by the Committee in determining payout under the annual cash bonus plan (*i.e.*, core revenue growth, EPS growth, employee satisfaction and customer satisfaction). The restricted stock award, earned in 2004, was granted after the conclusion of the fiscal year based on performance and vests according to the terms and conditions as noted in the "Summary Compensation Table for the Last Three Fiscal Years (2002-2004)" that follows this report.

Compensation of the Chairman and Chief Executive Officer

Total Cash Compensation. Allan Z. Loren, the Company's Chairman & CEO in 2004, received an annual salary of $700,000. Mr. Loren's salary has remained unchanged since his hire in May 2000. Mr. Loren had a 2004 target annual cash bonus plan opportunity of 150% of base salary, or $1,050,000; in 2003,

1. Before any restructuring charges and transition costs and before any reallocation of spending.

Mr. Loren's target annual cash bonus plan opportunity was 130% of base salary or $910,000. Mr. Loren's 2004 target total cash compensation opportunity (*i.e.*, salary plus target annual cash bonus opportunity) was $1,750,000; in 2003, Mr. Loren's target total cash compensation opportunity was $1,610,000. In the Committee's view, increasing the "at risk" portion of Mr. Loren's target total cash compensation opportunity, while holding the salary component constant, was in keeping with the Company's executive compensation program design principles and pay-for-performance philosophy.

Under the Company's CIP, as described above, Mr. Loren's annual cash bonus opportunity was subject to the maximum annual cash bonus opportunity of eight-tenths of one percent of D&B 2004 earnings before taxes.

Mr. Loren's target annual bonus opportunity was apportioned among the same measures as other executive officers of the Company, namely 50% to core revenue growth, 30% to EPS growth, 10% to improvements in the Employee Satisfaction Index as measured by the Company's Winning Culture Survey, and 10% to the results of the Company's Customer Satisfaction Survey. The Committee based Mr. Loren's annual cash bonus award on performance against these criteria, an overall assessment of Company performance as noted above, and the results of the Committee's formal performance evaluation of the Chairman & CEO. In its formal performance evaluation, the Committee noted that through Mr. Loren's leadership, the Company had consistently leveraged its Blueprint for Growth strategy to deliver on the Company's commitment to increase shareholder value and transform D&B into a growth company. Accordingly, the Committee awarded Mr. Loren an annual cash bonus of $2,000,000, representing 190.5% of his target annual bonus opportunity. This amount was $726,400 below the maximum annual cash bonus opportunity of $2,726,400 as established by the pre-tax earnings formula.

Long-Term Compensation. Approximately 76% of Mr. Loren's 2004 target total compensation (*i.e.*, base salary plus annual cash bonus opportunity plus the value of long-term grants) consisted of equity-based awards.

A grant to Mr. Loren of 161,230 stock options was approved by the Committee effective February 9, 2004, after consideration of performance and pay positioning versus the Company's compensation comparison group.

With respect to the performance-based restricted stock component of Mr. Loren's 2004 long-term compensation, an award of 48,236 shares of restricted stock was approved by the Committee effective February 25, 2005. That award represented 100% of Mr. Loren's 2004 maximum restricted stock award opportunity of $2,750,000 and was based on the Committee's assessment of 2004 performance against the same measures or goals in Mr. Loren's annual cash bonus plan (*i.e.*, core revenue growth, EPS growth, employee satisfaction and customer satisfaction).

Executive Stock Ownership Guidelines

The Company has in effect stock ownership guidelines whereby executive officers and other members of senior management are expected to acquire over time a minimum amount of Common Stock. These amounts are 100,000 shares for the Chairman & CEO, 30,000 shares for members of the Company's Global Leadership Team or GLT (*i.e.*, about 15 senior executive officers) and 5,000 shares for other members of senior management in the Company's long-term incentive program. The establishment of these guidelines is another component of the Company's efforts to align the interests of executive officers and shareholders.

Tax Deductibility

Section 162(m) of the U.S. Internal Revenue Code limits the deductibility of compensation in excess of $1 million paid to the Company's Chairman & CEO and the Company's four other highest paid executive officers unless certain specific and detailed criteria are satisfied. The Committee considers the anticipated tax treatment to the Company and its executive officers in its review and establishment of compensation programs and payments, but has determined that it will not necessarily seek to limit compensation to that deductible under section 162(m).

Compensation & Benefits Committee

Ronald L. Kuehn, Jr., *Chairman*
John W. Alden
Victor A. Pelson
Sandra E. Peterson
Michael R. Quinlan

February 24, 2005

The following table sets forth the compensation paid by the Company and its subsidiaries to the Chairman & CEO and each of the other four most highly compensated executive officers during each of the years presented.

Summary Compensation Table for the Last Three Fiscal Years (2002-2004)

					Long-Term Compensation			
		Annual Compensation			Awards		Payouts	
Name and Principal Position (as of 12/31/2004)	Year	Salary ($)	Bonus ($)(1)	Other Annual Compensation($)	Restricted Stock Award(s) ($)(2)	Securities Underlying Options/SARs (#)(3)	LTIP Payouts($)	All Other Compensation ($)(4)
Allan Z. Loren.	2004	700,000	2,000,000	0	2,939,984	161,230	0	81,438
Chairman and Chief Executive	2003	700,000	1,350,000	0	1,335,947	236,500	0	67,420
Officer	2002	700,000	975,000	0	0	0	0	79,854
Steven W. Alesio	2004	500,000	1,000,000	0	1,587,260	83,550	0	26,787
President and Chief Operating	2003	500,000	850,000	0	519,291	97,500	0	34,005
Officer	2002	500,000	560,625	0	0	46,800	0	30,309
Sara Mathew	2004	400,000	530,075	0	1,128,550	54,300	0	28,296
Senior Vice President,	2003	375,000	315,000	0	344,051	56,500	0	29,061
Chief Financial Officer	2002	375,000	451,000	0	0	0	0	28,225
Cynthia B. Hamburger	2004	350,000	407,750	0	482,602	24,920	0	23,798
Senior Vice President,	2003	350,000	252,000	0	293,983	48,300	0	28,051
Customer Operations	2002	350,000	351,000	0	0	0	0	38,977
Michael Pepe (5).	2004	291,667	448,525	0	609,195	30,000	0	0
Senior Vice President,								
U.S. Sales								

(1) The bonus amounts shown were earned with respect to each year indicated and paid in the following year. Ms. Mathew's 2002 bonus amount includes a sign-on bonus of $100,000.

(2) Amounts shown represent the dollar value of restricted stock on the date of grant. The restricted stock amounts shown for 2004 for all five named executive officers were based on achievement against a performance-based maximum restricted stock opportunity established in 2004; relative to that 2004 opportunity, the restricted stock awards were granted on February 25, 2005 and (with the exception of Mr. Loren's) will vest 20% after one year from date of grant, an additional 30% after two years, and the remaining 50% after three years. The number of restricted shares granted to each named executive officer on February 25, 2005 was as follows: Mr. Loren — 48,236; Mr. Alesio — 26,042; Ms. Mathew — 18,516; Ms. Hamburger — 7,918; and Mr. Pepe — 9,995.

Mr. Loren's 2004 and 2003 restricted stock grants will vest in full on June 1, 2005 or upon his retirement, whichever is earlier. The number and value of the restricted stock holdings of Mr. Loren as of December 31, 2004 were 39,490 shares ($2,355,579). This number and value do not include Mr. Loren's February 25, 2005 restricted stock award described above.

Mr. Alesio's 2003 restricted stock grant will vest in full on February 12, 2006; furthermore, in the case of certain predefined events, as described in Mr. Alesio's employment agreement, the vesting of his 2003 and 2004 restricted stock grants may be accelerated. Restricted stock granted in 2003 to Ms. Mathew and Ms. Hamburger vests in full on February 12, 2006. The number and value of the restricted stock holdings

of the remaining named executive officers as of December 31, 2004 were: Mr. Alesio — 15,350 shares ($915,628); Ms. Mathew — 10,170 shares ($606,641); Ms. Hamburger — 8,690 shares ($518,359); and Mr. Pepe — none. These numbers and values do not include the February 25, 2005 restricted stock awards described above.

The terms of the grants to all named executive officers provide for the payment of dividends at the same rate established from time to time for the Common Stock. At present, the Company does not pay dividends on its Common Stock.

(3) Amounts shown represent the number of non-qualified stock options granted each year. Limited stock appreciation rights (LSARs) were granted in tandem with all options awarded to executive officers.

(4) Amounts shown represent aggregate annual Company contributions for the account of each named executive officer under the Dun & Bradstreet Profit Participation Plan (PPP) and the Profit Participation Benefit Equalization Plan (PPBEP), which plans are open to all U.S. employees of the Company and certain subsidiaries. The PPP is a tax-qualified defined contribution plan and the PPBEP is a non-qualified plan that provides benefits to participants in the PPP equal to the amount of Company contributions that would have been made to the participants' PPP accounts but for certain federal tax laws.

(5) The 2004 salary for Mr. Pepe represents the amount earned from his date of employment, March 1, 2004.

Option/SAR Grants in the Last Fiscal Year (2004)

	Number of Securities Underlying Options/SARs Granted (#)(1)	% of Total Options/SARs Granted to Employees in Fiscal Year	Exercise or Base Price ($/Share)	Expiration Date	Grant Date Present Value ($)(2)
Allan Z. Loren	161,230	20.63%	53.3000	2/9/2014	3,466,445
Steven W. Alesio	83,550	10.69%	53.3000	2/9/2014	1,796,325
Sara Mathew	54,300	6.95%	53.3000	2/9/2014	1,167,450
Cynthia B. Hamburger	17,590	2.25%	53.3000	2/9/2014	378,185
	7,330	0.94%	55.4250	3/2/2014	163,122
Michael Pepe	30,000	3.84%	54.4200	3/1/2014	653,430

(1) With respect to Mr. Loren's grant, all options become exercisable on June 1, 2005, or upon Mr. Loren's retirement, whichever is earlier.

For the remaining named executive officers, all options become exercisable in four equal annual installments commencing on the first anniversary of the grant. In the case of certain predefined events, as described in Mr. Alesio's employment agreement, the vesting of his options may be accelerated.

All option grants were made in tandem with LSARs. LSARs are exercisable only if and to the extent that the related option is exercisable and are exercisable only during the 30-day period following the acquisition of at least 20% of the outstanding Common Stock pursuant to a tender or exchange offer not made by the Company. Each LSAR permits the holder to receive cash equal to the excess over the related option exercise price of the highest price paid pursuant to a tender or exchange offer for Common Stock that is in effect at any time during the 60 days preceding the date upon which the LSAR is exercised. LSARs can be exercised regardless of whether the Company supports or opposes the offer, but automatically terminate once the holder of the LSAR is no longer an officer of the Company who is subject to the reporting requirements under Section 16 of the Exchange Act.

(2) The grant date present value is based on the Black-Scholes option valuation model, which makes the following assumptions: an expected stock-price volatility factor of 30%; a risk-free rate of return of 3.8%; a dividend yield of 0.0%; and a weighted average exercise date of seven years. These assumptions may or may not be fulfilled. The amounts shown cannot be considered predictions of future value. In

addition, the options will gain value only to the extent the stock price exceeds the option exercise price during the life of the option.

Aggregated Option/SAR Exercises in the Last Fiscal Year and Fiscal Year-End Option/SAR Values (2004)

Name	Shares Acquired on Exercise (#)	Value Realized ($)	Number of Securities Underlying Unexercised Options/SARs at Fiscal Year-End (#)		Value of Unexercised In-the-Money Options/SARs at Fiscal Year-End ($)(1)	
			Exercisable	Unexercisable	Exercisable	Unexercisable
Allan Z. Loren	0	0	1,250,000	647,730	53,687,960	12,923,513
Steven W. Alesio	0	0	142,733	513,317	4,571,918	13,331,296
Sara Mathew	0	0	58,333	227,467	1,490,367	4,765,465
Cynthia B. Hamburger	0	0	53,500	180,220	1,512,465	4,398,521
Michael Pepe	0	0	0	30,000	0	156,900

(1) The values shown equal the difference between the exercise price of unexercised in-the-money options and the closing market price of the underlying Common Stock of $59.65 on December 31, 2004. Options are in-the-money if the fair market value of the Common Stock exceeds the exercise price of the option.

Retirement Benefits

The following table sets forth the estimated aggregate annual benefits payable under D&B's Retirement Account Plan, Pension Benefit Equalization Plan (PBEP) and Supplemental Executive Benefit Plan (SEBP), as in effect during 2004 to persons in specified average final compensation and credited service classifications upon retirement at age 65. Amounts shown in the table include U.S. Social Security benefits that would be deducted in calculating benefits payable under these plans. These aggregate annual retirement benefits do not increase as a result of additional credited service after 20 years.

Average Final Compensation	Estimated Aggregate Annual Retirement Benefit Assuming Final Credited Service of:				
	5 years	10 years	15 Years	20 Years	25 Years
$ 275,000	55,000	110,000	137,500	165,000	165,000
300,000	60,000	120,000	150,000	180,000	180,000
400,000	80,000	160,000	200,000	240,000	240,000
500,000	100,000	200,000	250,000	300,000	300,000
600,000	120,000	240,000	300,000	360,000	360,000
700,000	140,000	280,000	350,000	420,000	420,000
725,000	145,000	290,000	362,500	435,000	435,000
1,000,000	200,000	400,000	500,000	600,000	600,000
1,250,000	250,000	500,000	625,000	750,000	750,000
1,350,000	270,000	540,000	675,000	810,000	810,000
1,700,000	340,000	680,000	850,000	1,020,000	1,020,000
2,050,000	410,000	820,000	1,025,000	1,230,000	1,230,000

The number of full years of credited service under the plans for Mr. Loren, Mr. Alesio, Ms. Mathew, Ms. Hamburger and Mr. Pepe are 5, 4, 4, 4 and 1, respectively.

Compensation, for the purpose of determining retirement benefits, consists of salary, wages, regular cash bonuses, commissions and overtime pay. Severance pay, contingent payments and other forms of special remuneration are excluded. Bonuses included in the Summary Compensation Table, contained within the "Compensation of Executive Officers and Directors" section of this Proxy Statement, are normally not paid until the year following the year in which they are accrued and expensed. Therefore, compensation for purposes of determining retirement benefits varies from the Summary Compensation Table amounts in that bonuses expensed in the previous year, but paid in the current year, are part of retirement compensation in the current year, and the current year's bonuses accrued and included in the Summary Compensation Table are not.

For the reasons discussed above, compensation for determining retirement benefits for the named executive officers differed by more than 10% from the amounts shown in the Summary Compensation Table. For purposes of determining retirement benefits for Mr. Loren, Mr. Alesio, Ms. Mathew, Ms. Hamburger and Mr. Pepe, compensation in 2004 was $2,050,000, $1,350,000, $715,000, $602,000 and $277,083, respectively.

Average final compensation is defined as the highest average annual compensation during five consecutive 12-month periods in the last ten consecutive 12-month periods of the member's credited service. Members vest in their accrued retirement benefit upon completion of five years of service. The benefits shown in the table above are calculated on a straight-life annuity basis.

The Retirement Account Plan, together with the PBEP, provides retirement income based on a percentage of annual compensation. The percentage of compensation allocated annually ranges from 3% to 12.5%, based on age and credited service. Amounts allocated also receive interest credits based on the average yield on 30-year Treasuries, with a minimum compounded annual interest credit rate of 3%.

The SEBP provides retirement benefits in addition to the benefits provided under the Retirement Account Plan and the PBEP. The SEBP has the effect of increasing the retirement benefits under the Retirement

Account Plan and the PBEP to the amounts shown in the preceding table. The SEBP provides maximum benefits after 20 years.

Employment, Change-In-Control, Severance, Deferral and Detrimental Conduct Arrangements

Employment Arrangements

On January 3, 2005, the Company announced that Steven W. Alesio succeeded Allan Z. Loren as the Company's chief executive officer. The Company also announced that Mr. Loren will remain as the Company's chairman of the board until May 30, 2005, at which time he will retire from the Board.

In connection with the succession plan, the Company entered into an amendment of Mr. Loren's existing employment agreement and entered into a new employment agreement with Mr. Alesio. The terms of these new agreements with Messrs. Loren and Alesio were established by the Company's Compensation & Benefits Committee of the Board (the "Committee"), with input from the Committee's independent compensation consultant and corporate governance advisor. As further described below, with respect to Mr. Loren's compensation, the Committee determined that it was appropriate to maintain his compensation and benefits at the 2004 levels, with the exception that Mr. Loren would not be eligible for any additional equity awards. With respect to Mr. Alesio's compensation, the Committee developed a compensation program that reflected the Company's pay-for-performance philosophy (by delivering a significant portion of overall compensation value through equity and bonus award opportunities, as further described below) and which was competitively positioned based on market data provided by the Committee's independent compensation consultant.

Allan Z. Loren. As noted above, under Mr. Loren's agreement, he ceased to serve as the Company's chief executive officer on January 1, 2005, but will continue to serve as the Company's chairman of the board until May 30, 2005 (subject to earlier termination in accordance with Mr. Loren's existing employment agreement), at which point Mr. Loren will retire from the Company and the Board of Directors. Mr. Loren's base salary and target and maximum bonus are unchanged from his prior agreement. Accordingly, from January 1, 2005 until May 30, 2005, Mr. Loren will be entitled to an annualized base salary of $700,000. He will also be entitled to a cash incentive opportunity for the period of January 1, 2005 until May 30, 2005. Mr. Loren's target bonus will be 150% of his prorated annual base salary, with a maximum payout of 200% of the target bonus, the same target and maximum percentages as in 2004. The amount of the actual bonus paid will be determined by the Committee, based on its assessment of Mr. Loren's contribution to the success of the leadership transition plan and his execution of his Board duties. Mr. Loren will not be entitled to any additional equity awards.

Consistent with Mr. Loren's existing agreement, all of his prior equity compensation grants will vest in full upon his retirement.

After Mr. Loren's employment as chairman is terminated on May 30, 2005, the Company will transfer to him the title to the Company automobile currently provided to him and will pay to him a tax gross-up payment to cover any taxes that may be due as a result of the transfer. In addition, under the terms of his amended agreement, following termination on May 30, 2005, Mr. Loren will be entitled to the retiree medical, dental and life insurance benefits coverage, regardless of any age or service requirements, that is provided under the Company's plans to other retired executives. If prior to May 30, 2005 Mr. Loren is terminated by the Company without cause (as defined in the amended employment agreement), terminates his employment for good reason (as defined in the amended employment agreement), dies or becomes disabled, or a change in control of the Company occurs, all previously granted stock options and restricted stock will immediately vest. In addition, if Mr. Loren's employment is terminated by the Company without cause or Mr. Loren terminates his employment for good reason, Mr. Loren will be entitled to continued payment of his annual base salary until May 30, 2005, and, to the extent not previously paid, his target bonuses for each fiscal year through fiscal year 2005 (prorated for the partial year), but in no event will Mr. Loren receive less than $805,000. Finally, if Mr. Loren is terminated by the Company without cause, terminates his employment for

good reason, or dies or becomes disabled before May 30, 2005, Mr. Loren will receive a benefit under the Company's SEBP calculated based on five years of service.

Mr. Loren has agreed to customary restrictive covenants, including a covenant not to compete with the Company for one year.

Mr. Loren will also be entitled to certain benefits under a change-in-control agreement. A description of this agreement is described below under "Change-in-Control Arrangements."

Steven W. Alesio. Under Mr. Alesio's new agreement, he has served as the Company's chief executive officer since January 1, 2005 and will become chairman of the board beginning on May 31, 2005.

The agreement, which has a three-year term through December 31, 2007 (subject to earlier termination as provided in the agreement), provides that Mr. Alesio will be paid an annual base salary of $750,000 (up from $500,000 in 2004). The Company's Board of Directors may increase Mr. Alesio's salary as it deems appropriate, but his salary may not be decreased. Mr. Alesio will be eligible to earn an annual bonus award based on the achievement of such goals and performance measures (including financial and employee satisfaction goals) as may be established by the Committee. Mr. Alesio's target annual bonus award will be at least 130% of his base salary and his maximum annual bonus award will be at least 200% of his target annual bonus award (the same target and maximum bonus award percentages as in 2004). As noted above, the actual amount of the bonus paid to Mr. Alesio will be based on the achievement of the goals and performance measures as determined by the Committee.

The Company has also agreed to pay Mr. Alesio an initial long-term equity grant with a value of $4,000,000 (up from $3,000,000 in 2004). Beginning in 2006, he will also be entitled to annual equity-based awards at a level commensurate with his position in the discretion of the Committee. Mr. Alesio is currently, and will remain, fully vested in his accrued benefit under the SEBP.

If we terminate Mr. Alesio's employment without cause (with cause generally defined as a willful failure to perform material duties or conviction of a felony) or Mr. Alesio terminates his employment for good reason (generally, an unfavorable change in employment status, a required relocation or a material willful breach of the agreement by the Company), he will be entitled to: (i) subject to his execution of a release of claims, a lump sum payment equal to two times the sum of his annual base salary and his target annual bonus through the remainder of the term; (ii) a lump sum payment equal to a pro rata portion of his target annual bonus for the year of the termination; (iii) an enhanced benefit under our SEBP (computed based on continued employment and an annual target bonus for two years); (iv) continued medical and dental coverage for two years; and (v) the immediate vesting of the stock option and restricted stock awards granted to him in 2003 and the stock option award granted to him in 2004. If Mr. Alesio terminates his employment for good reason, he will also be entitled to special pro rata accelerated vesting of the stock option awards granted to him before 2003. If Mr. Alesio dies or becomes disabled (as defined in the agreement), in addition to his base salary through the date of death or disability, Mr. Alesio will be entitled to a pro rata portion of his target annual bonus for the year of the death or disability, immediate vesting of all stock options granted to him (except that, in the case of disability, options held for less than one year will be forfeited) and immediate vesting of his 2003 restricted stock award.

If the Company terminates Mr. Alesio's employment on or after December 31, 2007 without cause or Mr. Alesio terminates his employment on or after such date for good reason, he will be entitled to the benefits under the Company's Executive Transition Plan as if he incurred an "eligible termination" other than by reason of unsatisfactory performance. A description of our Executive Transition Plan is included below under "Severance Arrangements."

Mr. Alesio has agreed to customary restrictive covenants, including a covenant not to compete with the Company for one year.

Mr. Alesio will also be entitled to certain benefits under a change-in-control agreement entered into with the Company. Mr. Alesio's change-in-control agreement was extended to coincide with the term of his

employment agreement. If Mr. Alesio becomes entitled to similar payments or benefits under his change-in-control agreement and his employment agreement, he will receive the payments or benefits under the change-in-control agreement only to the extent such payments or benefits exceed those available under his employment agreement. A description of this change-in-control agreement is included below under "Change-in-Control Arrangements."

Change-in-Control Arrangements

The executive officers named in the Summary Compensation Table, contained within the "Compensation of Executive Officers and Directors" section of this Proxy Statement, will be provided certain benefits upon actual or constructive termination of employment in the event of a potential change in control or change in control of the Company. If, following a potential change in control or change in control, the executive is terminated other than for cause or by reason of death, disability or normal retirement, or the executive terminates employment for good reason (generally, an unfavorable change in employment status, compensation or benefits or a required relocation), the executive shall be entitled to receive: (i) a lump-sum payment equal to three times the sum of salary plus the annual target bonus then in effect; (ii) continuation of welfare benefits and certain perquisites for three years; (iii) retiree medical and life insurance benefits starting at age 55; (iv) outplacement consulting in the amount of 20% of the sum of salary plus the annual target bonus then in effect, but not exceeding $100,000; (v) immediate vesting of certain entitlements; (vi) a prorated annual target bonus for the year in which the change in control occurs and a full target bonus for all other bonus plans in effect at the time of termination; and (vii) payment of any excise taxes due in respect of the foregoing benefits.

Severance Arrangements

The Company has adopted an Executive Transition Plan (ETP) that provides severance benefits for the Company's chief executive officer and other designated executives. The ETP currently provides for the payment of severance benefits if an eligible executive's employment terminates by reason of a reduction in force, job elimination, unsatisfactory job performance (not constituting cause) or a mutually agreed-upon resignation. In the event of an eligible termination, the executive will be paid 104 weeks of salary continuation and (unless the executive's employment is terminated by the Company for unsatisfactory performance) the executive's guideline annual bonus opportunity for the year of termination, payment of which will be prorated annually over a period equal to the number of weeks of salary continuation. Salary continuation is payable at the times the executive's salary would have been paid if employment had not terminated. In addition, the executive will receive continued medical, dental and life insurance benefits during the salary continuation period and will be entitled to such outplacement services during the salary continuation period as are being provided by the Company. Except in the case of a termination by the Company for unsatisfactory performance, the executive also will receive: (i) a prorated portion of the actual bonus for the year of termination that would have been payable to the executive under the annual bonus plan in which the executive is participating; (ii) cash payments equal in value to a prorated portion of any "performance-based awards" under the Company's stock incentive plan, provided that the executive was employed for at least half of the applicable performance period; and (iii) financial planning/counseling services during the salary continuation period to the same extent afforded immediately prior to the termination of employment. The ETP gives the Company's chief executive officer the discretion to reduce or increase the benefits otherwise payable to, or otherwise modify the terms and conditions applicable to, an eligible executive under the ETP, other than the chief executive officer; the Compensation & Benefits Committee of the Board of Directors has this discretion with respect to the chief executive officer.

Executive officers who do not participate in the ETP are eligible for severance benefits under the Company's Career Transition Plan (CTP). The CTP generally provides for the payment of benefits if an eligible executive's employment terminates by reason of a reduction in force, job elimination, unsatisfactory job performance (not constituting cause) or a mutually agreed-upon resignation. It does not apply to employee terminations in connection with the sale of stock or assets, or an elimination or reduction of operations in connection with an outsourcing or merger (or other combination, spin-off, reorganization or other similar

transaction) where an offer of employment at a comparable base salary is made to the employee. In the event of an eligible termination, an executive officer will be paid 52 weeks of salary continuation (26 weeks if the executive is terminated by the Company for unsatisfactory performance), payable at the times the executive's salary would have been paid if employment had not terminated. For this purpose, salary consists of the executive's annual base salary at the time of termination. In addition, the executive will receive continued medical, dental and life insurance benefits during the applicable salary continuation period and will be entitled to such outplacement services during the salary continuation period as are being provided by the Company. Except in the case of a termination by the Company for unsatisfactory performance, the executive also will receive: (i) a prorated portion of the actual bonus for the year of termination that would have been payable to the executive under the annual bonus plan in which the executive is participating, provided that the executive was employed for at least six full months during the calendar year of termination; (ii) cash payments equal in value to a prorated portion of any "performance-based awards" under the Company's stock incentive plan, provided that the executive was employed for at least half of the applicable performance period; and (iii) financial planning/counseling services during the salary continuation period to the same extent afforded immediately prior to termination of employment. The CTP gives the Company's chief executive officer the discretion to reduce or increase the benefits otherwise payable to, or otherwise modify the terms and conditions applicable to, an eligible executive under the CTP.

Mr. Loren has waived participation in both the ETP and CTP. In accordance with his employment agreement, Mr. Alesio is a participant in the ETP. All other executive officers named in the Summary Compensation Table, contained within the "Compensation of Executive Officers and Directors" section of this Proxy Statement, currently participate in the CTP.

Notwithstanding the foregoing, any severance benefits paid to an executive officer above the amounts provided by the ETP or CTP require the approval of the Compensation & Benefits Committee of the Board of Directors.

Deferral Program

The Company has a Key Employees' Nonqualified Deferred Compensation Plan under which executives may defer part of their current salary, annual cash incentive and certain cash-based, long-term incentives to a later date. Under this program, executives have the opportunity to earn tax-deferred appreciation based on the performance of the investment funds offered under the Company's PPP.

Detrimental Conduct Program

The Company has a detrimental conduct program under which employees are required to sign an agreement upon receipt of an equity-based award that requires employees to return a portion of the amounts received pursuant to such award if, during their employment and for one year thereafter (two years in the case of executive officers), they engage in "detrimental conduct," which includes working for a competitor, disclosing confidential Company information and acting otherwise than in the interests of the Company.

Compensation of Directors

Only non-employee directors receive compensation for serving on the Board.

2004 Compensation Program for Non-Employee Directors

The Company's non-employee directors' compensation program consisted of equity-based awards and cash, with equity representing at least 75% of total targeted compensation. Each non-employee director received an annual grant of stock options with a nominal grant value (based on a Black-Scholes methodology) of approximately $80,000 and an annual retainer of $75,000. Of the annual retainer, $40,000 was paid in restricted stock units (payable in shares of Common Stock upon vesting) and the balance in cash. Committee chairpersons each received an additional $5,000 annual cash retainer. No separate fees were paid for attendance at Board or Committee meetings. Directors had the ability to elect to convert the Committee

chairperson retainer and the cash portion of their annual retainer into additional restricted stock units at a 10% conversion premium or to defer such cash amounts in the directors' deferred compensation plan. In addition, each new non-employee director received a one-time stock option grant with a nominal grant value of $35,000 upon his or her appointment to the Board.

Looking Ahead: 2005 Compensation Program for Non-Employee Directors

During 2004, a review of the Company's non-employee directors' compensation program was conducted by an independent third-party consulting organization retained by the Compensation & Benefits Committee. The review was conducted to ensure that the non-employee directors' compensation program was competitive with current market practice and trends, was in keeping with the principles of good governance, and was aligned with the interests of shareholders. As a result of the review, and based on the Compensation & Benefits Committee's recommendation, the Board of Directors approved a change in the total level of non-employee director compensation and the proportion of equity included in total non-employee director compensation. To remain competitive with the market and to reflect the increased work of Committee chairpersons, the cash portion of the annual retainer has been increased from $35,000 to $50,000 and the annual cash retainer paid to Committee chairpersons has been increased to $15,000. In addition, the equity portion of the non-employee directors' compensation program has been modified so that stock options will make up 50% of the total value of equity (or $60,000 out of $120,000) and restricted stock units will comprise the remaining 50%. Previously, stock options comprised two-thirds of the total value of equity (or $80,000 out of $120,000) and restricted stock units made up only one-third. This change in the equity mix is intended to reflect good governance practices with respect to director compensation. As in 2004, no separate fees will be paid for attendance at Board or Committee meetings. Directors may continue to elect to convert the Committee chairperson retainer and the cash portion of their annual retainer into additional restricted stock units at a 10% conversion premium or to defer such cash amounts in the directors' deferred compensation plan. Each new non-employee director is expected to receive a one-time stock option grant with a nominal grant value of $35,000 upon his or her appointment to the Board.

Other Program Features

Non-employee directors are also provided other benefits by the Company during their tenure as a director as follows: reimbursement for reasonable Company-related travel and other expenses; travel accident insurance when traveling on Company business; and participation in the Company's charitable matching gift program (up to $4,000 per calendar year).

Director Stock Ownership Guidelines

Non-employee directors are required to hold no less than 50% of all shares or restricted stock units obtained through the non-employee director compensation program throughout their tenure as a director of the Company. The establishment of these guidelines is another component of the Company's efforts to align the interests of directors and shareholders.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires D&B's officers and directors, and persons who own more than 10% of a registered class of D&B's equity securities ("insiders"), to file reports of ownership and changes in ownership with the SEC. Insiders are required by SEC regulation to furnish the Company with copies of all Section 16(a) forms they file. Based solely on a review of the copies of such forms furnished to the Company, the Company believes that during 2004 all Section 16(a) filing requirements applicable to its insiders were complied with.

OTHER MATTERS

D&B knows of no matters, other than those referred to herein, that will be presented at the Annual Meeting. If, however, any other appropriate business should properly be presented at the meeting, the persons named in the enclosed form of proxy will vote the proxies in accordance with their best judgment.

INFORMATION CONTAINED IN THIS PROXY STATEMENT

The information under the captions "Report of the Audit Committee" and "Report of the Compensation & Benefits Committee" does not constitute soliciting material and should not be deemed filed or incorporated by reference into any other Company filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent that the Company specifically incorporates these Reports by reference therein.

The information on our Web site is not, and shall not be deemed to be, a part of this Proxy Statement, or incorporated into any other filings we make with the SEC.

SHAREHOLDER PROPOSALS FOR THE 2006 ANNUAL MEETING

Shareholder proposals intended to be included in the Company's Proxy Statement for the Annual Meeting of Shareholders in 2006 must be received by the Corporate Secretary of the Company no later than November 24, 2005. The Company will consider written proposals received by that date in accordance with regulations governing the solicitation of proxies.

Under the Company's Bylaws, a shareholder proposal for the 2006 Annual Meeting of Shareholders that is not intended to be included in the Company's Proxy Statement must be received by the Corporate Secretary of the Company between January 3, 2006 and February 2, 2006.

For a shareholder seeking to nominate a candidate for D&B's Board of Directors, the notice must describe various matters regarding the nominee, including name, age, business address and the nominee's written consent to being named in the Proxy Statement and to serving as a director if elected. For a shareholder seeking to bring other business before a shareholder meeting, such notice must include a description of the proposed business, the text of the proposal, the reasons for conducting such business at the meeting, any material interest in such business of the proposing shareholder, and other specified matters. In each case, the notice must also include information regarding the proposing shareholder, including the name and address of such shareholder and class and number of shares owned by such shareholder.

The notice must be given to the Corporate Secretary of the Company, whose address is 103 JFK Parkway, Short Hills, New Jersey 07078-2708. Any shareholder desiring a copy of the Company's Bylaws will be furnished one without charge upon written request to the Corporate Secretary or may obtain a copy from the Corporate Governance information in the Investors section of the Company's Web site (*www.dnb.com*). A copy of the Bylaws is also filed as an exhibit to the Company's Form 10 filed on June 27, 2000 and is available at the SEC Web site (*www.sec.gov*).

March 24, 2005

SCHEDULE I

THE DUN & BRADSTREET CORPORATION

RECONCILIATION OF TOTAL REVENUE TO CORE REVENUE AND EFFECT OF FOREIGN EXCHANGE ON CORE REVENUE GROWTH RATE

	For the Year Ended December 31,		
	2004	2003	Growth Rate
	(In thousands)		
Total revenue	$1,414.0	$1,386.4	
Less: Revenue from divested businesses	79.5	172.7	
Core revenue	$1,334.5	$1,213.7	10%
Less: Effect of foreign exchange			2%
Core revenue before effect of foreign exchange			8%

SCHEDULE II

THE DUN & BRADSTREET CORPORATION

RECONCILIATION OF REPORTED EARNINGS PER SHARE TO EARNINGS PER SHARE BEFORE NON-CORE GAINS AND CHARGES

	For the Year Ended December 31,	
	2004	**2003**
Diluted EPS	$2.90	$2.30
Impact of non-core (gains) and charges:		
Restructuring costs related to our Financial Flexibility Program	.28	.16
(Gains) and Losses on sales of operations in our Nordic Region, Central Europe, India and Distribution Channels in Pakistan and the Middle East, France and Iberia	(.26)	
Increase in tax legacy reserve for “Utilization of Capital Losses — 1989-1990”	.06	
Loss on the sale of our High Wycombe, England building		.14
Insurance recovery related to the World Trade Center Tragedy		.06
Diluted EPS before non-core (gains) and charges	$2.98	$2.54

All numbers are rounded to the nearest cent. Therefore, totals may differ from the sum of each line item due to rounding.

Exhibit A

AUDIT COMMITTEE CHARTER

Amended and Restated December 7, 2004

Membership and Meetings

Membership

The Committee shall be comprised of no fewer than three members as appointed by the Board of Directors upon recommendation of the Board Affairs Committee. Each Committee member shall meet the independence, experience and other membership requirements of the New York Stock Exchange, of the Securities Exchange Act of 1934 (the "Exchange Act") and the regulations of the Securities and Exchange Commission ("Commission").

The Board Affairs Committee will recommend the Committee members and a Committee Chair from among such Committee members in accordance with the Company's Corporate Governance Principles. Consideration will be given to staffing the Committee with at least one member who is an audit committee financial expert as defined by the Commission. No Committee member should serve on more than two other public company audit committees without the prior approval of the Board.

Each Committee member will serve at the pleasure of the Board for such term as the Board may decide or until such Committee member is no longer a Board member.

Meetings

The Committee shall meet in person or telephonically as often as it determines, but not less frequently than five times per year. Meetings of the Committee should be attended by representatives of the Company's principal external auditors ("independent auditors"), the Chief Financial Officer, the Controller, the Leader of Internal Audit, the General Counsel and others as and when deemed appropriate by the Committee. The Committee shall meet privately with such persons or groups, whenever the Committee deems it appropriate.

The Committee Chair shall be responsible for calling the meetings of the Committee, establishing meeting agenda with input from management and supervising the conduct of the meetings. Any Committee member may submit items to be included on the agenda. Committee members may also raise subjects that are not on the agenda at any meeting.

A majority of the number of appointed Committee members will constitute a quorum for conducting business at a meeting of the Committee.

Purposes

The Committee will assist the Board in the oversight of (1) the integrity of the financial statements of the Company, (2) the independent auditors' qualifications and independence, (3) the performance of the Company's internal audit function and independent auditors, and (4) the compliance by the Company with legal and regulatory requirements.

The Committee shall also prepare the report required by the rules of the Commission to be included in the Company's annual proxy statement.

Committee Authority and Responsibilities

Relationship with the Independent Auditors

The Committee has the sole authority to appoint or replace the independent auditors. Notwithstanding this authority, the Committee will continue its long standing practice of recommending that the Board ask

shareholders to ratify the Committee's selection. If shareholders fail to so ratify, the Committee will consider that fact in its future selection of the independent auditors.

The Committee is directly responsible for the compensation and oversight of the work of the independent auditors for the purpose of preparing or issuing an audit report or related work. The independent auditors will report directly to the Committee.

Other Responsibilities

The Committee, to the extent it deems necessary or appropriate, will:

Financial Statement and Disclosure Matters

1. Meet to review and discuss with management and the independent auditors:

   (a) The annual audited financial statements (and related Form 10-K) and quarterly unaudited financial statements (and related Forms 10-Q), including disclosures made in management's discussion and analysis, and recommend to the Board whether the audited financial statements should be included in the Company's Form 10-K.

   (b) Analyses prepared by management and/or the independent auditors setting forth significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including analyses of the effects of alternative GAAP methods on financial statements.

   (c) Major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles, any major issues as to the adequacy of the Company's internal controls and any special steps adopted in light of material control deficiencies.

   (d) The effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Company's financial statements.

2. Review and discuss reports from the independent auditors on:

   (a) All critical accounting policies and practices to be used.

   (b) All alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditors.

   (c) Other material written communications between the independent auditors and management, such as any management letter or schedule of unadjusted differences.

3. Discuss with management the Company's earnings press releases (including any use of "pro-forma" or "adjusted non-GAAP information"), financial information and earnings guidance provided to analysts and rating agencies.

4. Discuss with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies.

5. Discuss with the independent auditors the matters required to be discussed by Statement on Auditing Standards No. 61 relating to the conduct of the audit, including any audit problems or difficulties encountered in the course of the audit work and management's response thereto, any restrictions on the scope of activities or access to requested information, and any disagreements with management.

6. Review and discuss with the independent auditors and the Leader of Internal Audit, the adequacy of the Company's internal accounting controls.

7. Review disclosures made to the Audit Committee by the Company's CEO and CFO during their certification process for the Form 10-K and Form 10-Q about any significant deficiencies in the design or operation of internal controls over financial reporting or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company's internal controls.

8. Review with the independent auditors its opinion on the effectiveness of management's assessment of internal controls over financial reporting and the independent auditors' analysis of matters requiring modification to the CEO and CFO certifications in the Form 10-K and Form 10-Q.

Oversight of the Company's Relationship with the Independent Auditors

9. At least annually, review a report from the independent auditors describing:

   (a) the independent auditors' internal quality-control procedures,

   (b) any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the firm,

   (c) any steps taken to deal with any such issues, and

   (d) all relationships between the independent auditors and the Company.

10. Evaluate the qualifications, performance and independence of the independent auditors, including considering whether the auditors' quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the auditors' independence. This review should also include an evaluation of the lead audit partner. The Committee shall present its conclusions with respect to the independent auditors and lead audit partner to the Board.

11. Ensure the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit as required by law. Consider whether, in order to assure continuing auditor independence, it is appropriate to adopt a policy of rotating the independent auditing firm on a regular basis.

12. Establish policies for the Company's hiring of employees or former employees of the independent auditors who participated in the audit of the Company.

13. As appropriate, seek to discuss with the national office of the independent auditors issues on which they were consulted by the Company's audit team and matters of audit quality and consistency.

14. Meet with the independent auditors prior to the audit to discuss the planning and staffing of the audit.

Oversight of the Company's Internal Audit Function

15. Discuss with the independent auditors the responsibilities, budget and staffing of the Company's internal audit function.

16. Review the appointment and replacement of the Leader of Internal Audit.

17. Review and discuss with the Leader of Internal Audit, the Company's internal system of audit and financial controls, internal audit plans and the periodic report of audit activities, examinations and results of internal audits.

Compliance Oversight Responsibilities

18. Periodically, meet in separate sessions with management, internal auditors and the independent auditors to discuss any matters that the Committee or the persons with whom they meet, believe should be discussed.

19. Review (a) the status of the Company's compliance with applicable laws and regulations, (b) major legislative and regulatory developments which could materially impact the Company, and (c) management's efforts to monitor compliance with the Company's code of conduct.

20. Review and investigate any matters pertaining to the integrity of senior management, including conflicts of interest or adherence to standards of conduct as required by Company policy.

21. Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

22. Obtain from the independent auditors assurance that Section 10A (b) of the Exchange Act has not been implicated.

Preapproval of Audit and Non-Audit Services

The Committee has the sole authority to preapprove all auditing services and permitted non-audit services to be performed by the independent auditors. The Committee may delegate this authority to subcommittees consisting of one or more members when appropriate, including the authority to grant preapprovals of audit and permitted non-audit services, provided that decisions of such subcommittee to grant preapprovals are presented to the full Committee at its next scheduled meeting.

Resources of the Committee

The Committee has the authority to retain independent legal, accounting or other advisors. The Company will provide for appropriate funding, as determined by the Committee, for payment of (1) compensation to the independent auditors, (2) compensation to any advisors employed by the Committee and (3) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

Reports to the Board

The Committee will make regular reports to the Board.

Charter Reviews

The Committee will review and reassess the adequacy of this charter annually and recommend any proposed changes to the Board for approval.

Performance Assessment

The Committee will annually review the Audit Committee's own performance.

Limitation of Audit Committee's Role

While the Committee has the responsibilities and powers set forth in this charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the independent auditors.

Audit Committee Report

The Committee, with the assistance of management and any outside advisors the Committee deems appropriate, shall prepare a report for inclusion in the Company's proxy statement relating to the Company's annual meeting of shareholders.

Public Disclosure

Consistent with New York Stock Exchange listing standards, this charter will be included on the Company's Web site and will be made available upon request sent to the Company's Corporate Secretary. The Company's annual proxy statement will state that this charter is available on the Company's Web site and will be available upon request to the Company's Corporate Secretary.

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Exhibit B

THE DUN & BRADSTREET CORPORATION
2000 STOCK INCENTIVE PLAN
(as amended and restated month, day, year)

1. Purpose of the Plan

The purpose of the Plan is to aid the Company and its Affiliates in securing and retaining key employees of outstanding ability and to motivate such employees to exert their best efforts on behalf of the Company and its Affiliates by providing incentives through the granting of Awards. The Company expects that it will benefit from the added interest which such key employees will have in the welfare of the Company as a result of their proprietary interest in the Company's success.

2. Definitions

The following capitalized terms used in the Plan have the respective meanings set forth in this Section:

(a) *Act*: The Securities Exchange Act of 1934, as amended, or any successor thereto.

(b) *Affiliate*: With respect to the Company, any entity directly or indirectly controlling, controlled by, or under common control with, the Company or any other entity designated by the Board in which the Company or an Affiliate has an interest.

(b) *Award*: An Option, Stock Appreciation Right or Other Stock-Based Award granted pursuant to the Plan.

(d) *Beneficial Owner*: As such term is defined in Rule 13d-3 under the Act (or any successor rule thereto).

(e) *Board*: The Board of Directors of the Company.

(f) *Change in Control*: The occurrence of any of the following events:

(i) any Person (other than the Company, any trustee or other fiduciary holding securities under an employee benefit plan of the Company, or any company owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company), becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 20% or more of the combined voting power of the Company's then outstanding securities;

(ii) during any period of twenty-four months (not including any period prior to the Effective Date), individuals who at the beginning of such period constitute the Board, and any new director (other than (A) a director nominated by a Person who has entered into an agreement with the Company to effect a transaction described in Sections 2(e)(i), (iii) or (iv) of the Plan, (B) a director nominated by any Person (including the Company) who publicly announces an intention to take or to consider taking actions (including, but not limited to, an actual or threatened proxy contest) which if consummated would constitute a Change in Control or (C) a director designated by any Person who is the Beneficial Owner, directly or indirectly, of securities of the Company representing 10% or more of the combined voting power of the Company's securities) whose election by the Board or nomination for election by the Company's stockholders was approved in advance by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority thereof;

(iii) the stockholders of the Company approve a merger or consolidation of the Company with any other corporation, other than a merger or consolidation (A) which would result in the voting

securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than 50% of the combined voting power of the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation and (B) after which no Person would hold 20% or more of the combined voting power of the then outstanding securities of the Company or such surviving entity; or

(iv) the stockholders of the Company approve a plan of complete liquidation of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets.

(g) *Code*: The Internal Revenue Code of 1986, as amended, or any successor thereto.

(h) *Committee*: The Compensation and Benefits Committee of the Board, or any successor thereto or other committee designated by the Board to assume the obligations of the Committee hereunder.

(i) *Company*: The Dun & Bradstreet Corporation.

(j) *Disability*: Inability to engage in any substantial gainful activity by reason of a medically determinable physical or mental impairment which constitutes a permanent and total disability, as defined in section 22(e)(3) of the Code (or any successor section thereto). The determination whether a Participant has suffered a Disability shall be made by the Committee based upon such evidence as it deems necessary and appropriate. A Participant shall not be considered disabled unless he or she furnishes such medical or other evidence of the existence of the Disability as the Committee, in its sole discretion, may require.

(k) *Effective Date*: The date on which the Plan takes effect, as defined pursuant to Section 17 of the Plan.

(l) *Fair Market Value*: On a given date, the arithmetic mean of the high and low prices of the Shares as reported on such date on the Composite Tape of the principal national securities exchange on which such Shares are listed or admitted to trading, or, if no Composite Tape exists for such national securities exchange on such date, then on the principal national securities exchange on which such Shares are listed or admitted to trading, or, if the Shares are not listed or admitted on a national securities exchange, the arithmetic mean of the per Share closing bid price and per Share closing asked price on such date as quoted on the National Association of Securities Dealers Automated Quotation System (or such market in which such prices are regularly quoted), or, if there is no market on which the Shares are regularly quoted, the Fair Market Value shall be the value established by the Committee in good faith. If no sale of Shares shall have been reported on such Composite Tape or such national securities exchange on such date or quoted on the National Association of Securities Dealers Automated Quotation System on such date, then the immediately preceding date on which sales of the Shares have been so reported or quoted shall be used.

(m) *ISO*: An Option that complies with section 422 (or any successor provision) of the Code.

(n) *LSAR*: A limited stock appreciation right granted pursuant to Section 8(d) of the Plan.

(o) *Other Stock-Based Awards*: Awards granted pursuant to Section 9 of the Plan.

(p) *Option*: A stock option granted pursuant to Section 7 of the Plan.

(q) *Option Price*: The purchase price per Share of an Option, as determined pursuant to Section 7(a) of the Plan.

(r) *Participant*: An individual who is selected by the Committee to participate in the Plan pursuant to Section 5 of the Plan.

(s) *Performance-Based Awards*: Other Stock-Based Awards granted pursuant to Section 9(b) of the Plan.

(t) *Person*: As such term is used for purposes of Section 13(d) or 14(d) of the Act (or any successor section thereto).

(u) *Plan*: The Dun & Bradstreet Corporation 2000 Stock Incentive Plan.

(v) *Post-Retirement Exercise Period*: As such term is defined in Section 7(g) of the Plan.

(w) *Retirement*: Termination of employment with the Company or an Affiliate after such Participant has attained age 55 and five years of service with the Company; or, with the prior written consent of the Committee that such termination be treated as a Retirement hereunder, termination of employment under *other circumstances.*

(x) *Shares*: Shares of common stock, par value $0.01 per Share, of the Company.

(y) *Special Exercise Period*: As such term is defined in Section 7(g) of the Plan.

(z) *Spread Value*: With respect to a Share subject to an Award, an amount equal to the excess of the Fair Market Value, on the date such value is determined, over the Award's exercise or grant price, if any.

(aa) *Stock Appreciation Right*: A stock appreciation right granted pursuant to Section 8 of the Plan.

(bb) *Subsidiary*: A subsidiary corporation, as defined in section 424(f) of the Code (or any successor section thereto).

3. Shares Subject to the Plan

The total number of Shares which may be issued under the Plan is 9,700,000. **Against the shares remaining in the Plan, awards granted under the Plan (excluding other stock-based awards granted pursuant to Section 9 of the Plan) count as 1 issued share; whereas, other stock-based awards granted pursuant to Section 9 of the amended and restated Plan (approved as of the 2005 Annual Meeting) count as 2.6 issued shares.** The maximum number of Shares for which Options and Stock Appreciation Rights may be granted during a calendar year to any Participant shall be 700,000. ~~**An amount not in excess of 6.75% of the total number of shares reserved and available for distribution pursuant to the Plan may be issued for Other Stock Based Awards pursuant to Section 9.**~~ The Shares may consist, in whole or in part, of unissued Shares or treasury Shares. The issuance of Shares or the payment of cash upon the exercise of an Award shall reduce the total number of Shares available under the Plan, as applicable. Shares which are subject to Awards which terminate or lapse may be granted again under the Plan.

4. Administration

The Plan shall be administered by the Committee, which may delegate its duties and powers in whole or in part to any subcommittee thereof consisting solely of at least two individuals who are intended to qualify as "non-employee directors" within the meaning of Rule 16b-3 under the Act (or any successor rule thereto) and "outside directors" within the meaning of section 162(m) of the Code (or any successor section thereto); *provided, however*, that any action permitted to be taken by the Committee may be taken by the Board, in its discretion. Awards may, in the discretion of the Committee, be made under the Plan in assumption of, or in substitution for, outstanding awards previously granted by a company acquired by the Company or its Affiliates or with which the Company or its Affiliates combines. The number of Shares underlying such substitute awards shall be counted against the aggregate number of Shares available for Awards under the Plan. The Committee is authorized to interpret the Plan, to establish, amend and rescind any rules and regulations relating to the Plan, and to make any other determinations that it deems necessary or desirable for

the administration of the Plan. The Committee may correct any defect or supply any omission or reconcile any inconsistency in the Plan in the manner and to the extent the Committee deems necessary or desirable. Any decision of the Committee in the interpretation and administration of the Plan, as described herein, shall lie within its sole and absolute discretion and shall be final, conclusive and binding on all parties concerned (including, but not limited to, Participants and their beneficiaries or successors). Determinations made by the Committee under the Plan need not be uniform and may be made selectively among Participants, whether or not such Participants are similarly situated. The Committee shall require payment of any amount it may determine to be necessary to withhold for federal, state, local or other taxes as a result of the exercise or grant of an Award. Unless the Committee specifies otherwise, the Participant may elect to pay a portion or all of such withholding taxes by (a) delivery in Shares or (b) having Shares withheld by the Company from any Shares that would have otherwise been received by the Participant. The number of Shares so delivered or withheld shall have an aggregate Fair Market Value sufficient to satisfy the applicable withholding taxes. If the chief executive officer of the Company is a member of the Board, the Board by specific resolution may constitute such chief executive officer as a committee of one which shall have the authority to grant Awards of up to an aggregate of 200,000 Shares in each calendar year to Participants who are not subject to the rules promulgated under Section 16 of the Act (or any successor section thereto); *provided, however*, that such chief executive officer shall notify the Committee of any such grants made pursuant to this Section 4.

5. Eligibility

Key employees (but not members of the Committee or any person who serves only as a director) of the Company and its Affiliates, who are from time to time responsible for the management, growth and protection of the business of the Company and its Affiliates, are eligible to be granted Awards under the Plan. Participants shall be selected from time to time by the Committee, in its sole discretion, from among those eligible, and the Committee shall determine, in its sole discretion, the number of Shares to be covered by the Awards granted to each Participant.

6. Limitations

No Award may be granted under the Plan after the tenth anniversary of the Effective Date, but Awards theretofore granted may extend beyond that date.

7. Terms and Conditions of Options

Options granted under the Plan shall be, as determined by the Committee, nonqualified, incentive or other stock options for federal income tax purposes, as evidenced by the related Award agreements, and shall be subject to the foregoing and the following terms and conditions and to such other terms and conditions, not inconsistent therewith, as the Committee shall determine:

(a) *Option Price*. The Option Price per Share shall be determined by the Committee, but shall not be less than 100% of the Fair Market Value of the Shares on the date an Option is granted.

(b) *Exercisability*. Options granted under the Plan shall be exercisable at such time and upon such terms and conditions as may be determined by the Committee, but in no event shall an Option be exercisable more than ten years after the date it is granted.

(c) *Exercise of Options*. Except as otherwise provided in the Plan or in an Award agreement, an Option may be exercised for all, or from time to time any part, of the Shares for which it is then exercisable. For purposes of Section 7 of the Plan, the exercise date of an Option shall be the later of the date a notice of exercise is received by the Company and, if applicable, the date payment is received by the Company pursuant to clauses (i), (ii) or (iii) in the following sentence. The purchase price for the Shares as to which an Option is exercised shall be paid to the Company in full at the time of exercise at the election of the Participant (i) in cash or its equivalent (e.g., by check), (ii) to the extent permitted by the Committee, in Shares having a Fair Market Value equal to the aggregate Option Price for the Shares being purchased and

satisfying such other requirements as may be imposed by the Committee; provided, that such shares of Common Stock have been held by the Participant for no less than six months (or such other period as established from time to time by the Committee), (iii) partly in cash and, to the extent permitted by the Committee, partly in such Shares, or (iv) through the delivery of irrevocable instructions to a broker to deliver promptly to the Company an amount equal to the aggregate Option Price for the Shares being purchased. No Participant shall have any rights to dividends or other rights of a stockholder with respect to Shares subject to an Option until the occurrence of the exercise date (determined as set forth above) and, if applicable, the satisfaction of any other conditions imposed by the Committee pursuant to the Plan.

(d) *ISOs*. The Committee may grant Options under the Plan that are intended to be ISOs. Such ISOs shall comply with the requirements of section 422 of the Code (or any successor section thereto). Unless otherwise permitted under section 422 of the Code (or any successor section thereto), no ISO may be granted to any Participant who at the time of such grant, owns more than ten percent of the total combined voting power of all classes of stock of the Company or of any Subsidiary, unless (i) the Option Price for such ISO is at least 110% of the Fair Market Value of a Share on the date the ISO is granted and (ii) the date on which such ISO terminates is a date not later than the day preceding the fifth anniversary of the date on which the ISO is granted. Any Participant who disposes of Shares acquired upon the exercise of an ISO either (i) within two years after the date of grant of such ISO or (ii) within one year after the transfer of such Shares to the Participant, shall notify the Company of such disposition and of the amount realized upon such disposition.

(e) *Attestation*. Wherever in this Plan or any agreement evidencing an Award a Participant is permitted to pay the exercise price of an Option or taxes relating to the exercise of an Option by delivering Shares, the Participant may, subject to procedures satisfactory to the Committee, satisfy such delivery requirement by presenting proof of beneficial ownership of such Shares, in which case the Company shall treat the Option as exercised without further payment and shall withhold such number of Shares from the Shares acquired by the exercise of the Option.

(f) *Exercisability Upon Termination of Employment by Death or Disability*. If a Participant's employment with the Company and its Affiliates terminates by reason of death or Disability after the first anniversary of the date of grant of an Option, (i) the unexercised portion of such Option shall immediately vest in full and (ii) such portion may thereafter be exercised during the shorter of (A) the remaining stated term of the Option or (B) five years after the date of death or Disability.

(g) *Exercisability Upon Termination of Employment by Retirement*. If a Participant's employment with the Company and its Affiliates terminates by reason of Retirement after the first anniversary of the date of grant of an Option, an unexercised Option may thereafter be exercised during the shorter of (i) the remaining stated term of the Option or (ii) five years after the date of such termination of employment (the "Post-Retirement Exercise Period"), but only to the extent to which such Option was exercisable at the time of such termination of employment or becomes exercisable during the Post-Retirement Exercise Period; *provided, however*, that if a Participant dies within a period of five years after such termination of employment, an unexercised Option may thereafter be exercised, during the shorter of (i) the remaining stated term of the Option or (ii) the period that is the longer of (A) five years after the date of such termination of employment or (B) one year after the date of death (the "Special Exercise Period"), but only to the extent to which such Option was exercisable at the time of such termination of employment or becomes exercisable during the Special Exercise Period.

(h) *Effect of Other Termination of Employment*. If a Participant's employment with the Company and its Affiliates terminates (i) for any reason (other than death, Disability or Retirement after the first anniversary of the date of grant of an Option as described above) or (ii) for any reason on or prior to the first anniversary of the date of grant of an Option, an unexercised Option may thereafter be exercised during the period ending 30 days after the date of such termination of employment, but only to the extent to which such Option was exercisable at the time of such termination of employment. Notwithstanding the foregoing, the Committee may, in its sole discretion, accelerate the vesting of unvested Options held by a Participant if such Participant is terminated from employment without "cause" (as such term is defined by the Committee in its sole discretion) by the Company.

(i) *Nontransferability of Stock Options*. Except as otherwise provided in this Section 7(i), a stock option shall not be transferable by the optionee otherwise than by will or by the laws of descent and distribution and during the lifetime of an optionee an option shall be exercisable only by the optionee. An option exercisable after the death of an optionee or a transferee pursuant to the following sentence may be exercised by the legatees, personal representatives or distributees of the optionee or such transferee. The Committee may, in its discretion, authorize all or a portion of the options previously granted or to be granted to an optionee to be on terms which permit irrevocable transfer for no consideration by such optionee to any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including adoptive relationships, of the optionee, trusts for the exclusive benefit of these persons, and any other entity owned solely by these persons ("Eligible Transferees"), provided that (x) the stock option agreement pursuant to which such options are granted must be approved by the Committee, and must expressly provide for transferability in a manner consistent with this Section and (y) subsequent transfers of transferred options shall be prohibited except those in accordance with the first sentence of this Section 7(i). The Committee may, in its discretion; amend the definition of Eligible Transferees to conform to the coverage rules of Form S-8 under the Securities Act of 1933 or any comparable Form from time to time in effect. Following transfer, any such options shall continue to be subject to the same terms and conditions as were applicable immediately prior to transfer. The events of termination of service of Sections 7(f), 7(g) and 7(h) hereof shall continue to be applied with respect to the original optionee, following which the options shall be exercisable by the transferee only to the extent, and for the periods specified, in Sections 7(f), 7(g) and 7(h). The Committee may delegate to a committee consisting of employees of the Company the authority to authorize transfers, establish terms and conditions upon which transfers may be made and establish classes of options eligible to transfer options, as well as to make other determinations with respect to option transfers.

8. Terms and Conditions of Stock Appreciation Rights

(a) *Grants*. The Committee also may grant (i) a Stock Appreciation Right independent of an Option or (ii) a Stock Appreciation Right in connection with an Option, or a portion thereof. A Stock Appreciation Right granted pursuant to clause (ii) of the preceding sentence (A) may be granted at the time the related Option is granted or at any time prior to the exercise or cancellation of the related Option, (B) shall cover the same Shares covered by an Option (or such lesser number of Shares as the Committee may determine) and (C) shall be subject to the same terms and conditions as such Option except for such additional limitations as are contemplated by this Section 8 (or such additional limitations as may be included in an Award agreement).

(b) *Terms*. The exercise price per Share of a Stock Appreciation Right shall be an amount determined by the Committee but in no event shall such amount be less than the greater of (i) the Fair Market Value of a Share on the date the Stock Appreciation Right is granted or, in the case of a Stock Appreciation Right granted in conjunction with an Option, or a portion thereof, the Option Price of the related Option and (ii) an amount permitted by applicable laws, rules, by-laws or policies of regulatory authorities or stock exchanges. Each Stock Appreciation Right granted independent of an Option shall entitle a Participant upon exercise to an amount equal to (i) the excess of (A) the Fair Market Value on the exercise date of one Share over (B) the exercise price per Share, times (ii) the number of Shares covered by the Stock Appreciation Right. Each Stock Appreciation Right granted in conjunction with an Option, or a portion thereof, shall entitle a Participant to surrender to the Company the unexercised Option, or any portion thereof, and to receive from the Company in exchange therefore an amount equal to (i) the excess of (A) the Fair Market Value on the exercise date of one Share over (B) the Option Price per Share, times (ii) the number of Shares covered by the Option, or portion thereof, which is surrendered. The date a notice of exercise is received by the Company shall be the exercise date. Payment shall be made in Shares or in cash, or partly in Shares and partly in cash, valued at such Fair Market Value, all as shall be determined by the Committee. Stock Appreciation Rights may be exercised from time to time upon actual receipt by the Company of written notice of exercise stating the number of Shares with respect to which the Stock Appreciation Right is being exercised. No fractional Shares will be issued in payment for Stock Appreciation Rights, but instead cash will be paid for a fraction or, if the Committee should so determine, the number of Shares will be rounded downward to the next whole Share.

(c) *Limitations*. The Committee may impose, in its discretion, such conditions upon the exercisability or transferability of Stock Appreciation Rights as it may deem fit.

(d) *Limited Stock Appreciation Rights*. The Committee may grant LSARs that are exercisable upon the occurrence of specified contingent events. Such LSARs may provide for a different method of determining appreciation, may specify that payment will be made only in cash and may provide that any related Awards are not exercisable while such LSARs are exercisable. Unless the context otherwise requires, whenever the term "Stock Appreciation Right" is used in the Plan, such term shall include LSARs.

9. Other Stock-Based Awards

(a) *Generally*. The Committee, in its sole discretion, may grant Awards of Shares, Awards of restricted Shares and Awards that are valued in whole or in part by reference to, or are otherwise based on the Fair Market Value of, Shares ("Other Stock-Based Awards"). Such Other Stock-Based Awards shall be in such form, and dependent on such conditions, as the Committee shall determine, including, without limitation, the right to receive one or more Shares (or the equivalent cash value of such Shares) upon the completion of a specified period of service, the occurrence of an event and/or the attainment of performance objectives. Other Stock-Based Awards may be granted alone or in addition to any other Awards granted under the Plan. Subject to the provisions of the Plan, the Committee shall determine to whom and when Other Stock-Based Awards will be made; the number of Shares to be awarded under (or otherwise related to) such Other Stock-Based Awards; whether such Other Stock-Based Awards shall be settled in cash, Shares or a combination of cash and Shares; and all other terms and conditions of such Awards (including, without limitation, the vesting provisions thereof). Where the value of an Other Stock-Based Award is based on the Spread Value, the grant or exercise price for such an Award will not be less than 100% of the Fair Market Value on the date of grant.

(b) *Performance-Based Awards*. Notwithstanding anything to the contrary herein, certain Other Stock-Based Awards granted under this Section 9 may be granted in a manner which is deductible by the Company under section 162(m) of the Code (or any successor section thereto) ("Performance-Based Awards"). A Participant's Performance-Based Award shall be determined based on the attainment of written performance goals approved by the Committee for a performance period established by the Committee (i) while the outcome for that performance period is substantially uncertain and (ii) no more than 90 days after the commencement of the performance period to which the performance goal relates or, if less, the number of days which is equal to 25 percent of the relevant performance period. The performance goals, which must be objective, shall be based upon one or more of the following criteria: (i) earnings before or after taxes (including earnings before interest, taxes, depreciation and amortization); (ii) net income; (iii) operating income; (iv) earnings per Share; (v) book value per Share; (vi) return on stockholders' equity; (vii) expense management; (viii) return on investment before or after the cost of capital; (ix) improvements in capital structure; (x) profitability of an identifiable business unit or product; (xi) maintenance or improvement of profit margins; (xii) stock price; (xiii) market share; (xiv) revenues or sales; (xv) costs; (xvi) cash flow; (xvii) working capital (xviii) changes in net assets (whether or not multiplied by a constant percentage intended to represent the cost of capital) and (xix) return on assets. The foregoing criteria may relate to the Company, one or more of its Subsidiaries or one or more of its divisions, units, minority investments, partnerships, joint ventures, product lines or products or any combination of the foregoing, and may be applied on an absolute basis and/or be relative to one or more peer group companies or indices, or any combination thereof, all as the Committee shall determine. In addition, to the degree consistent with section 162(m) of the Code (or any successor section thereto), the performance goals may be calculated without regard to extraordinary items or accounting changes. The maximum amount of a Performance-Based Award during a calendar year to any Participant shall be $5,000,000. The Committee shall determine whether, with respect to a performance period, the applicable performance goals have been met with respect to a given Participant and, if they have, to so certify and ascertain the amount of the applicable Performance-Based Award. No Performance-Based Awards will be paid for such performance period until such certification is made by the Committee. The amount of the Performance-Based Award actually paid to a given Participant may be less than the amount determined by the applicable performance goal formula, at the discretion of the Committee. The amount of the Performance-Based Award determined by the Committee for a performance period shall be paid to the

Participant at such time as determined by the Committee in its sole discretion after the end of such performance period; *provided, however*, that a Participant may, if and to the extent permitted by the Committee and consistent with the provisions of section 162(m) of the Code, elect to defer payment of a Performance-Based Award.

~~**(c) An amount not in excess of 6.75% of the total number of Shares reserved and available for distribution pursuant to the Plan, as determined pursuant to Section 3, may be issued pursuant to Other Stock-Based Awards, except that Other Stock-Based Awards with values based on Spread Values shall not be included in this limitation. In addition, no more than 5.00% of the shares reserved and available for distribution pursuant to the Plan, as determined pursuant to Section 3, may be issued pursuant to Other Stock-Based Awards with vesting schedules that are shorter than (i) one year with respect to Performance-Based Awards, or (ii) three years with respect to awards that are not Performance-Based Awards.**~~

10. Adjustments Upon Certain Events

Notwithstanding any other provisions in the Plan to the contrary, the following provisions shall apply to all Awards granted under the Plan:

(a) *Generally*. In the event of any change in the outstanding Shares after the Effective Date by reason of any Share dividend or split, reorganization, recapitalization, merger, consolidation, spin-off, combination or exchange of Shares or other corporate exchange, or any distribution to stockholders of Shares other than regular cash dividends or any transaction similar to the foregoing, the Committee shall make such substitution or adjustment, if any, as it, in its sole discretion and without liability to any person, deems to be equitable, as to (i) the number or kind of Shares or other securities issued or reserved for issuance pursuant to the Plan or pursuant to outstanding Awards, (ii) the maximum number of Shares for which Options or Stock Appreciation Rights may be granted during a calendar year to any Participant (iii) the maximum amount of Other Stock-Based Awards based on the Spread Value and Performance-Based Awards that may be granted during a calendar year to any Participant, (iv) the Option Price or exercise price of any Stock Appreciation Right and/or (v) any other affected terms of such Awards.

(b) *Change in Control*. In the event of a Change in Control, Awards granted under the Plan shall accelerate as follows: (i) each Option and Stock Appreciation Right shall become immediately vested and exercisable; *provided, however*, that if such Awards are not exercised prior to the date of the consummation of the Change in Control, the Committee, in its sole discretion and without liability to any person may provide for (A) the payment of a cash amount in exchange for the cancellation of such Award and/or (B) the issuance of substitute Awards that will substantially preserve the value, rights and benefits of any affected Awards (previously granted hereunder) as of the date of the consummation of the Change in Control; (ii) restrictions on Awards of restricted shares shall lapse; and (iii) Other Stock-Based Awards shall become payable as if targets for the current period were satisfied at 100%.

11. No Right to Employment

The granting of an Award under the Plan shall impose no obligation on the Company or any Subsidiary to continue the employment of a Participant and shall not lessen or affect the Company's or Subsidiary's right to terminate the employment of such Participant.

12. Successors and Assigns

The Plan shall be binding on all successors and assigns of the Company and a Participant, including without limitation, the estate of such Participant and the executor, administrator or trustee of such estate, or any receiver or trustee in bankruptcy or representative of the Participant's creditors.

13. Nontransferability of Awards

Except as provided in Section 7(i) of the Plan, an Award shall not be transferable or assignable by the Participant otherwise than by will or by the laws of descent and distribution. During the lifetime of a Participant, an Award shall be exercisable only by such Participant. An Award exercisable after the death of a Participant may be exercised by the legatees, personal representatives or distributees of the Participant. Notwithstanding anything to the contrary herein, the Committee, in its sole discretion, shall have the authority to waive this Section 13 (or any part thereof) to the extent that this Section 13 (or any part thereof) is not required under the rules promulgated under any law, rule or regulation applicable to the Company.

14. Amendments or Termination

The Board or the Committee may amend, alter or discontinue the Plan, but no amendment, alteration or discontinuation shall be made which, without the approval of the stockholders of the Company, would (except as is provided in Section 10 of the Plan), increase the total number of Shares reserved for the purposes of the Plan or change the maximum number of Shares for which Awards may be granted to any Participant, result in any Option being repriced either by lowering the Option Price of any outstanding Option or by canceling an outstanding Option and granting a replacement Option with a lower Option Price, ~~**(3) in the opinion of counsel to the Company, materially increase benefits to Participants, (4) in the opinion of counsel to the Company, materially modify the eligibility requirements set forth in Section 5 of the Plan,**~~ or (b) without the consent of a Participant, would impair any of the rights or obligations under any Award theretofore granted to such Participant under the Plan; *provided, however*, that the Board or the Committee may amend the Plan in such manner as it deems necessary to permit the granting of Awards meeting the requirements of the Code or other applicable laws. Notwithstanding anything to the contrary herein, neither the Committee nor the Board may amend, alter or discontinue the provisions relating to Section 10(b) of the Plan after the occurrence of a Change in Control. Awards issued prior to termination of the Plan shall not be affected by such termination.

15. International Participants

With respect to Participants who reside or work outside the United States of America and who are not (and who are not expected to be) “covered employees” within the meaning of section 162(m) of the Code (or any successor section thereto), the Committee may, in its sole discretion, amend the terms of the Plan or Awards with respect to such Participants in order to conform such terms with the requirements of local law.

16. Choice of Law

The Plan shall be governed by and construed in accordance with the laws of the State of New York applicable to contracts made and to be performed in the State of New York.

17. Effectiveness of the Plan

If the amended and restated Plan is approved by shareholders at the 2005 Annual Meeting, it will be effective with respect to all awards granted thereafter. If the amended Plan is not so approved by shareholders, all awards granted under the Plan will be made in compliance with the original Plan, without amendment. ~~**The Plan shall be effective as of October 18, 2000. The plan shall terminate on the day following the Company’s 2001 Annual Meeting of Stockholders unless the Plan is ratified by stockholders at such meeting. Awards granted prior to termination of the Plan shall not be affected by such termination.**~~

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Exhibit C

2000 DUN & BRADSTREET CORPORATION
NON-EMPLOYEE DIRECTORS' STOCK INCENTIVE PLAN
(as amended month, day, year)

1. Purpose of the Plan

The purpose of the Plan is to aid the Company in attracting, retaining and compensating non-employee directors and to enable them to increase their ownership of Shares. The Plan will be beneficial to the Company and its stockholders since it will allow non-employee directors of the Board to have a greater personal financial stake in the Company through the ownership of Shares, in addition to underscoring their common interest with stockholders in increasing the value of the Shares on a long-term basis.

2. Definitions

The following capitalized terms used in the Plan have the respective meanings set forth in this Section:

(a) *Act*: The Securities Exchange Act of 1934, as amended, or any successor thereto.

(b) *Award*: An Option or Other Stock-Based Award granted pursuant to the Plan.

(c) *Beneficial Owner*: As such term is defined in Rule 13d-3 under the Act (or any successor rule thereto).

(d) *Board*: The Board of Directors of the Company.

(e) *Change in Control*: The occurrence of any of the following events:

(i) any "Person," as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), (other than the Company, any trustee or other fiduciary holding securities under an employee benefit plan of the Company, or any corporation owned, directly or indirectly, by the shareholders of the Company in substantially the same proportions as their ownership of stock of the Company), is or becomes the "Beneficial Owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 20% or more of the combined voting power of the Company's then outstanding securities.

(ii) during any period of twenty-four months (not including any period prior to the execution of this Agreement), individuals who at the beginning of such period constitute the Board, and any new Director (other than a Director designated by a person who has entered into an agreement with the Company to effect a transaction described in clause (a), (c) or (d) of this Section, a Director designated by any Person (including the Company) who publicly announces an intention to take or to consider taking actions (including, but not limited to, an actual or threatened proxy contest) which if consummated would constitute a Change in Control or a Director designated by any Person who is the Beneficial Owner, directly or indirectly, of securities of the Company representing 10% or more of the combined voting power of the Company's securities) whose election by the Board or nomination for election by the Company's shareholders was approved by a vote of at least two-thirds (2/3) of the Directors then still in office who either were Directors at the beginning of the period or whose election or nomination for election was previously so approved cease for any reason to constitute at least a majority thereof.

(iii) the shareholders of the Company approve a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by

remaining outstanding or by being converted into voting securities of the surviving entity) more than 50% of the combined voting power of the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation and after which no Person holds 20% or more of the combined voting power of the then outstanding securities of the Company or such surviving entity; or

(iv) the shareholders of the Company approve a plan of complete liquidation of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets.

(f) *Code*: The Internal Revenue Code of 1986, as amended, or any successor thereto.

(g) *Company*: The Dun & Bradstreet Corporation.

(h) *D&B*: The Dun & Bradstreet Corporation, a Delaware corporation.

(i) *Disability*: Inability to continue to serve as a non-employee director of the Board due to a medically determinable physical or mental impairment which constitutes a permanent and total disability, as determined by the Board (excluding any member thereof whose own Disability is at issue in a given case) based upon such evidence as it deems necessary and appropriate. A Participant shall not be considered disabled unless he or she furnishes such medical or other evidence of the existence of the Disability as the Board, in its sole discretion, may require.

(j) *Effective Date*: The date on which the Plan takes effect, as defined pursuant to Section 14 of the Plan.

(k) *Fair Market Value*: On a given date, the arithmetic mean of the high and low prices of the Shares as reported on such date on the Composite Tape of the principal national securities exchange on which such Shares are listed or admitted to trading, or, if no Composite Tape exists for such national securities exchange on such date, then on the principal national securities exchange on which such Shares are listed or admitted to trading, or, if the Shares are not listed or admitted on a national securities exchange, the arithmetic mean of the per Share closing bid price and per Share closing asked price on such date as quoted on the National Association of Securities Dealers Automated Quotation System (or such market in which such prices are regularly quoted), or, if there is no market on which the Shares are regularly quoted, the Fair Market Value shall be the value established by the Board in good faith. If no sale of Shares shall have been reported on such Composite Tape or such national securities exchange on such date or quoted on the National Association of Securities Dealers Automated Quotation System on such date, then the immediately preceding date on which sales of the Shares have been so reported or quoted shall be used.

(l) *Option*: A stock option granted pursuant to Section 6 of the Plan.

(m) *Option Price*: The purchase price per Share of an Option, as determined pursuant to Section 6(b) of the Plan.

(n) *Other Stock-Based Awards*: Awards granted pursuant to Section 7 of the Plan.

(o) *Participant*: Any director of the Company who is not an employee of the Company or any Subsidiary of the Company as of the date that an Award is granted.

(p) *Person*: As such term is used for purposes of Section 13(d) or 14(d) of the Act (or any successor section thereto).

(q) *Plan*: The 2000 Dun & Bradstreet Corporation Non-Employee Directors' Stock Incentive Plan.

(r) *Retirement*: Except as otherwise provided in an Award agreement, termination of service with the Company or an Affiliate after such Participant has attained age 70, regardless of the length

of such Participant's service; or, with the prior written consent of the Board (excluding any member thereof whose own Retirement is at issue in a given case), termination of service at an earlier age after the Participant has completed six or more years of service with the Company.

(s) *Shares*: Shares of common stock, par value $0.01 per share, of the Company.

(t) *Subsidiary*: A subsidiary corporation, as defined in section 424(f) of the Code (or any successor section thereto).

3. Shares Subject to the Plan

The total number of Shares which may be issued under the Plan is 300,000. **Against the shares remaining in the Plan, awards granted under the Plan (excluding other stock-based awards granted pursuant to Section 7 of the Plan) count as 1 issued share; whereas, other stock-based awards granted pursuant to Section 7 of the amended Plan (approved as of the 2005 Annual Meeting) count as 2.6 issued shares.** ~~**An amount not in excess of 15% of the total number of shares reserved and available for distribution pursuant to the Plan may be issued for Other Stock Based Awards pursuant to Section 7.**~~ The Shares may consist, in whole or in part, of unissued Shares or treasury Shares. The issuance of Awards shall reduce the total number of Shares available under the Plan. Shares which are subject to Awards which terminate or lapse may be granted again under the Plan.

4. Administration

The Plan shall be administered by the Board, which may delegate its duties and powers in whole or in part to any subcommittee thereof. The Board is authorized to interpret the Plan, to establish, amend and rescind any rules and regulations relating to the Plan, and to make any other determinations that it deems necessary or desirable for the administration of the Plan. The Board may correct any defect or omission or reconcile any inconsistency in the Plan in the manner and to the extent the Board deems necessary or desirable. Any decision of the Board in the interpretation and administration of the Plan, as described herein, shall lie within its sole and absolute discretion and shall be final, conclusive and binding on all parties concerned (including, but not limited to, Participants and their beneficiaries or successors).

5. Eligibility

All Participants shall be eligible to participate under this Plan.

6. Terms and Conditions of Options

Options granted under the Plan shall be non-qualified stock options for federal income tax purposes, as evidenced by the related Option agreements, and shall be subject to the foregoing and the following terms and conditions and to such other terms and conditions, not inconsistent therewith, as the Board shall determine:

(a) *Option Price*. The Option Price per Share shall be determined by the Board, but shall not be less than 100% of the Fair Market Value of the Shares on the date an Option is granted.

(b) *Exercisability*. Options granted under the Plan shall be exercisable at such time and upon such terms and conditions as may be determined by the Board, but in no event shall an Option be exercisable more than ten years after the date it is granted.

(c) *Attestation*. Wherever in this Plan or any agreement evidencing an Award a Participant is permitted to pay the exercise price of an Option or taxes relating to the exercise of an Option by delivering Shares, the Participant may, subject to procedures satisfactory to the Board, satisfy such delivery requirement by presenting proof of beneficial ownership of such Shares, in which case the Company shall treat the Option as exercised without further payment and shall withhold such number of Shares from the Shares acquired by the exercise of the Option.

(d) *Exercise of Options*. Except as otherwise provided in the Plan or in a related Option agreement, an Option may be exercised for all, or from time to time any part, of the Shares for which it is then exercisable. For purposes of Section 6 of the Plan, the exercise date of an Option shall be the later of the date a notice of exercise is received by the Company and, if applicable, the date payment is received by the Company pursuant to clauses (i), (ii) or (iii) in the following sentence. The purchase price for the Shares as to which an Option is exercised shall be paid to the Company in full at the time of exercise at the election of the Participant in cash, in Shares having a Fair Market Value equal to the aggregate Option Price for the Shares being purchased and satisfying such other requirements as may be imposed by the Board, partly in cash and partly in such Shares or through the delivery of irrevocable instructions to a broker to deliver promptly to the Company an amount equal to the aggregate Option Price for the Shares being purchased. No Participant shall have any rights to dividends or other rights of a stockholder with respect to Shares subject to an Option until the occurrence of the exercise date (determined as set forth above) and, if applicable, the satisfaction of any other conditions imposed by the Board pursuant to the Plan. Unless the vesting of an Option is otherwise accelerated pursuant to Section 7(e), 7(f) or 7(g), the unvested portion of the Option will terminate upon the Participant's termination of employment for any reason.

(e) *Exercisability Upon Termination of Service by Death*. If a Participant's service with the Company and its Subsidiaries terminates by reason of death after the first anniversary of the date on which an Option is granted, the unexercised portion of such Option shall immediately vest in full and may thereafter be exercised during the shorter of the remaining term of the Option or five years after the date of death.

(f) *Exercisability Upon Termination of Service by Disability or Retirement*. If a Participant's service with the Company and its Subsidiaries terminates by reason of Disability or Retirement after the first anniversary of the date on which an Option is granted, the unexercised vested portion of such Option may thereafter be exercised during the shorter of the remaining term of the Option or five years after the date of such termination of service; provided, however, that if a Participant dies within a period of five years after such termination of service, the unexercised portion of the Option shall immediately vest in full and may thereafter be exercised, during the shorter of the remaining term of the Option or the period that is the longer of five years after the Date of such termination of service or one year after the date of death.

(g) *Effect of Other Termination of Service*. If a Participant's service with the Company and its Subsidiaries terminates by reason of Disability or Retirement prior to the first anniversary of the date on which an Option is granted (as described above), then, a pro rata portion of such Option shall immediately vest in full and may be exercised thereafter, during the shorter of (A) the remaining term of such Option or (B) five years after the date of such termination of service, for a prorated number of Shares (rounded down to the nearest whole number of Shares), equal to the number of Shares subject to such Option multiplied by a fraction the numerator of which is the number of days the Participant served on the Board subsequent to the date on which such Option was granted and the denominator of which is 365. The portion of such Option which is not so exercisable shall terminate as of the date of Disability or Retirement. If a Participant's service with the Company and its Subsidiaries terminates for any reason other than death, Disability or Retirement, the unexercised vested portion of such Option shall terminate thirty days following such termination of service.

(h) *Nontransferability of Stock Options*. Except as otherwise provided in this Section 6(h), an Option shall not be transferable by the Participant otherwise than by will or by the laws of descent and distribution and during the lifetime of a Participant an Option shall be exercisable only by the Participant. An Option exercisable after the death of a Participant or a transferee pursuant to the following sentence may be exercised by the legatees, personal representatives or distributees of the Participant or such transferee. The Board may, in its discretion, authorize all or a portion of the Options previously granted or to be granted to a Participant to be on terms which permit irrevocable transfer for no consideration by such Participant to any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including adoptive relationships, of the Participant, trusts for the exclusive benefit of these persons, and any other entity owned solely by these persons ("Eligible Transferees"), provided that (x) the Option agreement pursuant to which such Options are granted must be approved by the Board, and must expressly provide for transferability in a manner consistent with this Section

and (y) subsequent transfers of transferred Options shall be prohibited except those in accordance with the first sentence of this Section 6(h). The Board may, in its discretion, amend the definition of Eligible Transferees to conform to the coverage rules of Form S-8 under the Securities Act of 1933 or any comparable Form from time to time in effect. Following transfer, any such Options shall continue to be subject to the same terms and conditions as were applicable immediately prior to transfer. The events of termination of service of Sections 6(e), 6(f) and 6(g) hereof shall continue to be applied with respect to the original Participant, following which the Options shall be exercisable by the transferee only to the extent, and for the periods specified, in Sections 6(e), 6(f) and 6(g). The Board may delegate to a committee consisting of employees of the Company the authority to authorize transfers, establish terms and conditions upon which transfers may be made and establish classes of Options eligible to transfer options, as well as to make other determinations with respect to option transfers.

7. Other Stock-Based Awards

The Board, in its sole discretion, may grant Awards of Shares, Awards of restricted Shares and Awards that are valued in whole or in part by reference to, or are otherwise based on the Fair Market Value of, Shares ("Other Stock-Based Awards"). Such Other Stock-Based Awards shall be in such form, and dependent on such conditions, as the Board shall determine, including, without limitation, the right to receive one or more Shares (or the equivalent cash value of such Shares) upon the completion of a specified period of service, the occurrence of an event and/or the attainment of performance objectives. Other Stock-Based Awards may be granted alone or in addition to any other Awards granted under the Plan. Subject to the provisions of the Plan, the Board shall determine to whom and when Other Stock-Based Awards will be made; the number of Shares to be awarded under (or otherwise related to) such Other Stock-Based Awards; whether such Other Stock-Based Awards shall be settled in cash, Shares or a combination of cash and Shares; and all other terms and conditions of such Awards (including, without limitation, the vesting provisions thereof). ~~**An amount not in excess of 15% of the total number of Shares reserved and available for distribution pursuant to the Plan, as determined pursuant to Section 3, may be issued as Other Stock-Based Awards.**~~

8. Adjustments Upon Certain Events

Notwithstanding any other provisions in the Plan to the contrary, the following provisions shall apply to all Awards granted under the Plan:

(a) *Generally*. In the event of any change in the outstanding Shares after the Effective Date by reason of any Share dividend or split, reorganization, recapitalization, merger, consolidation, spin-off, combination or exchange of Shares or other corporate exchange, or any distribution to stockholders of Shares other than regular cash dividends or any transaction similar to the foregoing, the Board in its sole discretion and without liability to any person may make such substitution or adjustment, if any, as it deems to be equitable, as to the number or kind of Shares or other securities issued or reserved for issuance pursuant to the Plan or pursuant to outstanding Awards, the Option Price and/or any other affected terms of such Awards.

(b) *Change in Control*. Upon the occurrence of a Change in Control, (A) all restrictions on Shares of restricted stock shall lapse and all Options shall vest and become exercisable and (B) the Board may, but shall not be obligated to, make provision for a cash payment to the holder of an outstanding Award in consideration for the cancellation of such Award which, in the case of Options, shall equal the excess, if any, of the Fair Market Value of the Shares subject to such Options over the aggregate Option Price of such Options.

9. No Right to Awards.

No Participant or other Person shall have any claim to be granted any Award, and there is no obligation for uniformity of treatment of Participants, or holders or beneficiaries of Awards. The terms and conditions of Awards and the Board's determinations and interpretations with respect thereto need not be the same with respect to each Participant (whether or not such Participants are similarly situated).

10. Successors and Assigns

The Plan shall be binding on all successors and assigns of the Company and a Participant, including without limitation, the estate of such Participant and the executor, administrator or trustee of such estate, or any receiver or trustee in bankruptcy or representative of the Participant's creditors.

11. Amendments or Termination

The Board may amend, alter or discontinue the Plan, but no amendment, alteration or discontinuation shall be made which, without the approval of the stockholders of the Company, would (except as is provided in Section 8 of the Plan), increase the total number of Shares reserved for the purposes of the Plan, result in any Option being repriced either by lowering the Option Price of any outstanding Option or by canceling an outstanding Option and granting a replacement Option with a lower Option Price, or (b) without the consent of a Participant, would impair any of the rights or obligations under any Award theretofore granted to such Participant under the Plan; *provided, however*, that the Board may amend the Plan in such manner as it deems necessary to permit the granting of Awards meeting the requirements of the Code or other applicable laws.

12. Nontransferability of Awards

Except as provided in Section 6(h) of the Plan, an Award shall not be transferable or assignable by the Participant otherwise than by will or by the laws of descent and distribution. During the lifetime of a Participant, an Award shall be exercisable only by such Participant. An Award exercisable after the death of a Participant may be exercised by the legatees, personal representatives or distributees of the Participant. Notwithstanding anything to the contrary herein, the Board, in its sole discretion, shall have the authority to waive this Section 12 (or any part thereof) to the extent that this Section 12 (or any part thereof) is not required under the rules promulgated under any law, rule or regulation applicable to the Company.

13. Choice of Law

The Plan shall be governed by and construed in accordance with the laws of the State of New York applicable to contracts made and to be performed in the State of New York.

14. Effectiveness of the Plan

If the amended Plan is approved by shareholders at the 2005 Annual Meeting, it will be effective with respect to all awards granted thereafter. If the amended Plan is not so approved by shareholders, all awards granted under the Plan will be made in compliance with the original Plan, without amendment. ~~**The Plan shall be effective as of October 18, 2000. The Plan shall terminate on the day following the Company's 2001 Annual Meeting of Stockholders unless the Plan is ratified by stockholders at such meeting. Awards granted prior to termination of the Plan shall not be affected by such termination.**~~

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

Form 10-K

Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the Fiscal Year Ended December 31, 2004

Commission file number 1-15967

The Dun & Bradstreet Corporation

(Exact name of registrant as specified in its charter)

Delaware	**103 JFK Parkway, Short Hills, NJ**
(State of incorporation)	*(Address of principal executive offices)*
22-3725387	**07078**
(I.R.S. Employer Identification No.)	*(Zip Code)*

Registrant's telephone number, including area code: (973) 921-5500

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, par value $.01 per share	New York Stock Exchange
Preferred Share Purchase Rights	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the Registrant: (1) has filed all reports required by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

Indicate by check mark whether the Registrant is an accelerated filer (as defined in Exchange Act Rule 12b-2). Yes ☒ No ☐

As of June 30, 2004, 70,011,904 shares of Common Stock of The Dun & Bradstreet Corporation were outstanding and the aggregate market value of such Common Stock held by nonaffiliates* (based upon its closing transaction price on the New York Stock Exchange Composite Tape on June 30, 2004) was approximately $3,774 million.

As of February 28, 2005, 69,033,976 shares of Common Stock of The Dun & Bradstreet Corporation were outstanding.

Documents Incorporated by Reference

Portions of the registrant's definitive proxy statement for use in connection with its annual meeting of shareholders scheduled to be held on May 3, 2005, are incorporated into Part III of this Form 10-K.

The Index to Exhibits is located on Pages 121 to 125 of this Form 10-K.

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* Calculated by excluding all shares held by executive officers and directors of the registrant without conceding that all such persons are "affiliates" of the registrant for purposes of federal securities laws.

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PART I

Item 1. *Business*

Overview

D&B™ (NYSE:DNB), the leading provider of global business information, tools and insight, and has enabled customers to Decide with Confidence™ for over 160 years. D&B's proprietary DUNSRight™ quality process provides customers with quality business information. This quality information is the foundation of D&B's solutions that customers rely on to make critical business decisions. Customers use D&B Risk Management Solutions™ to mitigate credit risk, increase cash flow and drive increased profitability, D&B Sales & Marketing Solutions™ to increase revenue from new and existing customers, and D&B Supply Management Solutions™ to identify purchasing savings and manage purchasing risk and improve compliance within their supply base. D&B's E-Business Solutions™ help customers convert prospects to clients faster.

Our Aspiration and Our Strategy

Upon our separation from Moody's Corporation ("Moody's") in October 2000, we launched a new business strategy called the Blueprint for Growth, and announced our aspiration to become a "growth company with an important presence on the Web." (See "Organizational Background of Our Company" below.) To us, a growth company has annual core revenue growth of 7% to 9% and annual earnings per share ("EPS") growth, before non-core gains and (charges), in the mid-to-upper teens, both on a consistent basis. We defined an important presence on the Web as having approximately 80% of our revenue derived from products ordered or delivered using Internet technology. Our definitions of core revenue and non-core gains and (charges) are explained under "How We Evaluate Our Performance" below. A reconciliation of our results in accordance with generally accepted accounting principles in the United States ("GAAP") and non-GAAP results can be found in "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" in this Form 10-K.

Since the launch of the Blueprint for Growth strategy, we have gained some important insights. We have learned that to achieve our aspiration of sustainable core revenue growth of 7% to 9%, we need to be even more intensely focused on our customers' success. We have always had a customer focus, but now we are intensifying that focus. To better reflect our commitment to our customers' success, we evolved our aspiration in 2003. Our aspiration is now "To be the most trusted source of business insight so our customers can decide with confidence."

Our intention to become a growth company has not changed. But this aspiration *provides the way* for us to achieve growth and create value for our shareholders.

While our aspiration has shifted focus, our underlying strategy remains the same as when we launched it in October 2000.

Our Blueprint for Growth strategy is the roadmap to our aspiration. This strategy has five components, which we believe, taken together, will drive our financial performance:

- Build a Winning Culture;
- Leverage our Brand;
- Create Financial Flexibility;
- Enhance our Current Business; and
- Become an Important Player in E-Business.

For the reasons described further below, we believe that our Winning Culture, our Brand and our Flexible Business Model are assets that form a powerful competitive advantage that enable us to drive and lead through change as an organization.

Build a Winning Culture

By building a Winning Culture, we are transforming D&B™ into a company focused on winning in the marketplace and creating shareholder value.

We believe that superb leadership will enable our transformation by driving the results that will lead to the achievement of our aspiration. To build superb leadership, we have developed and deployed a consistent, principles-based leadership model throughout our Company.

Our leadership development process ensures that team member performance goals and financial rewards are linked to our Blueprint for Growth strategy. It also enables team members to receive ongoing feedback on their performance goals and on their leadership. All team members are expected to have personal leadership action plans that are focused on their own personal development, building on their leadership strengths and working on their areas of development.

We also have a talent assessment process that provides a framework to assess and improve skill levels and performance across the organization and acts as a tool to aid talent development and succession planning.

To measure our progress, we have an employee survey mechanism that enables team members worldwide to give feedback on our progress in building a Winning Culture.

We believe that our passion around improving our leadership daily to win in the marketplace is a competitive advantage that will help us achieve our aspiration.

Leverage our Brand

We believe that the D&B Brand™ stands for confidence: our customers rely on D&B™ when they make critical business decisions.

This confidence is the product of **DUNSRight™**, our unique, proprietary quality process that powers all of our customer solution sets. Through our DUNSRight™ quality process, our customers have access to comprehensive business information that we constantly endeavor to make more accurate, complete, timely and consistent, globally. We believe that our quality process is the best in our industry.

The foundation of our DUNSRight™ quality process is **Quality Assurance** which includes over 2,000 separate automated and manual checks to ensure that data meets our high quality standards. In addition, five **Quality Drivers** work sequentially to enhance the data and make it useful to our customers in making critical business decisions. Each of these quality drivers is described below:

- First, by leveraging our core competency in **Global Data Collection**, we bring together data from thousands of sources worldwide and enhance it into quality information to help our customers make profitable decisions. We have the world's largest global business database, with over 92 million businesses in over 200 countries, including over 35 million business records in the United States. We update our database more than 1.5 million times a day. As a result, we provide our customers a one-stop shop for global business data from around the world.

- We integrate the data into our database through our patented **Entity Matching** process, which produces a single, more accurate picture of each business. Entity Matching ensures that disparate data elements are associated with the right businesses in our database by doing such things as allowing and correcting for variations in spelling, format, trade names and addresses.

- We apply our nine-digit global **D-U-N-S™ Number** as a unique means of identifying and tracking a business globally through every step in the life and activity of the business. We use the D-U-N-S™ Number to link headquarters, branches, parents and subsidiaries. In today's global economy, the D-U-N-S™ Number has become a standard for business identification and verification. The D-U-N-S™ Number is exclusively ours and is never reassigned to another business. It follows a business through every phase of its life, including bankruptcy, and allows verification of information at every stage of the DUNSRight™ quality process.

- We use the **Corporate Linkage** process to enable our customers to view their total risk or opportunity across related business entities. Linkage means we view each entity in relation to its corporate family, providing our customers with increased awareness of risk exposure, new opportunities to penetrate existing customers, and increased leverage with their suppliers.
- Finally, our **Predictive Indicators** use statistical analysis to rate a business's past performance and to indicate how the business is likely to perform in the future. As an example, Predictive Indicators are used to predict the likelihood of a company going out of business or not paying its bills. By providing Predictive Indicators, we make the information in our database even more actionable for our customers.

With the power of our DUNSRight™ quality process at its foundation, we believe the D&B Brand™ is another competitive advantage that will help us achieve our aspiration.

Create Financial Flexibility

As part of our Blueprint for Growth strategy, we continually seek opportunities to reallocate our spending to activities that drive revenue growth while, at the same time, improving our profitability. We view almost every dollar that we spend as flexible. What we mean is that we view very little of our costs as fixed — we make a conscious decision about every investment we make.

Through the structured process we call "Creating Financial Flexibility," we continually and systematically seek ways to improve our performance in terms of quality and cost. Specifically, we seek to eliminate, standardize, consolidate, and automate our business functions, or migrate them to the Web. After we have realized internal efficiencies, we evaluate the possibility that others can provide improved quality and greater efficiencies through outsourcing.

As part of our Financial Flexibility Programs, we have:

- eliminated non-core operations, such as our Receivable Management Services business, which we sold during 2001;
- consolidated data collection telecenters;
- automated and simplified data collection handled both internally and from third-party data sources; and
- outsourced certain technology functions, including our data center operations and systems development, as well as certain portions of our data acquisition and delivery, customer service, and financial processes.

Since the launch of our Blueprint for Growth strategy, we have implemented several Financial Flexibility Programs. In each of these programs we identified ways to reduce our expense base, then reallocated some of the identified spending to other areas of our operations to improve revenue growth. With each program we have incurred a restructuring charge (which generally consists of employee severance and termination costs, asset write-offs, and/or costs to terminate lease obligations) and transition costs (which consist of other costs necessary to accomplish the process changes such as consulting fees, costs of temporary workers, relocation costs and stay bonuses).

The initial impact of each program on our expense base before any restructuring charges and transition costs and before any reallocation of spending, and the related restructuring charge and transition costs for each program, are as follows:

- In 2000, we initially reduced our 2001 expense base by $130 million on an annualized basis before any reallocation of spending. Our actions resulted in a $41.5 million restructuring charge in 2000, of which $4.0 million was reversed in 2001 as excess. Our actions also resulted in $17.2 million of transition costs incurred primarily in 2001.
- In 2001, we initially reduced our 2001 expense base by $70 million on an annualized basis before any reallocation of spending. Our actions resulted in a $32.8 million restructuring charge in 2001. Our actions also resulted in an aggregate of $30.6 million of transition costs primarily in 2001 and 2002.

- In 2002, we initially reduced our expense base by $80 million on an annualized basis before any reallocation of spending. Our actions resulted in a $30.9 million restructuring charge in 2002 and in an aggregate of $27.4 million of transition costs in 2002 and 2003.
- In 2003, we initially reduced our 2003 expense base by $75 million on an annualized basis before any reallocation of spending. Our actions resulted in an aggregate of $17.4 million of restructuring charges in 2003 and an aggregate of $9.3 million of transition costs in 2003 and 2004.
- In 2004, we initially reduced our 2004 expense base by $80 million on an annualized basis before any reallocation of spending. Our actions resulted in an aggregate of $32.0 million of restructuring charges in 2004 and in $20.6 million of transition costs in 2004 (see Note 3 of our consolidated financial statements).

In our 2005 Financial Flexibility Program we anticipate incurring approximately $10 million of additional restructuring charges for severance and other termination costs and approximately $7 million of additional transition costs for the 2004 program actions, primarily due to our outsourcing initiative to International Business Machines Corporation announced in October 2004.

In February 2005, we announced plans to create additional Financial Flexibility through improving operating efficiency with a focus on evaluating opportunities in the International segment and leveraging current outsourcing partners and vendors to drive quality and cost efficiencies primarily in the area of technology. Once fully implemented, we expect these actions to reduce our expense base by $70 million to $80 million annually, before any restructuring charges and transition costs and before any reallocation of spending. To implement these measures related to our 2005 Financial Flexibility Program and complete our 2004 Financial Flexibility Program, we expect to incur transition costs of approximately $20 million to $22 million and incur restructuring charges of approximately $30 million to $35 million, of which $28 million to $32 million relate to employee terminations and $2 million to $3 million relate to leasehold terminations.

The decision about how much to reallocate to other areas of our operations to drive revenue growth is initially made as part of our annual business planning and budgeting process. We then revisit the allocation of our expenditures over the course of the year.

We believe the success of our flexible business model is illustrated by a comparison of our financial results from 2000 (the year our Blueprint for Growth strategy was launched) through 2004. Over the five-year period, we incurred restructuring charges totaling $150.6 million and transition costs totaling $105.1 million, averaging in total approximately $51 million per year. Even after incurring these charges and the loss of operating income associated with the sales of businesses, our operating income increased from $170.3 million in 2000 to $318.8 million in 2004, an increase of $148.5 million, or 87%. (See "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" in this Form 10-K for a more complete discussion of our financial results, including these restructuring charges.) In addition, the Financial Flexibility Program provided us with the funds to invest in our core business and make selective acquisitions. This allowed us to significantly increase our organic and core revenue over this period, with the result that our total revenue declined only slightly from $1,415.1 million in 2000 to $1,414.0 million in 2004, notwithstanding the loss of revenue associated with the sale of non-core businesses and the divestiture of businesses in furtherance of our international market leadership strategy. Further, since this process of continuous reengineering enables us to grow revenue at a faster rate than costs, our operating margin before non-core gains and charges improved from 17% in 2000 to 25% in 2004. On a GAAP basis, our operating margin was 12% in 2000 and 23% in 2004. See "How We Evaluate Our Performance" below.

In addition to margin improvement, our process of continuous reengineering has improved the capital efficiency of our business model. For example, by reducing infrastructure inefficiencies, fewer investments in capital and software are required to run the same operations. Leveraging partners in key markets, as we are doing internationally as described below (see "Business Segments — *International*" below), eliminates our capital requirements in partnership markets. Also, outsourcing investment-intensive activities allows us to reduce our future investments in capital and software. In 2000, investments in capital and software accounted for 5% of our total revenue. This was reduced to 2% of total revenue by 2004.

As a result of our ability to provide funds for activities that drive growth while at the same time improving our profitability, we believe our flexible business model is another competitive advantage.

Enhance Our Current Business and Become an Important Player in E-Business

We have four customer solution sets: Risk Management Solutions, Sales & Marketing Solutions, Supply Management Solutions, and E-Business Solutions. We believe each of our customer solution sets will contribute to our growth and enable us to achieve our aspiration.

- Our **Risk Management Solutions** help customers mitigate credit risk, increase cash flow and drive increased profitability;
- Our **Sales & Marketing Solutions** help customers increase revenue from new and existing customers;
- Our **Supply Management Solutions** help customers identify purchasing savings, manage purchasing risk and improve compliance within the supply base; and
- Our **E-Business Solutions** help customers convert prospects to clients faster.

Risk Management Solutions

Risk Management Solutions is our largest customer solution set, accounting for 62% of our total revenue in 2004. Within this customer solution set we offer traditional and value-added products. Our Traditional Risk Management Solutions, which consist of reports from our database used primarily for making decisions about new credit applications, constituted 82% of our Risk Management Solutions revenue and 51% of our total revenue in 2004. Our value-added products, which constituted 18% of our Risk Management Solutions revenue and 11% of our total revenue in 2004, generally support automated decision-making and portfolio management through the use of scoring and integrated software solutions. See "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" for a discussion on trends in this solution set.

Our Risk Management Solutions help customers increase cash flow and profitability while mitigating credit risk by helping them answer questions such as:

- Should I extend credit to this new customer?
- What credit limit should I set?
- Will this customer pay me on time?
- What is my total credit risk exposure?
- Should I change my credit policies?
- How can I proactively manage my cash flow?

Sales & Marketing Solutions

Sales & Marketing Solutions is our second-largest customer solution set accounting for 26% of our total revenue in 2004. Within this customer solution set we offer traditional and value-added products. Our traditional products generally consist of marketing lists, labels and customized data files used by our customers in their direct mail and marketing activities. These products constituted 47% of our Sales & Marketing Solutions revenue and 12% of our total revenue in 2004. Our value-added products generally include decision-making and customer information management solutions. These value-added products constituted 53% of our 2004 Sales & Marketing Solutions revenue and 14% of our total revenue in 2004. See "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" for a discussion on trends in this solution set.

Our Sales & Marketing Solutions help customers increase revenue from new and existing customers by helping them answer questions such as:

- Who are my best customers?
- How can I find prospects that look like my best customers?

- How can I exploit untapped opportunities with my existing customers?
- How can I allocate sales force resources to revenue growth potential?

Supply Management Solutions

Supply Management Solutions has historically been a small part of our business, representing only 2% of our total revenue in 2004. See "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" for a discussion on trends in this solution set.

Our Supply Management Solutions help our customers identify purchasing savings and manage purchasing risk and improve compliance within their supply base by helping them answer questions such as:

- How much do I spend on purchasing?
- How much business do I do with each supplier?
- How can I minimize my purchasing costs?
- How can I avoid supply chain disruption?
- How can I know which suppliers are also customers?
- How can I find suppliers to help achieve my corporate diversity objectives?

E-Business Solutions

E-Business Solutions represents the results of Hoover's, Inc., a business we acquired in March 2003. It accounted for 4% of our total revenue in 2004.

Hoover's provides information on public and private companies, primarily to senior executives and sales professionals worldwide. Hoover's has a proprietary database of more than 40,000 companies worldwide and 600 global industries, an increase from approximately 18,000 companies and 300 industries when we acquired the business. The database includes industry and company briefs, information on competitors, corporate financials, executive contact information, current news and research and analysts reports. Hoover's subscribers primarily access the data online via Hoover's Online.

Our E-Business Solutions help customers convert prospects to clients faster by helping them answer questions such as:

- How do I identify prospects and better prepare for sales calls?
- What is the prospect's business strategy and who are its major competitors?
- How does the prospect compare to others in their industry?
- Who are the key senior level decision makers?
- How do I build a strong relationship with my customers?
- How do I find new business opportunities and keep current on market trends and competitors?

We believe that we can deliver our revenue growth aspiration

As we look forward, we see three fundamental reasons to believe that we can continue to grow revenue.

First, we believe that the foundation we have built on our Winning Culture, our Brand and our Flexible Business Model will fuel our growth.

Second, we believe that the marketplace needs what we provide, and that the opportunity to provide more is profound. We believe that we fulfill fundamentally essential needs that are critical to the health of our customers' businesses.

In addition to fulfilling essential needs for our customers, we believe a profound growth opportunity exists in the marketplace, because we believe that we can, over time, increase our penetration within existing customers and capture an increasing percentage of their spending against their own *internal* processes.

Finally, we believe that our unique competitive advantage in our DUNSRight™ quality process will enable us to meet more of our customers' needs going forward as we provide them with the insightful information they need for their businesses. See "Trends, Risks and Uncertainties" below for risk factors associated with achieving our revenue growth aspiration.

Business Segments

We report our business globally through two business segments:

- North America (which consists of our operations in the United States and Canada), and
- International (which consists of our operations in Europe, Asia Pacific, and Latin America).

North America. Our North America segment has offices and conducts operations in two countries. This segment accounted for 73% of our total revenue in 2004.

International. The International segment has offices in 13 countries and 134 independent correspondents, and conducts operations through minority equity investments and strategic relationships with local players in more than 20 additional countries. The International segment accounted for 27% of our total revenue in 2004.

On January 1, 2005, we began managing our business in Canada in the International segment. We will report financial results in the new segment structure beginning with the results for the first quarter of 2005 and conform historical amounts to reflect the new segment structure.

As part of our ongoing effort to *Enhance our Current Business*, we are implementing a focused market leadership strategy for our International segment, through which we intend to establish a leading competitive position in every major market. We define a leading competitive position as one where we are, or we are partnered with:

- a leading provider of Risk Management Solutions;
- a leading provider of Sales & Marketing Solutions; and
- have the potential to grow both.

We use different approaches to improve our competitive position from market to market worldwide. As part of this process, we evaluate our competitive position and potential in each country (or market) and determine whether we can best achieve our objectives through continued direct ownership of, and investment in, our local business, or by forming strategic relationships with local players.

Since the launch of the Blueprint for Growth strategy, we have entered into strategic International relationships with strong local players in the following countries (markets), which have strengthened our DUNSRight™ quality process and improved our competitive position in these markets:

- In 2001 Japan, Australia, New Zealand, Malaysia and Thailand;
- In 2002 Korea;
- In 2003 Indonesia, Israel and the Nordic region (Sweden, Denmark, Norway and Finland); and
- In 2004 India, Distribution Channels in Pakistan and the Middle East, Central Europe (Germany, Austria, Switzerland, Poland, Hungary and the Czech Republic), Iberia (Spain and Portugal) and France.

The success of our international market leadership strategy is illustrated by the growth in revenue and profitability of our ongoing businesses through 2004. See "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" ("MD&A") in this Form 10-K.

To assess this growth, we use a metric we call "core revenue," which we define as "total revenue" less "divested business revenue." (See also "How We Evaluate Our Performance" below.) With this metric, once a business is sold, its revenue is classified as divested business revenue in all periods, not just prospectively from the period of sale.

Our market leadership strategy has also benefited our profitability for two key reasons: first, because the businesses we divested were, in the aggregate, less profitable than our ongoing businesses, and second, because our strategy provides ongoing opportunities for reengineering.

Segment data and other information for the years ended December 31, 2004, 2003 and 2002 are included in Note 14 to our consolidated financial statements.

Each of our business segments is subject to a number of challenges, which are discussed in detail in the MD&A. One of these challenges includes a recent tax increase in Italy that is expected to significantly increase the cost of conducting our Italian real estate information business in 2005. A discussion of this legislation and our plan for addressing the cost increase, is found in the MD&A under the section captioned "Segment Results — *International*."

How We Evaluate Our Performance

We use the following financial measures to evaluate our performance:

- Total revenue excluding the revenue of divested businesses is referred to as "core revenue." Core revenue includes the revenue from acquired businesses from the date of acquisition;

- Core revenue growth, excluding the effects of foreign exchange, is referred to as "revenue growth before the effects of foreign exchange." We also separately analyze core revenue growth before the effects of foreign exchange among two components, "organic core revenue growth" and "core revenue growth from acquisitions;"

- Results (such as operating income, operating income growth, operating margin, net income, tax rate and diluted earnings per share) excluding restructuring charges (whether recurring or non-recurring) and certain other items that we consider do not reflect our underlying business performance. We refer to these restructuring charges and other items as "non-core gains and (charges);" and

- Net cash provided by operating activities minus capital expenditures and additions to computer software and other intangibles is referred to as "free cash flow."

We believe "core revenue" is useful to management and investors because it provides an indication of the underlying direction of changes in revenue in a single performance measure without reported revenue of divested businesses which will not be included in future revenue. Management believes that this measure provides valuable insight into our revenue from ongoing operations and enables investors to evaluate business performance and trends by facilitating a comparison of results of ongoing operations with past reports of financial results. In addition, this measure is used by management to evaluate performance for compensation purposes.

We also isolate the effects of changes in foreign exchange rates on our revenue growth because, while we take steps to manage our exposure to foreign currency, we believe that it is useful to our investors to be able to compare revenue from one period to another both with and without the effects of foreign exchange.

We analyze "organic core revenue growth" and "core revenue growth from acquisitions" because management believes this information provides an important insight into the underlying health of our business.

We believe presenting results (such as operating income, operating income growth, operating margin, net income, tax rate and diluted earnings per share) "before non-core gains and (charges)" (such as restructuring charges) is appropriate because they are not a component of our ongoing income or expenses and may have a disproportionate positive or negative impact on the results of our ongoing underlying business operations. These non-core gains and (charges) are identified in "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations." It should not be concluded from our presentation of non-core gains and charges that the items that result in non-core gains and (charges) will not occur in the future. Non-operating income or expenses and transition costs (period costs such as consulting fees, costs of temporary employees, relocation costs and stay bonuses incurred to implement the Financial Flexibility component of our strategy), all of which are reported at the corporate level, are not included in our segment results.

"Free cash flow" measures our available cash flow for potential debt repayment, acquisitions, stock repurchases and additions to cash, cash equivalents and short term investments. We believe free cash flow to be relevant and useful to our investors, as this measure is used by our management in evaluating the funding available after supporting our ongoing business operations and our portfolio of product investments. Free cash flow should not be considered as a substitute measure of net cash flows provided by operating activities. Therefore, we believe it is important to view free cash flow as a complement to our entire consolidated statements of cash flows.

We believe these measures are useful because they reflect how we manage our business. These adjustments to our results in accordance with GAAP are made with the intent of providing both management and investors a more complete understanding of the underlying operational results and trends and our marketplace performance. These adjustments to our GAAP results are among the primary indicators management uses as a basis for our planning and forecasting of future periods for evaluating the performance of the business, allocating resources and for compensation purposes. However, these measures are not prepared in accordance with GAAP and should not be considered in isolation or as a substitute for total revenue, operating income, diluted earnings per share or net cash provided by operating activities prepared in accordance with GAAP. We discuss our financial results prepared in accordance with GAAP and provide a reconciliation of our GAAP and non-GAAP results in "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations."

In addition, it should be noted that because not all companies calculate these financial measures similarly, or at all, the presentation of these measures is not likely to be comparable to measures of other companies.

Our Products and Services, Sales Force and Principal Customers

Our principal Risk Management Products are:

- our Business Information Report, or BIR, and our Comprehensive Report;
- our decisioning scores, which help assess the credit risk of a business by assigning a rating or score;
- our Risk Assessment Manager, or RAM™, and enterprise Risk Assessment Manager, or eRAM™, which help our customers manage their credit portfolios;
- our Self Awareness Solutions, which allow our small business customers to establish, improve and protect their own credit; and
- e-Portfolio, a Web-enabled, real-time decisioning solution that helps customers minimize risk and maximize opportunity by automating their global risk policy.

Our principal Sales & Marketing Products are:

- our Customer Information Management Solutions, which are a suite of products that cleanse, integrate and enrich customer information with our DUNSRight™ quality process. These products produce a

comprehensive view of the customer that powers the Customer Relationship Management ("CRM") system and business intelligence systems used by our customers to make sales and marketing decisions;

- our Market Spectrum™ Web, which allows end-users easy access, through the Web, to a decision support application that provides an integrated view of customers and prospects. Market Spectrum™ Web is used to support accurate targeting and segmentation for marketing campaigns; and
- our Direct Marketing Lists, which benefit from our DUNSRight™ quality process to deliver an accurate and comprehensive marketing campaign for our customers.

Our principal Supply Management Products are:

- our Supply Data Services, which provide data content and professional services to remove duplicate records and file fragmentation as well as cleanse, enhance and enrich our customers' supplier information;
- our Supplier reports, particularly our Supplier Qualifier Report™, which enable our customers to understand risk in their supply base by providing an in-depth business profile on an individual supplier and help customers understand the nature and performance of a supplier's business;
- our Supply On-Ramp™, which is a Web-based solution that allows customers to standardize their supplier registration and evaluation process by creating a single point of entry with consistent procedures; and
- our Supply Optimizer™ , which is an analytical software tool that provides customers with a comprehensive view of their supplier relationships: who their suppliers are, how much they are spending by business unit and what categories of products and services are being bought.

Our principal E-Business Products are:

- our Subscription products delivered online through Hoover's Online (i.e., Lite, Pro, Pro Plus, Pro Premium) and via electronic data feeds;
- our Advertising & e-marketing products through www.hoovers.com and www.hoovers.co.uk;
- licensing of Hoover's proprietary content to third-party content providers; and
- the Hoover's Handbook series.

We rely primarily on our sales force of approximately 1,600 team members worldwide to sell our products, of which approximately 1,200 and 400 are in our North America and International segments, respectively. Our sales force includes relationship managers and product specialists who sell to our higher-revenue customers, teams of telesales people who sell to our lower-revenue customers and a team that sells to resellers of our products and our data, such as Lexis-Nexis.

We deliver our solutions primarily through the Web and other electronic methods, including desktop and enterprise application software as well as through third-party resellers and enterprise software vendors.

Our principal customers are major manufacturers and wholesalers, insurance companies, telecommunication companies, banks and other credit and financial institutions. The principal customers for our E-business Solutions products are senior executives and sales professionals in enterprise businesses worldwide.

None of our customers accounted for more than 2% of our 2004 total revenue or of the revenue of our North America or International business segments. Accordingly, neither the Company nor any of our business segments is dependent on a single customer or a few customers, such that a loss of any one would have a material adverse effect on our consolidated annual results or the annual results of any of our business segments.

Competition

We are subject to highly competitive conditions in all aspects of our business. A number of competitors are active in specific aspects of our business. However, we believe no competitor offers our complete line of solutions or can match our global data quality resulting from our DUNSRight™ quality process.

In North America, we are a market leader in our Risk Management Solutions business in terms of relative market share and revenue of third-party business credit information. We directly compete with a broad range of companies, including consumer credit companies such as Equifax, Inc. and Experian Information Solutions, Inc., which have traditionally primarily offered consumer information services, but now offer products that combine consumer information with business information as a tool to help customers make credit decisions with respect to small businesses. We also compete with our customers' own internal business practices.

We also compete in North America with a broad range of companies offering products similar to our Sales & Marketing Solutions and Supply Management Solutions as well as our customers' own purchasing departments. In our Sales & Marketing Solutions business, our direct competitors include companies such as Experian Information Solutions, Inc., and infoUSA, Inc. ("I-USA"). In our Supply Management Solutions business, we directly compete with specialty consulting firms, specialty data providers, specialty software companies, as well as large consulting firms.

In our E-Business Solutions, Hoover's competition varies based on the size of customer and the level of spending available for services such as Hoover's Online. On the high end of product pricing, Hoover's Pro and Hoover's Pro Plus and Hoover's Pro Premium compete with other business information providers such as OneSource (recently acquired by I-USA). On the lower end of product pricing, Hoover's Lite mainly competes with free advertising-supported sites and other free or low-priced information sources, such as Yahoo! Finance and CBS MarketWatch.

Outside North America, the competitive environment varies by country. In some countries, leadership positions exist, while other markets are more competitive. For example, in Europe, our direct competition is primarily local, such as Cerved in Italy and Experian in the UK. In addition, common links exist among some of these competitors through their membership in two European information network alliances, BIGNet (Experian) and Eurogate (Coface Scrl & Graydon), and we believe that competitors may be pursuing the establishment of their own pan-European network through direct investment, which could ultimately be positioned by them as an alternative to our pan-European network that we have established through the implementation of our International market leadership strategy. However, we believe we offer superior solutions when compared to these networks because of our competitive advantage — our DUNSRight™ quality process — which we deliver on a global basis. In addition, the European Sales & Marketing Solutions landscape is both localized and fragmented throughout Europe, where numerous local players of varying size compete for business.

We also face competition from the in-house operations of the businesses we seek as customers, other general and specialized credit reporting and business information services, other information and professional service providers, and credit insurers. For example, in certain International markets, such as Europe, some credit insurers have identified the provision of credit information as an additional revenue stream. In addition, business information products and services are becoming more readily available, principally due to the expansion of the Internet, greater availability of public data and the emergence of new providers of business information products and services.

As discussed in "Our Aspiration and Our Strategy" above, we believe that our Winning Culture, our Brand, and our Flexible Business Model form a powerful, competitive advantage.

Our ability to continue to compete effectively will be based on a number of factors, including:

- our ability to communicate and demonstrate to our customers the value of our proprietary DUNSRight™ quality process and, as a result, improve customer satisfaction;
- our ability to attract local customers to the worldwide information services offered by our unique database;
- our ability to demonstrate value through our decision-making tools and integration capabilities;
- the reliability and quality of our information;
- our brand perception;

- our ability to continue to implement the Financial Flexibility component of our strategy and effectively reallocate our spending to activities that drive revenue growth;
- our ability to deliver business information through various media and distribution channels in formats tailored to customer requirements;
- our ability to attract and retain a high-performing workforce;
- our ability to enhance our existing services or introduce new services; and
- our ability to improve our International business model and data quality through the successful management of strategic relationships in our International segment.

Intellectual Property

We own and control a number of intellectual property rights, such as trade secrets, confidential information, trademarks, trade names, copyrights and patents. These rights, in the aggregate, are of material importance to our business. We also believe that each of the D&B name and related trade names, marks and logos are of material importance to our business. We are licensed to use certain technology and other intellectual property rights owned and controlled by others, and other companies are licensed to use certain technology and other intellectual property rights owned and controlled by us. We consider our trademarks, service marks, databases, software and other intellectual property to be proprietary, and we rely on a combination of statutory (*e.g.*, copyright, trademark, trade secret, patent) and contract and liability safeguards for protection.

The names of our branded products and services referred to in this Form 10-K are trademarks, service marks or registered trademarks or service marks owned by or licensed to us or one or more of our subsidiaries.

Employees

As of December 31, 2004, we employed approximately 4,700 team members worldwide, of which approximately 3,300 were in our North America segment and Corporate and approximately 1,400 were in our International segment. We believe that we have good relations with our employees. There are no unions in our North America segment. Workers Councils and Trade Unions represent a portion of our employees in the European and Latin American operations of our International segment.

Available Information

The Company is required to file annual, quarterly and special reports, proxy statements and other information with the SEC. Investors may read and copy any document that the Company files, including this Annual Report on Form 10-K, at the SEC's Public Reference Room at 450 Fifth Street, N.W., Washington, D.C. 20549. Investors may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. In addition, the SEC maintains an Internet site at www.sec.gov that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC, from which investors can electronically access the Company's SEC filings.

The Company makes available free of charge on or through its website (www.dnb.com) its Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, as soon as reasonably practicable after it electronically files such material with, or furnishes the material to, the SEC. The information on the Company's website is not, and shall not be deemed to be, a part of this Report or incorporated into any other filings the Company makes with the SEC.

Organizational Background of Our Company

As used in this report, except where the context indicates otherwise, the terms "D&B," "Company," "we," "us," or "our" refer to The Dun & Bradstreet Corporation and its subsidiaries.

For more information on the history of D&B, including the various spin-offs leading to the formation of D&B and its becoming a public company in September 2000, see "Item 3. Legal Proceedings."

Item 2. *Properties*

Our executive offices are located at 103 JFK Parkway, Short Hills, New Jersey, in a 123,000-square-foot property that we lease. This property also serves as the executive offices of our North America segment.

Our other properties are geographically distributed to meet sales and operating requirements worldwide. We generally consider these properties to be both suitable and adequate to meet current operating requirements, and most of the space is being utilized. The most important of these other properties include the following sites:

- a 306,162-square-foot leased space in Bethlehem, Pennsylvania, which houses various sales, finance and data acquisition personnel (approximately one-third of this space is subleased to a third party);
- a 147,000-square-foot office building that we own in Parsippany, New Jersey, housing personnel from our U.S. sales, marketing and technology groups;
- a 78,000-square-foot office building that is leased in Austin, Texas, which houses a majority of Hoover's employees; and
- 76,000-square-feet of leased space in High Wycombe, England, which houses operational and technology services for Europe and serves as the executive offices for our European operations.

In addition to the above locations, we also conduct operations from 42 other offices located throughout the U.S., 41 of which are leased, and 37 non-U.S. office locations, 36 of which are leased.

Item 3. *Legal Proceedings*

We are involved in tax and legal proceedings, claims and litigation arising in the ordinary course of business. We periodically assess our liabilities and contingencies in connection with these matters based upon the latest information available. For those matters where it is probable that we have incurred a loss and the loss or range of loss can be reasonably estimated, we have recorded reserves in our consolidated financial statements. In other instances, we are unable to make a reasonable estimate of any liability because of the uncertainties related to the probability of the outcome and/or amount or range of loss. As additional information becomes available, we adjust our assessment and estimates of such liabilities accordingly. It is possible that the ultimate resolution of our liabilities and contingencies could be at amounts that are different from our currently recorded reserves and that such differences could be material.

Based on our review of the latest information available, we believe our ultimate liability in connection with pending tax and legal proceedings, claims and litigation will not have a material effect on our results of operations, cash flows or financial position, with the possible exception of the matters described below.

In order to understand our exposure to the potential liabilities described below, it is important to understand the relationship between us and Moody's Corporation, our predecessors and other parties that, through various corporate reorganizations and contractual commitments, have assumed varying degrees of responsibility with respect to such matters.

In November 1996, the company then known as The Dun & Bradstreet Corporation ("D&B1") separated through a spin-off into three separate public companies: D&B1, ACNielsen Corporation ("ACNielsen") and Cognizant Corporation ("Cognizant") (the "1996 Distribution"). This was accomplished through a spin-off by D&B1 of its stock in ACNielsen and Cognizant. In June 1998, D&B1 separated through a spin-off into two separate public companies: D&B1, which changed its name to R.H. Donnelley Corporation ("Donnelley/D&B1"), spun off its stock in a new company named The Dun & Bradstreet Corporation ("D&B2") (the "1998 Distribution"). During 1998, Cognizant separated into two separate public companies: IMS Health Incorporated ("IMS") and Nielsen Media Research, Inc. ("NMR") (the "1998 Cognizant Distribution"). In September 2000, D&B2 separated through a spin-off into two separate public companies: D&B2, which changed its name to Moody's Corporation ("Moody's" and also referred to elsewhere in this Form 10-K as "Moody's/D&B2"), spun off its stock in a new company named The Dun & Bradstreet Corporation ("we" or "D&B3" and also referred to elsewhere in this Form 10-K as "D&B") (the "2000 Distribution").

Tax Matters

Moody's/D&B2 and its predecessors entered into global tax-planning initiatives in the normal course of business, principally through tax-free restructurings of both their foreign and domestic operations. As further described below, we have contractual obligations to be financially responsible for a portion of certain liabilities arising from three of these historical tax-planning initiatives ("Legacy Tax Matters"). The status of these Legacy Tax Matters is summarized below, including our settlement of the matter referred to as "Utilization of Capital Losses—1989–1990" ("Capital Losses Matter") during the fourth quarter of 2004.

Pursuant to a series of tax sharing agreements (the "Tax Sharing Agreements"), IMS and NMR are jointly and severally liable for and must pay one-half, and we and Moody's/D&B2 are jointly and severally liable for and must pay the other half, of any payments over $137 million for taxes, accrued interest and other amounts resulting from the Legacy Tax Matters (other than the matter summarized under "Amortization and Royalty Expense Deductions/Royalty Income 1997–2004," for which we and Moody's/D&B2 are solely responsible). Moody's/D&B2 was contractually obligated to pay, and did pay, that $137 million in connection with the Capital Losses Matter.

As further described below, we currently believe that we have adequate reserves for these matters and, as a result, the ultimate resolution of these Legacy Tax Matters is not expected to have a material impact on our earnings.

Utilization of Capital Losses — 1989-1990

The IRS completed its review of the utilization of certain capital losses generated during 1989 and 1990 and, on June 26, 2000, issued a formal notice of adjustment. On May 12, 2000, an amended tax return was filed for the 1989 and 1990 tax periods, which reflected $561.6 million of tax and interest due. Moody's/D&B2 paid the IRS approximately $349.3 million of this amount on May 12, 2000, and IMS paid the IRS approximately $212.3 million on May 17, 2000. The payments were made to the IRS to stop further interest from accruing. Donnelley/D&B1, the taxpayer of record, filed a complaint for a refund in the U.S. District Court on September 21, 2000.

During the fourth quarter of 2004, the taxpayer entered into a settlement agreement with the IRS resolving this matter. We expect the net impact of the settlement to our cash flow in 2005 will be approximately $17.0 million (tax, interest, and penalties, net of tax benefits and inclusive of amounts in dispute with IMS and NMR as described below), in line with our expectations. This amount will be payable to the IRS following our receipt of the related bills for the settlement. The IRS has issued to the taxpayer of record a bill with respect to tax year 1990 for $11.6 million which was paid in full by February 24, 2005 by the companies noted above. Of this amount, we paid $2.9 million. We expect the IRS to issue the bill or bills for the balance of the settlement during the first half of 2005, based on representations from the IRS.

As stated above, the Tax Sharing Agreements provide that IMS and NMR are jointly and severally liable and must pay one half, and we and Moody's/D&B2 are jointly and severally liable and must pay the other half, of tax liabilities relating to this matter. IMS and NMR have indicated to us their belief that they are not responsible for certain portions of the remaining settlement payment. Given our indemnification obligations to Donnelley/D&B1 (the taxpayer of record) we and Moody's/D&B2 are required to pay to the IRS on behalf of Donnelley/D&B1 any portion of the settlement amount not paid by IMS and NMR. Based on our discussions with IMS and NMR, we believe that this dispute with IMS and NMR will require that we pay the IRS approximately $4.5 million (tax and interest, net of tax benefits) in excess of our allocable share of the settlement under the terms of the Tax Sharing Agreements. We believe that the position of IMS and NMR on this issue is contrary to their obligations under the Tax Sharing Agreements. If we are unable to resolve this dispute with IMS and NMR through the negotiation process contemplated by the Tax Sharing Agreements we will commence arbitration proceedings to enforce our rights to collect these amounts from IMS and NMR. While we believe we will prevail in any such arbitration, we cannot predict with certainty that we will ultimately achieve this result.

Royalty Expense Deductions — 1993-1997

In the second quarter of 2003, we received on behalf of Donnelley/D&B1 a proposed notice of deficiency from the IRS proposing adjustments with respect to a partnership transaction entered into in 1993. Specifically, the IRS proposed to disallow certain royalty expense deductions claimed by Donnelley/D&Bl on its 1993-1996 tax returns. We estimate that the disallowance of the 1993 and 1994 royalty expense deductions would result in a loss to us of up to $5.0 million in pending tax refunds. We also estimate that the net impact to D&B's cash flow with respect to the disallowance of the 1995 and 1996 royalty expense deductions could be up to $46.2 million (tax, interest and penalties, net of tax benefits).

In addition, and also in the second quarter of 2003, we received on behalf of the partnership associated with the above transaction a notice of proposed adjustment from the IRS challenging the tax treatment of certain royalty payments received by the partnership in which Donnelley/D&B1 was a partner. In that notice, the IRS is seeking to reallocate certain partnership income to Donnelley/D&B1. In January 2004, we received, on behalf of the partnership, a notice of proposed partnership adjustment, and on behalf of Donnelley/D&B1 a notice of proposed adjustment (similar to those received in the second quarter of 2003) associated with Donnelley/D&Bl's remaining interest in the partnership transaction (as described above) for the three months in 1997 for which the entities were partners. In April 2004, we received, on behalf of Donnelley/D&B1, a proposed notice of deficiency proposing the adjustments described in the January 2004 notice. We estimate that the net impact to cash flow with respect to our share of this income for the Notices received in 2003 and 2004 could be up to $22.8 million (tax, interest, and penalties, net of tax benefits). We believe that the position of the IRS regarding the partnership is inconsistent with its position with respect to the same royalty expense deductions described above and, therefore, the IRS is unlikely to prevail on both positions. The $22.8 million referenced in this paragraph would be in addition to the $46.2 million noted above related to royalty expense deductions discussed in the previous paragraph.

We previously reported in our Form 10-Q for the quarter ended June 30, 2004, that we had negotiated with the IRS a tentative settlement of this matter for tax years 1995–1996 (the "Proposed Settlement"). Per the terms of the Proposed Settlement, the taxpayer would retain approximately 15% of the tax benefit associated with this transaction and pay a penalty of approximately 7%. During the third quarter of 2004, the IRS tendered to us a final settlement agreement for this matter, reflecting the financial terms set forth in the related Proposed Settlement. In accordance with the Tax Sharing Agreements we sought consent to execute the final settlement agreement for this matter from the relevant parties having financial responsibilities under the Tax Sharing Agreements (i.e., Donnelley/D&B1, Moody's/D&B2, IMS, NMR and D&B). Only NMR and IMS did not consent to the final settlement agreement as tendered by the IRS. As a result, the settlement agreement was not executed and the IRS withdrew its settlement offer.

The Tax Sharing Agreements, which govern each of the parties' rights and obligations under this situation, provide that, a party withholding consent to a proposed settlement shall "continue or initiate further proceedings" with the IRS "at its own expense, and the liability of [the party previously in control of such proceedings] shall be limited to the liability that would have resulted from the proposed settlement agreement (including interest, additions to tax and penalties which have accrued at that time.)" We believe, therefore, as a result of the failure of NMR and IMS to provide their consent that in accordance with the foregoing provisions (the "Royalty Expense Indemnity & Defense Provisions") we have effectively capped our liability for this matter with respect to tax years 1995–1996 at the amounts provided in the Royalty Expense Proposed Settlement (and related final agreement).

Thus, we believe that the ultimate resolution of the 1995–1996 tax years will have a projected net impact to our cash flow of $37.7 million (tax, interest and penalties, net of tax benefits). We also believe that in accordance with the terms of the Tax Sharing Agreements NMR would be contractually responsible to pay any excess amounts above the Proposed Settlement that may ultimately be owing with respect to tax years 1995–1996.

IMS has alleged various breaches of our obligations under the Tax Sharing Agreements related to our management and attempted settlement of this matter. In addition to "reserving its rights" against D&B, IMS has urged NMR to:

- challenge our application of the Royalty Expense Indemnity & Defense Provisions of the Tax Sharing Agreements (namely, that NMR must now lead the defense and that NMR and IMS indemnify us for any financial outcome that is less advantageous to us than the final settlement); and
- assert breaches of contract and to terminate the obligations of IMS and NMR under the Tax Sharing Agreements generally.

We believe that neither NMR nor IMS have any right or the legal basis to terminate their obligations under the Tax Sharing Agreements and that any attempt to do so will be found to be without merit.

We anticipate commencing arbitration proceedings to enforce our rights under the Royalty Expense Indemnity & Defense Provisions should the negotiation process required by the Tax Sharing Agreements fail to resolve the parties' dispute. While we believe that we should prevail in such arbitration, and thereby effectively cap our exposure with respect to tax years 1995–1996 at the levels described above, we cannot predict with certainty that we will ultimately achieve that outcome.

As noted above, the IRS has withdrawn its settlement offer with respect to tax years 1995–1996 and, accordingly, may issue notices preliminary to making assessments at any time. If we, on behalf of Donnelley/D&B1 and Moody's/D&B2, were to challenge at any time, any of the IRS positions for years other than 1993 and 1994 described above in U.S. District Court or the U.S. Court of Federal Claims, rather than in U.S. Tax Court, the disputed amounts for each applicable year would need to be paid in advance for the Court to have jurisdiction over the case. It is possible that the IRS may seek to issue such notices with respect to each of the inconsistent positions noted above.

Amortization and Royalty Expense Deductions/Royalty Income — 1997-2004

In the fourth quarter of 2003, we received on behalf of Donnelley/D&B1 and Moody's/D&B2, IRS Notices of Proposed Adjustment with respect to a partnership transaction entered into in 1997. In addition, we received, on behalf of the partnership, various IRS materials further explaining the examining agent's position with respect to the activities of the partnership in 1997–1998.

In April 2004, we received on behalf of Donnelley/D&B1 and Moody's/D&B2 proposed notices of deficiency from the IRS, proposing adjustments with respect to the 1997 partnership transaction. The adjustments proposed in the notices reflect the notices of proposed adjustment and other IRS materials referred to above.

Specifically, the IRS asserted that certain amortization expense deductions claimed by Donnelley/D&Bl and Moody's/D&B2 on their 1997–1998 tax returns should be disallowed. We estimate that the net impact to cash flow as a result of the disallowance of the 1997 and 1998 amortization deductions and the disallowance of such deductions claimed from 1999 to date could be up to $59.9 million (tax, interest and penalties, net of tax benefits but not taking into account the Moody's/D&B2 repayment to us of $37.2 million described below). This transaction is scheduled to expire in 2012 and, unless terminated by us, the net impact to cash flow, based on current interest rates and tax rates would increase at a rate of approximately $2.1 million per quarter (including potential penalties) as future amortization expenses are deducted. At the 2000 Distribution date, we paid Moody's/D&B2 approximately $55 million in cash representing the discounted value of future tax benefits associated with this transaction. However, pursuant to the terms of the distribution agreement for the 2000 Distribution, should the transaction be terminated, Moody's/D&B2 would be required to repay us an amount equal to the discounted value of its 50% share of the related future tax benefits. If the transaction was terminated at December 31, 2004, the amount of such repayment from Moody's/D&B2 to us would be approximately $37.2 million and would decrease by approximately $4.0 million to $5.0 million per year.

In addition, the IRS has asserted that royalty expense deductions, claimed by Donnelley/D&B1 and Moody's/D&B2 on their tax returns for 1997–1998, for royalties paid to the partnership, should be disallowed. Relatedly, the IRS has asserted that the receipt of these same royalties by the partnership should be reallocated to and reported as royalty income by Donnelley/D&Bl and Moody's/D&B2, including the portions of the royalties that were allocated to third-party partners in the partnership, and, thus, included in their taxable

income. We believe that the IRS' stated positions with respect to the treatment of the royalty expense and royalty income are mutually inconsistent. If the IRS prevails on one of the positions with respect to the royalty expense and royalty income, we believe that it is unlikely that it will prevail on the other position. As a result, we believe that after taking into account certain other tax benefits resulting from the IRS' position on the partnership it is unlikely that there will be any net impact to cash flow in addition to the amounts noted above related to the amortization expense deduction.

In the unlikely event the IRS were to prevail on both positions with respect to the royalty expense/ income, we estimate that the net impact to cash flow as a result of the disallowance of the 1997–1998 royalty expense deductions, the disallowance of such deductions claimed from 1999 to date and the inclusion of the reallocated royalty income for all relevant years could be up to $140.7 million (tax, interest, and penalties, net of tax benefits). This $140.7 million would be in addition to the $59.9 million noted above related to the amortization expense deduction.

We have filed protests relating to this matter with the IRS Office of Appeals. During the third quarter of 2004, we were informed by the IRS Office of Appeals that this matter was being returned to the Examination Division of the IRS for further development of the issues. We are attempting to resolve this matter with the IRS before proceeding to litigation, if necessary. If we, on behalf of Donnelley/D&B1 and Moody's/D&B2, were to challenge, at any time, any of these IRS positions for years 1997 and 1998 in U.S. District Court or the U.S. Court of Federal Claims, rather than in U.S. Tax Court, the disputed amounts for each applicable year would need to be paid in advance for the Court to have jurisdiction over the case. It is possible that the IRS may seek to issue such notices with respect to each of the inconsistent positions noted above.

We have considered the foregoing Legacy Tax Matters and the merits of the legal defenses and the various contractual obligations in our overall assessment of potential tax liabilities. We have net $108 million recorded in the consolidated financial statements, made up of the following components: $17 million of reserves in Accrued Income Tax and $91 million in Other Non-Current Liabilities. We believe that these reserves are adequate for our share of the liabilities in these Legacy Tax Matters. Any payments that would be made for these exposures could be significant to our cash from operations in the period a cash payment took place, including any payments for the purpose of obtaining jurisdiction in U.S. District Court or the U.S. Court of Federal Claims to challenge any of the IRS's positions.

Legal Proceedings

Information Resources, Inc.

Introduction

The following is a description of an antitrust lawsuit filed in 1996 by Information Resources, Inc. ("IRI"). As more fully described below, VNU N.V., a publicly traded Dutch company ("VNU"), and its U.S. subsidiaries VNU, Inc., ACNielsen, AC Nielsen (US), Inc. ("ACN (US)"), and Nielsen Media Research ("NMR") (collectively, the "VNU Parties"), have assumed exclusive joint and several liability for any judgment or settlement of this antitrust lawsuit. As a result of the indemnity obligation, D&B does not have any exposure to a judgment or settlement of this lawsuit unless the VNU Parties default on their obligations. In the event of such default, contractual commitments undertaken by D&B in connection with various corporate reorganizations since 1996, including our spin-off from Moody's/D&B2 in 2000, require us to bear a portion of any amount not paid by the VNU Parties. See below "D&B's Potential Exposure in the Lawsuit." Moreover, as described below, on February 1, 2005, the U.S. District Court for the Southern District of New York entered a final judgment against IRI dismissing IRI's claims. IRI filed a notice of appeal to the Second Circuit Court of Appeals on February 2, 2005. The Court of Appeals for the Second Circuit has ordered that the appeal be argued no earlier than the week of June 13, 2005. For a description of the terms "Donnelly/ D&B1," "Moody's/D&B2" and "Moody's" and the relationship between Donnelly/D&B1, Moody's, Moody's/ D&B2 and D&B, see Note 13 to our consolidated financial statements.

Overview of the Lawsuit

In July 1996, IRI filed a complaint, subsequently amended in 1997, in the U.S. District Court for the Southern District of New York, naming as defendants a company then known as The Dun & Bradstreet Corporation and now known as R.H. Donnelley (referred to in this Form 10-K as Donnelley/D&B1), A.C. Nielsen Company (a subsidiary of ACNielsen) and IMS International, Inc. (a subsidiary of the company then known as Cognizant Corporation). At the time of the filing of the complaint, each of the other defendants was a wholly-owned subsidiary of Donnelley/D&B1.

The amended complaint alleges various violations of United States antitrust laws under Sections 1 and 2 of the Sherman Antitrust Act. IRI's antitrust claims allege that defendants developed and implemented a plan to undermine IRI's ability to compete within the United States and foreign markets in North America, Latin America, Asia, Europe and Australia/New Zealand through a series of anti-competitive practices, including: unlawfully tying/bundling services in the markets in which defendants allegedly had monopoly power with services in markets in which ACNielsen competed with IRI; entering into exclusionary contracts with retailers in certain countries to deny IRI's access to sales data necessary to provide retail tracking services or to artificially raise the cost of that data; predatory pricing; acquiring foreign market competitors with the intent of impeding IRI's efforts to expand; disparaging IRI to financial analysts and clients; and denying IRI access to capital necessary for it to compete.

IRI is seeking damages in excess of $650 million, which IRI also asked to be trebled. IRI has filed with the court the report of its expert who has opined that IRI suffered damages of between $582 million and $652 million from the defendants' alleged practices. IRI also sought punitive damages in an unspecified amount, which the Company believes are precluded as a result of the dismissal of one of IRI's claims.

On December 3, 2004, the Court entered In limine Order No. 1, which bars IRI from "arguing that Nielsen's pricing practices or discounts were illegal or anti-competitive unless it can prove they involved prices below short-run average variable cost, calculated without the inclusion of Nielsen's 'Fixed Operations' costs." On December 17, 2004, IRI issued a press release, which said, in relevant part, "Without this evidence, IRI believes that little would be left of IRI's case to take to trial." IRI has asked the Court to enter a final judgment against it so that it can take an immediate appeal to the Second Circuit. Defendants did not object to this request. On February 1, 2005, the Court entered a final judgment dismissing IRI's claims and on February 2, 2005, the Court entered IRI's notice of appeal to the Court of Appeals for the Second Circuit. The Court of Appeals for the Second Circuit has ordered that the appeal be argued no earlier than the week of June 13, 2005.

The Indemnity and Joint Defense Agreement

In connection with the 1996 Distribution, Cognizant (now NMR), ACNielsen and Donnelley/D&B1 entered into an Indemnity and Joint Defense Agreement (the "Original JDA"), pursuant to which they agreed to:

- allocate potential liabilities that may relate to, arise out of or result from the IRI lawsuit ("IRI Liabilities"); and
- conduct a joint defense of such action.

VNU's and D&B's Involvement in the Lawsuit

In 2001, ACNielsen was acquired by VNU. VNU assumed ACNielsen's obligations under the Original JDA.

Under the terms of the 1998 Distribution, D&B2 assumed all potential liabilities of Donnelley/D&B1 arising from the IRI action and agreed to indemnify Donnelly/D&B1 in connection with such potential liabilities. Under the terms of the 2000 Distribution, D&B undertook to be jointly and severally liable with Moody's/D&B2 for D&B2's obligations to Donnelley/D&B1 under the 1998 Distribution, including for any liabilities arising under the Original JDA and arising from the IRI action itself. However, as between us and Moody's/D&B2, we agreed that under the 2000 Distribution, each of us and Moody's/D&B2 will be responsible for 50% of any payments required to be made by Moody's/D&B2 with respect to the IRI action under the terms of the 1998 Distribution, including legal fees or expenses related to the IRI action.

The Amended and Restated JDA

On July 30, 2004, the VNU Parties, Donnelley/D&B1, D&B, Moody's/D&B2 and IMS entered into an Amended and Restated Indemnity and Joint Defense Agreement (the "Amended JDA").

Pursuant to the Amended JDA, any and all IRI Liabilities incurred by Donnelley/D&B1, D&B, Moody's/D&B2 or IMS relating to a judgment (even if not final) or any settlement being entered into in the IRI action will be jointly and severally assumed and fully discharged exclusively by the VNU Parties. Under the Amended JDA, the VNU Parties have agreed to, jointly and severally, indemnify Donnelley/D&B1, D&B, Moody's/D&B2 and IMS from and against all IRI Liabilities to which they become subject. As a result, the cap on ACNielsen's liability for the IRI Liabilities, which the Original JDA provided for, no longer exists and all such liabilities are the responsibility of the VNU Parties pursuant to the Amended JDA.

In addition, the Amended JDA provides that if it becomes necessary to post any bond pending an appeal of an adverse judgment, then the VNU Parties shall obtain the bond required for the appeal and shall pay the full cost of such bond.

In connection with entering into the Amended JDA, Donnelley/D&B1, D&B, Moody's/D&B2 and IMS agreed to amend certain covenants of the Original JDA to provide operational flexibility for ACNielsen going forward. In addition, the Amended JDA includes certain amendments to the covenants of ACNielsen (which, under the Amended JDA, are now also applicable to ACN (US), which we understand holds ACNielsen's operating assets), which are designed to preserve such parties' claim-paying ability and protect Donnelley/D&B1, D&B, Moody's/D&B2 and IMS. Among other covenants, ACNielsen and ACN (US) agreed that neither they nor any of their respective subsidiaries will incur any indebtedness to any affiliated person, except indebtedness which its payment will, after a payment obligation under the Amended JDA comes due, be conditioned on, and subordinated to, the payment and performance of the obligations of such parties under the Amended JDA. VNU has agreed to have a process agent in New York receive on its behalf service of any process concerning the Amended JDA.

D&B's Potential Exposure in the Lawsuit

As described above, the VNU Parties have assumed exclusive responsibility for the payment of all IRI Liabilities. However, because liability for violations of the antitrust laws is joint and several and because the rights and obligations relating to the Amended JDA are based on contractual relationships, the failure of the VNU Parties to fulfill their obligations under the Amended JDA could result in the other parties bearing all or a share of the IRI Liabilities.

Joint and several liability for the IRI action means that even where more than one defendant is determined to have been responsible for an alleged wrongdoing, the plaintiff can collect all or part of the judgment from just one of the defendants. This is true regardless of whatever contractual allocation of responsibility the defendants and any other indemnifying parties may have made, including the allocations described above between the VNU Parties, Donnelly/D&B1, D&B, Moody's/D&B2 and IMS.

Accordingly, and as a result of the allocations of liability described above, in the event the VNU Parties default on their obligations under the Amended JDA, each of Moody's/D&B2 and D&B will be responsible for the payment of 50% of the portion of any judgment or settlement ultimately paid by Donnelley/D&B1 (which is a defendant in the IRI action), which can be as high as all the IRI Liabilities.

While, as described above, the IRI lawsuit has been dismissed, IRI has filed an appeal. Accordingly, we are unable to predict the outcome of the IRI action (including the appeal) or the financial condition of any of the VNU Parties or the other defendants at the time of any such outcome (and hence we cannot estimate their ability to pay the IRI Liabilities pursuant to the Amended JDA or the judgment or settlement in the IRI action). However, provided that the VNU Parties fulfill their obligations under the Amended JDA, we believe that the resolution of this matter would not materially affect our results of operations, cash flows and financial position. Accordingly, no amount in respect of this matter has been accrued in our consolidated financial statements. If, however, IRI were to prevail in whole or in part in this action and if D&B is required to pay, notwithstanding such contractual obligations, a portion of any significant settlement or judgment, the outcome of this matter could have a material adverse effect on D&B's financial position, results of operations and cash flows.

Hoover's — Initial Public Offering Litigation

On November 15, 2001, a putative shareholder class action lawsuit was filed against Hoover's, certain of its then current and former officers and directors (the "Individual Defendants"), and one of the investment banks that was an underwriter of Hoover's July 1999 initial public offering ("IPO"). The lawsuit was filed in the United States District Court for the Southern District of New York and purports to be a class action filed on behalf of purchasers of the stock of Hoover's during the period from July 20, 1999 through December 6, 2000.

A Consolidated Amended Complaint, which is now the operative complaint, was filed on April 19, 2002. The purported class action alleges violations of Sections 11 and 15 of the Securities Act of 1933, as amended, (the "1933 Act") and Sections 10(b), Rule 10b-5 and 20(a) of the Securities Exchange Act of 1934, as amended, against Hoover's and Individual Defendants. Plaintiffs allege that the underwriter defendant agreed to allocate stock in Hoover's IPO to certain investors in exchange for excessive and undisclosed commissions and agreements by those investors to make additional purchases of stock in the aftermarket at predetermined prices above the IPO price. Plaintiffs allege that the Prospectus for Hoover's IPO was false and misleading in violation of the securities laws because it did not disclose these arrangements. The action seeks damages in an unspecified amount. The defense of the action is being coordinated with more than 300 other nearly identical actions filed against other companies. On July 15, 2002, Hoover's moved to dismiss all claims against it and the Individual Defendants. On October 9, 2002, the Court dismissed the Individual Defendants from the case based upon Stipulations of Dismissal filed by the plaintiffs and the Individual Defendants. On February 19, 2003, the Court denied the motion to dismiss the complaint against Hoover's. On October 13, 2004, the Court certified a class in six of the approximately 300 other nearly identical actions and noted that the decision is intended to provide strong guidance to all parties regarding class certification in the remaining cases. Plaintiffs have not yet moved to certify a class in the case involving Hoover's.

Hoover's has approved a settlement agreement and related agreements that set forth the terms of a settlement between Hoover's, the plaintiff class and the vast majority of the other approximately 300 issuer defendants. Among other provisions, the settlement provides for a release of Hoover's and the individual defendants for the conduct alleged in the action to be wrongful. Hoover's would agree to undertake certain responsibilities, including agreeing to assign away, not assert, or release certain potential claims Hoover's may have against its underwriters. The settlement agreement also provides a guaranteed recovery of $1 billion to plaintiffs for the cases relating to all of the approximately 300 issuers. To the extent that the underwriter defendants settle all of the cases for at least $1 billion, no payment will be required under the issuers' settlement agreement. To the extent that the underwriter defendants settle for less than $1 billion, the issuers are required to make up the difference. It is anticipated that any potential financial obligation of Hoover's to plaintiffs pursuant to the terms of the settlement agreement and related agreements will be covered by existing insurance. Hoover's currently is not aware of any material limitations on the expected recovery of any potential financial obligation to plaintiffs from its insurance carriers. Its carriers are solvent, and Hoover's is not aware of any uncertainties as to the legal sufficiency of an insurance claim with respect to any recovery by plaintiffs. Therefore, we do not expect that the settlement will involve any payment by Hoover's. If material limitations on the expected recovery of any potential financial obligation to the plaintiffs from Hoover's insurance carriers should arise, Hoover's maximum financial obligation to plaintiffs pursuant to the settlement agreement is less than $3.4 million. On February 15, 2005, the Court granted preliminary approval of the settlement agreement, subject to certain modifications consistent with its opinion. The Court ruled that the issuer defendants and the plaintiffs must submit a revised settlement agreement that provides for a mutual bar of all contribution claims by the settling and non-settling parties and does not bar the parties from pursuing other claims. There is a conference scheduled with the judge on March 18, 2005 to discuss the status of the revised settlement agreement. The underwriter defendants will have an opportunity to object to the revised settlement agreement. There is no assurance that the parties to the settlement will be able to agree to a revised settlement agreement consistent with the court's opinion, or that the court will grant final approval to the settlement to the extent the parties reach agreement.

As previously noted, if the settlement is ultimately approved and implemented in its current form, Hoover's reasonably foreseeable exposure in this matter, if any, would be limited to amounts that would be covered by existing insurance. If the settlement is not approved in its current form, we cannot predict the final

outcome of this matter or whether such outcome or ultimate resolution of this matter could materially affect our results of operations, cash flows or financial position. No amount in respect of any potential judgment in this matter has been accrued in our consolidated financial statements.

Pension Plan Litigation

In March 2003, a lawsuit seeking class action status was filed against us in federal court in Connecticut on behalf of 46 specified former employees relating to our retirement plans. As noted below, during the fourth quarter of 2004 most of the counts in the complaint were dismissed. The complaint, as amended in July 2003 (the "Amended Complaint"), sets forth the following putative class:

- current D&B employees who are participants in The Dun & Bradstreet Corporation Retirement Account and were previously participants in its predecessor plan, The Dun & Bradstreet Master Retirement Plan;

- current employees of Receivable Management Services Corporation ("RMSC") who are participants in The Dun & Bradstreet Corporation Retirement Account and were previously participants in its predecessor plan, The Dun & Bradstreet Master Retirement Plan;

- former employees of D&B or D&B's Receivable Management Services ("RMS") operations who received a deferred vested retirement benefit under either The Dun & Bradstreet Corporation Retirement Account or The Dun & Bradstreet Master Retirement Plan; and

- former employees of D&B's RMS operations whose employment with D&B terminated after the sale of the RMS operations but who are not employees of RMSC and who, during their employment with D&B, were "Eligible Employees" for purposes of The Dun & Bradstreet Career Transition Plan.

The Amended Complaint estimates that the proposed class covers over 5,000 individuals.

There are four counts in the Amended Complaint. Count 1 claims that we violated ERISA by not paying severance benefits to plaintiffs under our Career Transition Plan. Count 2 claims a violation of ERISA in that our sale of the RMS business to RMSC and the resulting termination of our employees constituted a prohibited discharge of the plaintiffs and/or discrimination against the plaintiffs for the "intentional purpose of interfering with their employment and/or attainment of employee benefit rights which they might otherwise have attained." Count 3 claims that the plaintiffs were materially harmed by our alleged violation of ERISA's requirements that a summary plan description reasonably apprise participants and beneficiaries of their rights and obligations under the plans and that, therefore, undisclosed plan provisions (in this case, the actuarial deduction beneficiaries incur when they leave D&B before age 55 and elect to retire early) cannot be enforced against them. Count 4 claims that the 6⅗% interest rate (the rate is actually 6¾%) used to actuarially reduce early retirement benefits is unreasonable and, therefore, results in a prohibited forfeiture of benefits under ERISA.

In the Amended Complaint, the plaintiffs sought payment of severance benefits; equitable relief in the form of either reinstatement of employment with D&B or restoration of employee benefits (including stock options); invalidation of the actuarial reductions applied to deferred vested early retirement benefits, including invalidation of the plan rate of 6⅗% (the actual rate is 6¾%) used to actuarially reduce former employees' early retirement benefits; attorneys' fees and such other relief as the court may deem just.

We deny all allegations of wrongdoing and are aggressively defending the case. In September 2003, we filed a motion to dismiss Counts 1, 3 and 4 of the Amended Complaint on the ground that plaintiffs cannot prevail on those claims under any set of facts, and in February 2004, the Court heard oral argument on our motion. With respect to Count 4, the Court requested that the parties conduct limited expert discovery and submit further briefing. In November 2004, after completion of expert discovery on Count 4, we moved for summary judgment on Count 4 on the ground that an interest rate of 6.75% is reasonable as a matter of law. Briefing on that motion is being completed. Meanwhile, on November 30, 2004 the Court issued a ruling granting our motion to dismiss Counts 1 and 3. Shortly after that ruling, plaintiffs' counsel stipulated to dismiss Count 2 (which challenged the sale of the RMS business as an intentional interference with employee

benefit rights, but which the motion to dismiss did not address). Plaintiffs' counsel also stipulated to a dismissal of Count 1, the severance pay claim, agreeing to forego any appeal of the Court's dismissal of that claim. Plaintiffs' counsel did file a motion to join party plaintiffs and to amend the amended complaint to add a new count challenging the adequacy of the retirement plan's mortality tables. The court granted the motion and we have filed our objections.

We are unable to predict at this time the final outcome of this matter or whether the resolution of this matter could materially affect our results of operations, cash flows or financial position. No amount in respect of this matter has been accrued in our consolidated financial statements.

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

Not applicable.

Executive Officers of the Registrant

Our officers are elected by our Board of Directors to hold office until their respective successors are chosen and qualified. We have provided information below about our executive officers and their ages as of March 9, 2005.

Name	Title	Age
Allan Z. Loren	Chairman of the Board	66
Steven W. Alesio	Chief Executive Officer and President	50
James. P. Burke	Leader — U.S. Risk Management Solutions	39
David T. Clarke	Leader — U.S. Sales & Marketing Solutions	45
Patricia A. Clifford	Leader — Human Resources, Winning Culture and Team Member Communications	40
Charles E. Gottdiener	Leader — Strategy and Business Development	40
Cynthia B. Hamburger	Leader — U.S. DUNSRight™ Operations	45
Lawrence M. Kutscher	Leader — Small & Mid-Size Business Solutions	40
David J. Lewinter	General Counsel and Corporate Secretary	43
Sara Mathew	Chief Financial Officer and Leader — Strategy	49
Gary S. Michel	Leader — Reengineering	41
Gregory E. Nordal	Leader — International	49
Michael Pepe	Leader — U.S. Customers	50
Vicki P. Raeburn	Leader — Global DUNSRight™ Strategy	58
Mary Jane Raymond	Corporate Controller	44
David M. Slade	Interim Chief Information Officer	41
Frederick A. Teague	Leader — U.S. Supply Management Solutions	42

Mr. Loren has served as chairman of the board of D&B since October 2000, and as a director since May 2000. As previously announced by the Company, Mr. Loren is expected to remain as Chairman of the Board through May 30, 2005, at which time he will retire from the Company and its Board of Directors. Mr. Loren also served as chief executive officer of D&B from October 2000 through December 2004, and as president of D&B from October 2000 to April 2002. Before our separation from Moody's, Mr. Loren served as chairman and chief executive officer of the Dun & Bradstreet operating company from May 2000 to September 2000. Before joining D&B, Mr. Loren served as executive vice president and chief information officer of the American Express Company from May 1994 to May 2000, and was also a member of that company's Planning and Policy Committee.

Mr. Alesio was named chief executive officer of D&B in January 2005, and was elected as president and elected to D&B's board of directors in May 2002. Prior to that, he served as chief operating officer from May 2002 to December 2004. Mr. Alesio also previously served as D&B's senior vice president of global marketing, strategy implementation, E-Business Solutions and Asia-Pacific/Latin America from July 2001 to

April 2002, with additional leadership responsibility for data and operations from February 2001 to April 2002, and as senior vice president of marketing, technology, communications and strategy implementation from January 2001 to June 2001. Before joining D&B, Mr. Alesio was with the American Express Company for 19 years, most recently serving as president and general manager of the business services group and as a member of that company's Planning and Policy Committee, a position he held from January 1996 to December 2000.

Mr. Burke has served as leader, U.S. Risk Management Solutions of D&B since November 2004, a role which he fulfilled on an interim basis since July 2004, in addition to serving as vice president, RMS products and marketing from April 2004 to October 2004. Mr. Burke previously served as vice president, RMS traditional products from March 2003 to March 2004, and as vice president, small business solutions from December 2001 to February 2003. Prior to joining D&B, Mr. Burke was the chief development officer with Prudential's e-business group from March 2000 to July 2001 and head of internet marketing at First USA Bank from September 1997 to February 2000.

Mr. Clarke has served as leader, U.S. Sales & Marketing Solutions of D&B since August 2003. He previously served as vice president of data & operations — North America from November 2002 to July 2003. Prior to that, Mr. Clarke served as vice president of technology — Global Product Development from May 2002 to October 2002, vice president of technology — North America from October 2000 to April 2002, vice president of technology — strategy, architecture and planning from November 1999 to September 2000, and vice president of technology — information services from February 1999 to October 1999.

Ms. Clifford has served as leader, human resources and winning culture of D&B since June 2002, and assumed additional leadership responsibility for team member communications in October 2004. She previously served as executive assistant to the chairman and chief executive officer and winning culture champion from April 2000 to May 2002, and as assistant corporate secretary from October 1996 to March 2001.

Mr. Gottdiener has served as leader, strategy and business development of D&B since September 2002. Prior to joining D&B, Mr. Gottdiener was a vice president with Cap Gemini Ernst & Young from January 2001 to August 2002. From October 1999 until January 2001, he was employed with Stockback LLC, first as executive vice president of business development and marketing and then as chief operating officer and chief financial officer. Prior to that, Mr. Gottdiener was a partner in the strategic advisory services group at Ernst & Young LLP from June 1996 to October 1999.

Ms. Hamburger has served as leader, U.S. DUNSRight™ operations of D&B since January 2005. She previously served as senior vice president — customer operations since March 2004 and senior vice president — chief technology officer from March 2001 to February 2004, while simultaneously having additional leadership responsibility for U.S. Supply Management Solutions from July 2003 to February 2004. Before joining D&B, Ms. Hamburger was a partner at Computer Sciences Corporation from August 1998 to February 2001.

Mr. Kutscher has served as leader, small & mid-size business solutions of D&B since January 2005, with additional leadership responsibility for U.S. Supply Management Solutions since March 2004. He previously served as vice president — E-Business Solutions from July 2001 to December 2004. Before joining D&B, Mr. Kutscher served as managing director and head of marketing and sales — wealth management at Goldman Sachs & Company from January 2000 to July 2001. Previously, Mr. Kutscher spent most of his career with the American Express Company, serving as senior vice president of interactive enterprise development from July 1999 to January 2000.

Mr. Lewinter has served as general counsel and corporate secretary of D&B since May 2002. He previously served as vice president and leader — European legal affairs from September 2001 to April 2002. Prior to that, Mr. Lewinter served as a vice president of D&B's domestic legal department from April 2000 to August 2001 and as corporate secretary from November 1999 to August 2001. Prior to joining D&B, Mr. Lewinter served as assistant general counsel and assistant corporate secretary for Altria Group Inc. (f.k.a. Philip Morris Companies Inc.) from November 1995 to October 1999.

Ms. Mathew has served as chief financial officer of D&B since August 2001, with additional leadership responsibility for strategy since January 2005. Before joining D&B, she served in various positions at Procter

& Gamble, including vice president of finance for the ASEAN region from August 2000 to July 2001, comptroller and chief financial officer of the global baby care business unit from July 1998 to July 2000, and various other positions prior to that.

Mr. Michel has served as leader, reengineering of D&B since March 2004. He previously served as chief financial officer and vice president — strategy of Europe from July 2002 to February 2004. Prior to that, Mr. Michel served as vice president — corporate strategy from November 2000 to June 2002. Mr. Michel was chief financial officer of North America from January 2000 to October 2000 and vice president — finance of global technology from January 1999 to December 1999.

Mr. Nordal has served as leader, international of D&B since January 2005. He previously served as senior vice president of Europe from July 2003 to December 2004, and as interim general manager of Europe and market leader for the United Kingdom from January 2003 to June 2003. Previously, Mr. Nordal served as president and chief operating officer for Canada from July 1997 until December 2002.

Mr. Pepe has served as leader, U.S. customers of D&B since January 2005. He previously served as senior vice president — U.S. sales from March 2004 to December 2004. Before joining D&B, he held numerous leadership positions with Time Warner Inc., the most recent of which was the president and chief executive officer of Time Inc. International from March 2000 to April 2003. Prior to this position, he was president and chief operating officer of Time Warner Digital Media from December 1999 to February 2000 and then president of Business Information Group, Time Inc. from September 1993 to December 1999.

Ms. Raeburn has served as leader, global DUNSRight™ strategy of D&B since January 2005, and continues as chief quality officer, a position to which she was appointed in March 2004. She previously served as senior vice president — DUNSRight™ from March 2004 to December 2004, and as senior vice president — data and operations from May 2002 to February 2004. Before joining D&B, she was a partner at AHR, LLC, from November 2001 to April 2002. Previously, Ms. Raeburn was president of Mergent, Inc., from July 1998 to August 2001.

Ms. Raymond has served as corporate controller of D&B since April 2002. Before joining D&B, Ms. Raymond held positions with Lucent Technologies, the most recent of which was merger integration vice president from July 1998 to March 2002.

Mr. Slade has served as interim chief information officer of D&B since January 2005, in addition to serving as leader, global information security since September 2004. Prior to joining D&B, Mr. Slade was senior director of global IT security & systems at Honeywell International from November 2001 to September 2004, and prior to that he served as director of corporate computer and network security at Lucent Technologies from May 1995 to November 2001.

Mr. Teague has served as leader, U.S. Supply Management Solutions of D&B since June 2004. Prior to joining D&B, Mr. Teague was chief executive officer of Questrix from January 2002 to May 2003, chief marketing officer of OpenWebs Corporation from March 2000 to December 2001 and a partner with McKinsey & Company from September 1992 until February 2000.

PART II

Item 5. *Market for the Registrant's Common Equity and Related Stockholder Matters*

Our common stock is listed on the New York Stock Exchange and trades under the symbol DNB. We had 3,817 shareholders of record at December 31, 2004.

The following table summarizes the high and low sales prices for our common stock, as reported in the periods shown.

	2004		2003	
	High	Low	High	Low
First Quarter	$57.01	$47.85	$38.98	$32.31
Second Quarter	$56.19	$50.97	$41.80	$34.00
Third Quarter	$59.50	$51.45	$43.40	$39.85
Fourth Quarter	$60.80	$56.00	$50.81	$40.70

We did not pay any dividends on our common stock during 2003 or 2004 and we have decided to continue our policy not to pay dividends to shareholders.

Issuer Purchases of Equity Securities

The following table provides information about purchases made by or on behalf of the Company during the quarter ended December 31, 2004 of shares of equity that are registered by the Company pursuant to Section 12 of the Exchange Act:

Period	Total Number of Shares Purchased (a)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (a)	Maximum Number of Currently Authorized Shares that May Yet Be Purchased Under the Plans or Programs (a)
October 1-31, 2004	344,900	$58.32	344,900	—
November 1-30, 2004	346,800	$58.24	346,800	—
December 1-31, 2004	371,000	$59.59	371,000	—
Quarter Ended December 31, 2004	1,062,700	$58.74	1,062,700	4,382,776

(a) During the fourth quarter of 2004, we repurchased 52,654 shares of stock for $3.1 million to mitigate the dilutive effect of the shares issued under our stock incentive plans and Employee Stock Purchase Plan. This program, was announced in July 2003, and expires in September 2006. The maximum amount authorized under the program is 6.0 million shares. Additionally, during the fourth quarter of 2004, we repurchased 1,010,046 shares for $59.3 million related to our $200 million one-year share repurchase program that was announced in February 2004.

Item 6. ***Selected Financial Data***

Five-Year Selected Financial Data

	2004	2003	2002	2001	2000
	(Amounts in millions, except per share data)				
Results of Operations:					
Operating Revenues	$1,414.0	$1,386.4	$1,275.6	$1,304.6	$1,415.1
Costs and Expenses(1)	1,095.2	1,094.6	1,019.7	1,081.0	1,244.8
Operating Income	318.8	291.8	255.9	223.6	170.3
Non-Operating Income (Expense) — Net(2)	22.0	(11.4)	(16.7)	30.0	(21.1)
Income from Continuing Operations before Provision for Income Taxes	340.8	280.4	239.2	253.6	149.2
Provision for Income Taxes	129.2	106.2	94.1	100.2	77.8
Equity in Net Income (Losses) of Affiliates	0.2	0.3	(1.7)	(3.5)	—
Income from:					
Continuing Operations	211.8	174.5	143.4	149.9	71.4
Discontinued Operations, Net of Income Taxes(3)	—	—	—	—	133.0
Net Income	$ 211.8	$ 174.5	$ 143.4	$ 149.9	$ 204.4
Basic Earnings Per Share of Common Stock:					
Continuing Operations	$ 3.01	$ 2.37	$ 1.93	$ 1.89	$ .88
Discontinued Operations	—	—	—	—	1.64
Basic Earnings Per Share of Common Stock	$ 3.01	$ 2.37	$ 1.93	$ 1.89	$ 2.52
Diluted Earnings Per Share of Common Stock:					
Continuing Operations	$ 2.90	$ 2.30	$ 1.87	$ 1.84	$ .87
Discontinued Operations	—	—	—	—	1.62
Diluted Earnings Per Share of Common Stock	$ 2.90	$ 2.30	$ 1.87	$ 1.84	$ 2.49
Other Data:					
Dividends Paid Per Share(4)	$ —	$ —	$ —	$ —	$ .555
Dividends Declared Per Share(4)	$ —	$ —	$ —	$ —	$ .555
Weighted Average Number of Shares Outstanding — Basic	70.4	73.5	74.5	79.4	81.0
Weighted Average Number of Shares Outstanding — Diluted	73.1	75.8	76.9	81.5	82.0
Balance Sheet:					
Total Assets	$1,635.5	$1,624.7	$1,527.7	$1,462.6	$1,453.2
Minority Interest Financing	$ —	$ —	$ —	$ —	$ 300.0
Long Term Debt	$ 300.0	$ 299.9	$ 299.9	$ 299.6	$ —
Equity	$ 54.2	$ 48.4	$ (18.8)	$ (19.0)	$ (46.5)

(1) 2004 included a charge of $32.0 million for restructuring related to the Financial Flexibility Program in 2004. 2003 included charges of $17.4 million for restructuring related to the 2003 Financial Flexibility Program and $13.8 million for the loss on the sale of our High Wycombe, England facility. 2002 included a charge of $30.9 million for restructuring related to the 2002 Financial Flexibility Program. 2001

included charges of $28.8 million (net) for restructuring related to the 2001 Financial Flexibility Program, $6.2 million resulting from the impairment of capitalized software and the write-off of certain assets made obsolete or redundant during the year, $1.0 million of asset write-offs for the World Trade Center attack and $6.5 million resulting from an impairment of our Murray Hill facility, which we sold during 2002. Partially offsetting these charges in 2001 was a $7.0 million reversal of excess accrued reorganization costs incurred in connection with the separation of D&B and Moody's in 2000 (the "2000 Distribution"). 2000 included charges of $41.5 million for restructuring in connection with the 2000 Financial Flexibility Program and $29.5 million for reorganization costs associated with the 2000 Distribution.

(2) 2004 included gains on the sales of operations in the Nordic region (Sweden, Denmark, Norway and Finland) of $7.9 million, India and Distribution Channels in Pakistan and the Middle East of $3.8 million, Central Europe (Germany, Austria, Switzerland, Poland, Hungary and Czech Republic) of $5.6 million, France of $12.9 million and Iberia (Spain and Portugal) of $0.1 million. 2003 included gains of $7.0 million on the settlement of an insurance claim to recover losses related to the events of September 11, 2001 and $1.8 million on the sale of equity interests in our Singapore business. Partially offsetting these gains was a $4.3 million loss on the sale of our Israel business. 2002 included gains of $2.6 million on the sale of a portion of our equity interest in our Singapore operation and $2.4 million on the sale of our Korean operation, partially offset by a charge of $2.9 million for the write-off of our remaining investment in Avantrust LLC. 2001 included gains of $36.4 million for the sale of our Receivable Management Services business, $17.7 million for the sale of a majority stake in our Australia/New Zealand operations and $2.2 million for the sale of a major portion of our minority investment in our South African operation. These gains were partially offset by a charge of $6.1 million for the write-off of certain investments. 2000 included a gain related to the settlement of a litigation matter of $10.1 million.

(3) Income taxes on Discontinued Operations were $86.2 million in 2000.

(4) 2000 included dividends paid and declared through the first three quarters of the year.

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

How We Manage Our Business

Through December 31, 2004, we reported our business on a geographical basis with two segments:

- North America (which consists of operations in the United States and Canada) contributed 73%, 69%, and 72% of our total revenue in 2004, 2003, and 2002, respectively, and contributed 78%, 79%, and 82% of our core revenue in 2004, 2003, and 2002, respectively; and
- International (which consists of operations in Europe, Asia Pacific, and Latin America) contributed 27%, 31%, and 28% of our total revenue in 2004, 2003, and 2002, respectively, and contributed 22%, 21%, and 18% of our core revenue in 2004, 2003, and 2002, respectively.

On January 1, 2005, we began managing our operations in Canada as part of our International segment. Results by segment are discussed herein under the reporting structure in place during 2004. We will report financial results in the new segment structure beginning with the first quarter of 2005 and conform historical amounts to reflect the new segment structure.

The following customer solution sets are sold in our segments:

- Risk Management Solutions — our largest customer solution set, contributed 62%, 58%, and 59% of our total revenue in 2004, 2003, and 2002, respectively, and contributed 66%, 66%, and 67% of our core revenue in 2004, 2003, and 2002, respectively;
- Sales & Marketing Solutions — our second largest customer solution set, contributed 26%, 25%, and 26% of our total revenue in 2004, 2003, and 2002, respectively, and contributed 27%, 28%, and 30% of our core revenue in 2004, 2003, and 2002, respectively;
- Supply Management Solutions — contributed 2%, 3%, and 3% of our total revenue in 2004, 2003 and 2002, respectively, and contributed 3% of our core revenue in each of 2004, 2003, and 2002; and
- E-Business Solutions — which represents the results of our Hoover's business acquired in March 2003, contributed 4% and 2% of our total revenue in 2004 and 2003, respectively and contributed 4% and 3% of our core revenue in 2004 and 2003, respectively.

These customer solution sets are discussed in greater detail in "Item 1. Business."

The divested businesses contributed 6%, 12%, and 12% of our total revenue in 2004, 2003, and 2002, respectively.

Within our Risk Management Solutions and Sales & Marketing Solutions, we monitor the performance of our older, more "Traditional" products and our newer "Value-Added" products.

Our Traditional Risk Management Solutions generally consist of reports derived from our database which our customers use primarily to make decisions about new credit applications. Our Traditional Risk Management Solutions constituted in 2004, 2003, and 2002, respectively:

- 82%, 81%, and 82% of our Risk Management Solutions revenue;
- 51%, 47%, and 48% of our total revenue; and
- 54%, 54%, and 55% of our core revenue.

Our Value-Added Risk Management Solutions generally support automated decision-making and portfolio management through the use of scoring and integrated software solutions. Our Value-Added Risk Management Solutions constituted in 2004, 2003, and 2002, respectively:

- 18%, 19%, and 18% of our Risk Management Solutions revenue;
- 11% of our total revenue; and
- 12% of our core revenue.

Our Traditional Sales & Marketing Solutions generally consist of marketing lists, labels and customized data files used by our customers in their direct mail and direct marketing activities. Our Traditional Sales & Marketing Solutions constituted in 2004, 2003, and 2002, respectively:

- 47%, 51%, and 59% of our Sales & Marketing Solutions revenue;
- 12%, 13%, and 15% of our total revenue; and
- 13%, 14%, and 18% of our core revenue.

Our Value-Added Sales & Marketing Solutions generally include decision-making and customer information management products. Our Value-Added Sales & Marketing Solutions constituted in 2004, 2003, and 2002, respectively:

- 53%, 49%, and 41% of our Sales & Marketing Solutions revenue;
- 14%, 12%, and 11% of our total revenue; and
- 14%, 14%, and 12% of our core revenue.

For internal management purposes, we use total revenue excluding the revenue of divested businesses, which we refer to as "core revenue," to manage and evaluate the performance of our business segments and to allocate resources, because this measure provides an indication of the underlying direction of changes in revenue in a single performance measure without reported revenue of divested businesses which will not be included in future revenue. Divested business revenue for the three years of results included in this Form 10-K includes the revenue from our operations in:

- Korea (sold in the fourth quarter of 2002);
- Israel (sold in the third quarter of 2003);
- the Nordic region (Sweden, Denmark, Norway and Finland, all sold in the first quarter of 2004);
- India and other Distribution Channels in Pakistan and the Middle East (sold in the first quarter of 2004);
- Central Europe (Germany, Austria, Switzerland, Poland, Hungary and the Czech Republic, all sold in the second quarter of 2004);
- Iberia (Spain and Portugal, both sold in the fourth quarter of 2004); and
- France (sold in the fourth quarter of 2004).

These divested businesses have been classified as "Other Divested Businesses" in Note 14 to our consolidated financial statements. Management believes that this measure provides valuable insight into our revenue from ongoing operations and enables investors to evaluate business performance and trends by facilitating a comparison of results of ongoing operations with past reports of financial results.

We also isolate the effects of changes in foreign exchange rates on our revenue growth because, while we take steps to manage our exposure to foreign currency, we believe it is useful for investors to be able to compare revenue from one period to another, both with and without the effects of foreign exchange. As a result, we monitor our core revenue growth both after and before the effects of foreign exchange. Core revenue growth excluding the effects of foreign exchange is referred to as "revenue growth before the effects of foreign exchange." We also separately analyze core revenue growth before the effects of foreign exchange among two components, "organic core revenue growth" and "core revenue growth from acquisitions." We analyze "organic core revenue growth" and "core revenue growth from acquisitions" because management believes this information provides an important insight into the underlying health of our business. Core revenue includes the revenue from acquired businesses from the date of acquisition.

We evaluate the performance of our business segments based on segment revenue growth before the effects of foreign exchange, and segment operating income growth before certain types of gains and charges that we consider do not reflect our underlying business performance. Specifically, for management reporting

purposes, we evaluate business segment performance "before non-core gains and (charges)" such as restructuring charges because they are not a component of our ongoing income or expenses and/or may have a disproportionate positive or negative impact on the results of our ongoing underlying business operations. Additionally, transition costs (period costs such as consulting fees, costs of temporary employees, relocation costs and stay bonuses incurred to implement the Financial Flexibility component of our strategy) are reported as "All Other" expenses and are not allocated to our business segments. (See Note 14 to our consolidated financial statements for financial information regarding our segments.)

Similarly, when we evaluate the performance of our business as a whole, we focus on results (such as operating income, operating income growth, operating margin, net income, tax rate and diluted earnings per share) before non-core gains and (charges) because they are not a component of our ongoing income or expenses and/or may have a disproportionate positive or negative impact on the results of our ongoing underlying business operations. It should not be concluded from our presentation of non-core gains and charges that the items that result in non-core gains and charges will not occur in the future.

Another component of how we manage our business is "free cash flow." We define free cash flow as net cash provided by operating activities minus capital expenditures and additions to computer software & other intangibles. Free cash flow measures our available cash flow for potential debt repayment, acquisitions, stock repurchases and additions to cash, cash equivalents and short term investments. We believe free cash flow to be relevant and useful to our investors as this measure is used by our management in evaluating the funding available after supporting our ongoing business operations and our portfolio of product investments. Free cash flow should not be considered as a substitute measure of net cash flows provided by operating activities. Therefore, we believe it is important to view free cash flow as a complement to our entire consolidated statements of cash flows.

The adjustments to our generally accepted accounting principles in the United States ("GAAP") results discussed herein are among the primary indicators management uses as a basis for our planning and forecasting of future periods, to allocate resources, to evaluate business performance and for compensation purposes. However, these financial measures (results before non-core gains and charges and free cash flow) are not prepared in accordance with GAAP, and should not be considered in isolation or as a substitute for total revenue, operating income, operating income growth, operating margin, net income, tax rate, diluted earnings per share, or net cash provided by operating activities prepared in accordance with GAAP. In addition, it should be noted that because not all companies calculate these financial measures similarly or at all, the presentation of these financial measures is not likely to be comparable to measures of other companies.

See "Results of Operations," below, for a discussion of our results reported on a GAAP basis.

Our Flexible Business Model and Restructuring

As part of our Blueprint for Growth strategy, we continually seek opportunities to reallocate our spending to activities that drive revenue growth while, at the same time, improving our profitability during our transformation. This is a structured process we call "creating Financial Flexibility." Since October 2000, we have implemented a series of Financial Flexibility Programs. Our Financial Flexibility process is discussed in more detail under "Item 1. Business — Our Aspiration and Our Strategy — Create Financial Flexibility."

With each program, we have incurred a restructuring charge, which generally consists of employee severance and termination costs, asset write-offs, and/or costs to terminate lease obligations. These charges are incurred as a result of eliminating, consolidating, standardizing, automating and/or outsourcing operations of our business. We have also incurred transition costs such as consulting fees, costs of temporary workers, relocation costs and stay bonuses to implement our Financial Flexibility Programs.

We believe the success of our flexible business model is illustrated by a comparison of our financial results from 2000 (the year the Blueprint for Growth strategy was launched) through 2004. Over the five-year period, we incurred restructuring charges totaling $150.6 million and transition costs totaling $105.1 million, averaging in total approximately $51 million per year. Even after incurring these charges and the loss of operating income associated with the sales of businesses, our operating income increased from $170.3 million

in 2000 to $318.8 million in 2004, an increase of $148.5 million, or 87%. See "Results of Operations," below, for a more complete discussion of our financial results, including these restructuring charges. In addition, the Financial Flexibility Program provided us with the funds to invest in our core business and make selective acquisitions. This allowed us to significantly increase our organic and core revenue over this period, with the result that our total revenue declined only slightly from $1,415.1 million in 2000 to $1,414.0 million in 2004 notwithstanding the loss of revenue associated with the sale of non-core businesses and the divestiture of businesses in furtherance of our international market leadership strategy.

Our Critical Accounting Policies and Estimates

In preparing our consolidated financial statements and accounting for the underlying transactions and balances reflected therein, we have applied the significant accounting policies described in Note 1 to our consolidated financial statements. Of those policies, we consider the policies described below to be critical because they are both most important to the portrayal of our financial condition and results, and they require management's subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. We base our estimates on historical experience and on various other factors that we believe to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions.

If actual results ultimately differ from previous estimates, the revisions are included in our consolidated financial statements for the period in which the actual results become known and could have a material impact on such period.

We have discussed the selection and application of our critical accounting policies and estimates with the Audit Committee of our Board of Directors, and the Audit Committee has reviewed the disclosure regarding critical accounting policies and estimates as well as the other sections in this "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Pension and Postretirement Benefit Obligations

We offer substantially all of our U.S.-based employees coverage in a defined benefit plan called The Dun & Bradstreet Corporation Retirement Account (the "U.S. Qualified Plan"). The defined benefit plan covers active and retired employees including retired individuals from spin-off companies (see Note 13 to our consolidated financial statements for further discussion of spin-off companies). Pension costs are determined actuarially and funded in accordance with the Internal Revenue Code. We also maintain supplemental and excess plans in the United States (the "U.S. Non-Qualified Plans") to provide additional retirement benefits to certain key employees. These plans are unfunded, pay-as-you-go plans. The U.S. Qualified Plan and the U.S. Non-Qualified Plans account for approximately 73% and 15% of our pension obligation, respectively, at December 31, 2004. Our employees in certain of our international operations are also provided retirement benefits through defined benefit plans, representing the remaining balance of our pension obligations.

In addition to providing pension benefits, we provide various health care and life insurance benefits for retirees. U.S.-based employees who retire after age 45 with 10 years of vesting service are eligible to receive benefits. Postretirement benefit costs and obligations are determined actuarially.

In accordance with Statement of Financial Accounting Standards ("SFAS") No. 87, "Employers' Accounting for Pensions," our pension benefit obligations and the related effects on operations are calculated using actuarial assumptions and methodologies. Other postretirement benefits (i.e., health care) are accounted for in accordance with SFAS No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions," and are also dependent on the application of our assumptions by our outside actuaries. The key assumptions we have made for our U.S. plans, which we evaluate annually, include:

- *Expected long-term rate of return on pension plan assets* — which is based on current and expected asset allocations as well as expected returns on asset categories of plan investments.
- *Discount rate* — which is used to measure the present value of pension plan obligations and postretirement health care obligations. It is based on investment yields available at year-end on Aa-rated corporate long-term bonds and the Citigroup Pension Curve.

- *Rates of compensation increase and cash balance accumulation/conversion rates* — which are based on an evaluation of internal plans and external market indicators.
- *Health care cost trends* — which are based on historical cost data, the near-term outlook and an assessment of likely long-term trends.

We believe that the assumptions used are appropriate, though changes in these assumptions would affect our pension and other postretirement benefit costs. The factor with the most immediate impact on our financial statements is a change in the expected long-term rate of return on pension plan assets for the U.S. Qualified Plan. For 2005, we will lower this assumption to 8.50% from the 8.75% assumption we used to calculate pension income in 2004 and 2003. The 8.50% assumption represents our best estimate of the expected long-term future investment performance of the U.S. Qualified Plan, after considering expectations for future capital market returns and the plan's asset allocation. As of December 31, 2004, the plan was 68% invested in publicly traded equity securities, 25% invested in debt securities and 7% invested in real estate investments. We expect this one-quarter percentage-point decrease in the long-term rate of return will reduce our 2005 annual operating income by approximately $3.2 million by reducing our net periodic pension income.

Changes in the discount rate, rate of compensation increase and cash balance accumulation/conversion rates also have an effect on our annual operating income. These rates are adjusted yearly, based on the factors noted above. For example, as of December 31, 2004, for all of our U.S. pension plans, we lowered the discount rate to 5.75% from 6.0% used at December 31, 2003. We expect that this one-quarter-percentage-point decrease in the discount rate applied with respect to the U.S. Qualified and Non-Qualified Plans will reduce our 2005 annual operating income by approximately $3.4 million by reducing our net periodic pension income. As of December 31, 2004, we also lowered the discount rate for our postretirement benefit plan to 5.25% from 6.0% used at December 31, 2003. We do not expect this three-quarter percentage-point decrease in the discount rate will have a significant impact on our 2005 annual operating income.

Differences between the assumptions stated above and actual experience could affect our pension and other postretirement benefit costs. When actual plan experience differs from the assumptions used, actuarial gains or losses arise in accordance with SFAS No. 87 and SFAS No. 106. These gains and losses are aggregated and amortized over the average future service periods of employees to the extent that such gains or losses exceed a "corridor" as defined in SFAS No. 87. The purpose of the corridor is to average the volatility caused by the difference between actual experience and the pension-related assumptions noted above, on a plan-by-plan basis. For all of our pension plans, total unrecognized actuarial losses as of December 31, 2004 were $551.7 million, of which $360.6 million was attributable to the U.S. Qualified Plan, $99.1 million was attributable to the U.S. Non-Qualified Plans, and the remainder was attributable to the non-U.S. pension plans. We expect to recognize such losses in our 2005 net periodic pension cost of approximately $12.8 million, $5.9 million and $4.2 million, respectively, for the U.S. Qualified Plan, U.S. Non-Qualified Plans and non-U.S. plans, compared to $2.4 million, $5.7 million and $3.3 million, respectively, in 2004. The increased actuarial loss related to the U.S. Qualified Plan of $12.8 million, which will be included in our pension income in 2005, is primarily due to unrecognized actuarial losses exceeding the corridor threshold under SFAS No. 87 at January 1, 2005, while the balance at January 1, 2004 was within the corridor threshold.

Differences between the expected long-term rate of return assumption and actual experience could affect our net periodic pension cost. We recorded net periodic income for our pension plans of $11.7 million, $18.2 million and $34.0 million for the years 2004, 2003 and 2002, respectively. This income was driven principally by the expected return on plan assets, which was $126.8 million, $128.1 million and $142.8 million in 2004, 2003 and 2002, respectively. The expected return on plan assets was determined by multiplying the expected long-term rate of return assumption by the market-related value of plan assets. The market-related value of plan assets recognizes asset gains and losses over five years to reduce the effects of short-term market fluctuations on net periodic cost. In 2004 and 2003, we recorded investment gains of $128.0 million and $235.6 million, respectively, in our pension plans, of which $116.2 million and $228.6 million, respectively, were attributable to the U.S. Qualified Plan. At January 1, 2005, the market-related value of our U.S. Qualified Plan was $1,321.3 million, which excludes $83.3 million of unrecognized investment losses from prior periods that will reduce the market-related value in future years. If these unrecognized losses are not recovered in future years, our market-related value of assets will decrease, causing our expected return on plan assets and our net periodic pension income to fall.

Changes in the funded status of our pension plans could result in a significant future charge to our equity. Under the requirements of SFAS No. 87, if the plan asset value falls below the related accumulated benefit obligation, we would be required to record a minimum pension liability for the different amount and reverse our prepaid pension cost. This charge would be recorded against a component of shareholders' equity net of applicable deferred taxes. We recognized charges of $14.0 million, $5.9 million and $53.6 million, net of applicable taxes, to equity for minimum pension liabilities related to our U.S. Non-Qualified Plans and non-U.S. plans for 2004, 2003 and 2002, respectively.

The U.S. Qualified Plan, our principal plan, is currently over-funded. The excess of the fair value of plan assets over the related accumulated benefit obligation was $120.9 million at December 31, 2004, compared with $131.0 million at December 31, 2003. The prepaid pension cost associated with this plan was $452.3 million and $412.0 million at December 31, 2004 and December 31, 2003, respectively.

A change in the discount rate assumption could result in a change in the funded status of our pension plans by changing the amount of the accumulated benefit obligation. For the U.S. Qualified Plan, every one-quarter percentage-point increase or decrease in the discount rate reduces or increases our accumulated benefit obligation by approximately $34 million. For the Non-Qualified Plans, every one-quarter percentage-point increase or decrease in the discount rate reduces or increases our accumulated benefit obligation by approximately $7 million.

For information on pension and postretirement benefit plan contribution requirements, please see "Future Liquidity — Sources and Uses of Funds — Pension Plan and Postretirement Benefit Plan Contribution Requirements" in the Contractual Cash Obligations table.

Also see Note 10 to our consolidated financial statements for more information regarding costs of, and assumptions for, our pension and postretirement benefit obligations and costs.

Contingencies and Litigation

We establish reserves in connection with tax and legal proceedings, claims and litigation when it is probable that a loss has been incurred and the amount of loss is reasonably estimable. Contingent liabilities are often resolved over long periods of time. Estimating probable losses requires analyses of multiple forecasts that often depend on judgments concerning potential actions by third parties and regulators. This is an inherently subjective and complex process, and actual results may differ from our estimates by material amounts. For more information, see Note 13 to our consolidated financial statements.

Revenue Recognition

Our Risk Management Solutions products are generally sold under monthly or annual contracts that enable a customer to purchase D&B information products during the period of contract at prices per an agreed price list, up to the contracted dollar limit. Revenue on these contracts is recognized as products are delivered to the customer based, on the per-product price. Any additional products purchased over this limit may be subject to pricing variations and are billed to the customer as products are delivered. If customers do not use the full value of their contract and forfeit the unused portion, we recognize the forfeited amount as revenue at contract expiration.

We have fixed price contracts for larger customers that allow those customers unlimited use within predefined ranges, subject to certain conditions, of the Risk Management Solutions products. In these instances, we recognize revenue ratably over the term of the contract, which is generally one year.

Revenue related to services provided over the contract term (e.g., monitoring services) is recognized ratably over the contract period, typically one year.

For Sales & Marketing Solutions and Supply Management Solutions products, we generally recognize revenue upon delivery of the information file to the customer. For arrangements that include periodic updates to that information file over the contract term, the portion of the revenue related to updates expected to be delivered is deferred and recognized as the updates are delivered, usually on a quarterly or monthly basis. For

subscription products that provide continuous access to D&B's generic marketing information and business reference databases, as well as any access fees or hosting fees related to enabling customers' access to D&B information, revenue is recognized ratably over the term of the contract, which is generally one year.

We have certain product offerings that are sold as multi-element arrangements. The multiple elements may include information files, file updates for certain products, software, and/or services. Revenue for each element is recognized when that element is delivered to the customer, based upon the fair value for each element. For offerings that include software that is considered to be more than incidental, we recognize revenue when a non-cancelable license agreement has been signed and the product has been shipped. Maintenance revenue, which consists of fees for ongoing support and software updates, is recognized ratably over the term of the contract, typically one year, when the maintenance for the software is considered significant. When maintenance is insignificant, we recognize the revenue when the agreement is signed and the product is shipped.

Revenue from consulting and training services is recognized as the services are performed.

Amounts billed in advance are recorded as deferred revenue on the balance sheet.

Results of Operations

The following discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements. They should be read in conjunction with the consolidated financial statements and related footnotes set forth in Item 8 of Part II of this Annual Report on Form 10-K, which have been prepared in accordance with GAAP.

Consolidated Revenue

The following table presents our revenue by segment for the years ended December 31, 2004, 2003 and 2002:

	2004	2003	2002
	(Amounts in millions)		
Revenue:			
North America	$1,038.3	$ 960.1	$ 912.1
International	296.2	253.6	205.0
Core Revenue	1,334.5	1,213.7	1,117.1
Divested Businesses	79.5	172.7	158.5
Total Revenue	$1,414.0	$1,386.4	$1,275.6

The following table presents our revenue by customer solution set for the years ended December 31, 2004, 2003 and 2002:

	2004	2003	2002
	(Amounts in millions)		
Revenue:			
Risk Management Solutions	$ 882.0	$ 804.3	$ 754.6
Sales & Marketing Solutions	368.2	342.4	331.1
Supply Management Solutions	34.3	38.0	31.4
E-Business Solutions	50.0	29.0	—
Core Revenue	1,334.5	1,213.7	1,117.1
Divested Businesses	79.5	172.7	158.5
Total Revenue	$1,414.0	$1,386.4	$1,275.6

2004 vs. 2003

Total revenue increased $27.6 million, or 2% (1% decrease before the effect of foreign exchange), in 2004 from 2003, reflecting an increase of $120.8 million, or 10% (8% increase before the effect of foreign exchange) in core revenue and a $93.2 million decrease as a result of our divested businesses. The impact of our acquisitions of Hoover's, Inc., in the first quarter of 2003 and the Italian real estate data companies in the second quarter of 2003 contributed one percentage point of core revenue growth in 2004.

On a customer solution set basis, the $120.8 million increase in core revenue reflects:

- a $77.7 million, or 10%, increase in Risk Management Solutions (7% increase before the effect of foreign exchange). There were two main drivers of the 2004 growth. The first was our Self Awareness Solutions, which allows our small business customers to establish, improve and protect their own credit. The second driver was the subscription plan we introduced in the United States in the fourth quarter of 2003 for customers that are willing to purchase more data from D&B. This new plan provides expanded access to our Risk Management Solutions in a way that provides more certainty over related costs and generally results in customers increasing their spending on our products. These drivers benefited both our Traditional and our Value-Added Risk Management Solutions. Our Traditional Risk Management Solutions grew by 11% (8% increase before the effect of foreign exchange), and our Value-Added Risk Management Solutions increased by 6% (4% increase before the effect of foreign exchange).

- a $25.8 million, or 8%, increase in Sales & Marketing Solutions (6% increase before the effect of foreign exchange). This increase was primarily driven by double-digit growth in North America's Customer Information Management ("CIM") products and our migration of customers from traditional lists and labels to our more automated Value-Added Solutions in North America. As a result of this migration and continued weakness in certain of our traditional list and labels business, Traditional Sales & Marketing Solutions declined by 2% (4% decrease before the effect of foreign exchange). The decline in our Traditional Sales & Marketing Solutions revenue was offset by the 18% increase (17% increase before the effect of foreign exchange) in Value-Added Sales Marketing Solutions.

- a $3.7 million, or 10%, decline in Supply Management Solutions, our smallest solution set (11% decline before the effect of foreign exchange). This decline was primarily due to product delivery and customer renewal issues.

- a $21.0 million, or 72%, increase in E-Business Solutions, representing the results of Hoover's, Inc. The increase was primarily due to continued growth in subscription revenue, the benefit of our marketing efforts which have driven increased traffic to the Hoover's Web site and strong ad sales. Additionally, this increase includes twenty percentage points of growth from the purchase accounting adjustments on the 2003 results.

In addition, investments in DUNSRight™ quality process, our unique value proposition that powers all our customer solution sets, also benefited our core revenue results.

2003 vs. 2002

Total revenue increased $110.8 million, or 9% (4% increase before the effect of foreign exchange), in 2003 from 2002, reflecting an increase of $96.6 million, or 9% (6% increase before the effect of foreign exchange), in core revenue and a $14.2 million increase in revenue from divested businesses. The impact of the acquisitions of Data House in the third quarter of 2002, Hoover's, Inc. in the first quarter of 2003, and the Italian real estate data companies in the second quarter of 2003 contributed five percentage points of growth in 2003.

On a customer solution set basis, the $96.6 million increase in core revenue reflects:

- a $49.7 million, or 7%, increase in Risk Management Solutions (3% increase before the effect of foreign exchange), including three percentage points of growth due to the acquisitions of Data House and the Italian real estate data companies. During the year, within our Risk Management Solutions we

added product development resources, increased our sales force, and improved our post-sale delivery service. The growth in the customer solution set was driven by both our North America and International segments. Traditional Risk Management Solutions revenue was up 6% (2% increase before the effect of foreign exchange) compared with 2002. We continued our intentional migration of customers from the BIR and related products to our Value-Added Solutions to assist them in re-engineering their processes. The impact of this migration was offset by growth in other traditional products such as e-Portfolio, Self Analysis, Comprehensive Report, and Monitoring. Value-Added Risk Management Solutions grew 9% (8% increase before the effect of foreign exchange). In our Value-Added Risk Management Solutions, our portfolio management solution products continued to perform well, which reflects the benefits of our recent investment spending in Enterprise Risk Assessment Manager, that helps customers manage their credit portfolios. Additionally, the increase was driven by our customers' preference to continue to automate their decision-making processes through products such as Global Decision Maker™, and integrate existing systems using our Toolkit solutions.

- an $11.3 million, or 3%, increase in Sales & Marketing Solutions (2% increase before the effect of foreign exchange), driven by the growth in North America. Traditional Sales & Marketing Solutions declined 9% (11% decrease before the effect of foreign exchange), compared with 2002. This is the area of our business that is the most sensitive to changes in the economy, as sales and marketing expenses are often viewed as discretionary spending by our customers. We also continued to see competitive pressures in our traditional list and label business. Value-Added Sales & Marketing Solutions grew 22% (20% increase before the effect of foreign exchange), primarily driven by our CIM products and our value-added prospecting solutions, including Market Spectrum™. Specifically, within the United States, we added 75% additional product specialists, significantly increasing sales capacity relating to our value-added, CIM products. We also added sales leadership in several of our European markets within our International segment, each with a dedicated Sales and Marketing team.
- a $6.6 million, or 21%, increase in Supply Management Solutions (19% increase before the effect of foreign exchange). This growth came from both our North America and International segments, primarily driven by our customers' focus on improving their operating results by optimizing their procurement process.
- $29.0 million of revenue from E-Business Solutions, representing the results of Hoover's, Inc. During the year, we experienced growth in this customer solution set as a result of an increased subscriber base.

Consolidated Operating Costs

The following table presents our consolidated operating costs and operating income for the years ended December 31, 2004, 2003 and 2002.

	2004	2003	2002
	(Amounts in millions)		
Operating Expenses	$ 403.9	$ 433.3	$ 392.1
Selling and Administrative Expenses	612.0	579.9	512.5
Depreciation and Amortization	47.3	64.0	84.2
Restructuring Charges	32.0	17.4	30.9
Operating Costs	$1,095.2	$1,094.6	$1,019.7
Operating Income	$ 318.8	$ 291.8	$ 255.9

As described above in the section "How We Manage Our Business," when we evaluate the performance of our business as a whole, we focus on our operating income (and, therefore, operating costs) before non-core gains and (charges), since we do not view these items as reflecting our underlying business operations. We have identified under the caption "Non-Core Gains and (Charges)" below such gains and charges that are included in our GAAP results.

Operating Expenses

Operating expenses decreased $29.4 million, or 7%, in 2004 from 2003. The decrease was primarily due to the following:

- improved efficiency and a reduction in the number of employees in our data collection, fulfillment and technology areas as a result of our process of continuous reengineering (see the discussion of how we create financial flexibility in Our Aspiration and Our Strategy in "Item 1. Business");
- reduced costs as a result of the sale of businesses to strategic partners in 2003 and 2004 as part of our international market leadership strategy (see the discussion of our International segment in Business Segments in "Item 1. Business"); and
- the $13.8 million loss on the sale of a building in High Wycombe, England in July 2003 with no comparable loss in 2004.

The decrease in operating expenses in 2004 from 2003 was partially offset by an increased expense base as a result of the acquisition of the three Italian real estate data companies and the impact of foreign exchange.

Operating expenses increased $41.2 million, or 11%, in 2003 from 2002. The increase was primarily due to the following:

- a $13.8 million loss on the sale of a building in High Wycombe, England in July 2003;
- increased investments relating to data and product enhancements; and
- an increased expense base as a result of the acquisitions of Hoover's Inc., Data House and the three Italian real estate data companies.

Selling and Administrative Expenses

Selling and administrative expenses increased $32.1 million, or 6%, in 2004 from 2003. The increase was primarily due to the following:

- additional costs related to revenue-generating investments as well as additional variable costs (such as commissions and bonus) incurred as a result of increased revenues;
- consulting costs associated with our reengineering initiatives and costs associated with achieving compliance with Sarbanes-Oxley requirements;
- an increase in our expense base as a result of the acquisition of the three Italian real estate data companies; and
- the impact of foreign exchange.

The increase in the selling and administrative expenses in 2004 from 2003 was partially offset by cost savings, such as lower compensation costs, achieved through our Financial Flexibility Programs and the sale of businesses to strategic partners in 2003 and 2004 as part of our international market leadership strategy (see the discussion of our International segment in Business Segments in "Item 1. Business").

Selling and administrative expenses increased $67.4 million, or 13%, in 2003 from 2002. The increase was primarily due to the following:

- additional costs relating to revenue generating investments, such as additions to our sales force to improve our marketplace coverage in Sales & Marketing Solutions;
- additional variable costs (such as commissions and bonuses) incurred as a result of increased revenues; and
- an increased expense base as a result of the acquisitions of Hoover's, Inc., Data House, and three Italian real estate data companies.

The increase in the selling and administrative expenses in 2003 from 2002 was partially offset by administrative cost savings such as lower compensation costs achieved through our Financial Flexibility Programs.

We had net pension income of $11.7 million, $18.2 million and $34.0 million in 2004, 2003 and 2002, respectively. The decrease in pension income in 2004 and 2003 compared with 2002 was primarily due to the one-percentage-point decrease in the long-term rate of return assumption used in 2004 and 2003 for our U.S. Qualified Plan. We lowered this rate from 9.75% in 2002 to 8.75% in 2004 and 2003. Additionally, the increased actuarial loss included in 2004 pension income as required by SFAS No. 87 contributed to the decrease in our 2004 pension income. We expect pension expense will be approximately $8 million in 2005. The increase in pension cost in 2005 is primarily driven by the increased actuarial loss included in 2005 pension cost as required by SFAS No. 87, the one-quarter percentage point decrease in the long-term rate of return for the U.S. Qualified Plan and the one-quarter percentage point decrease in the discount rate applied to the U.S. Qualified and Non-Qualified Plans. In addition, we recognized curtailment charges of $1.3 million, $0.5 million, and $0.5 million in 2004, 2003, and 2002, respectively. The curtailment charges were a result of our Financial Flexibility Programs in 2004, 2003, and 2002 and a plan amendment in 2004 related to the UK Pension Plan.

We had postretirement benefit income of $3.0 million in 2004 and postretirement benefit costs of $14.9 million and $19.9 million in 2003 and 2002, respectively. The increase in postretirement benefit income or decrease in cost in 2004 was due to the employer contribution cap that we put in place effective in January 1, 2004. Specifically, in the fourth quarter of 2003, we amended our Postretirement Benefit Plan. Starting January 1, 2004, we began to limit the amount of our insurance premium contribution based on the amount D&B contributed in 2003 per retiree. This change is expected to reduce our annual postretirement benefit costs by approximately $12 million a year for five to six years, starting in 2004. The adoption of the Medicare Reform Act in the third quarter of 2004 also contributed to the decreased postretirement benefit cost. We expect postretirement benefit income will be approximately the same in 2005 as in 2004. We recognized a $3.7 million curtailment gain in 2004 related to our postretirement benefit plan as a result of our 2004 Financial Flexibility Program. We consider net pension income and postretirement benefit costs to be part of our compensation costs and, therefore, they are included in operating expenses and in selling and administrative expenses, based upon the classifications of the underlying compensation costs. See the discussion of "Our Critical Accounting Policies and Estimates — *Pension and Postretirement Benefit Obligations*," above, and Note 10 to our consolidated financial statements.

Depreciation and Amortization

Depreciation and amortization decreased $16.7 million, or 26%, in 2004 from 2003 and $20.2 million, or 24%, in 2003 from 2002. The decrease in 2004 from 2003 was largely driven by our business model changes which have enabled us to reduce the capital requirements of our business through continuous reengineering, leveraging partners in key markets and outsourcing capital intensive activities. Also contributing to the decrease was the sale of our building in High Wycombe, England, in July 2003. The decrease in 2004 from 2003 was partially offset by the acquisition of the three Italian real estate data companies and the impact of foreign exchange. The decrease in 2003 from 2002 was largely driven by the sale of our facility in High Wycombe, England in 2003 and the sale of our facilities in Berkeley Heights and Murray Hill, New Jersey in 2002, lower capitalized spending in 2003, and the impact of our outsourcing of certain technology functions to Computer Sciences Corporation ("CSC"). The lower capitalized spending is a result of our delivering more products over the Web, resulting in investment projects becoming less capital intensive.

Restructuring Charges

During 2004, we recorded $32.0 million of restructuring charges in connection with the Financial Flexibility Program announced in February 2004 ("2004 Financial Flexibility Program"). The charges were recorded in accordance with SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities." The charges included $28.9 million for severance and termination costs related to approximately 900 employees (including a $0.5 million net pension plan and postretirement charge due to the 2004 Financial Flexibility Program employee actions discussed in the following paragraph) and $3.1 million for lease termination obligations, other costs to consolidate or

close facilities and other exit costs. During 2004, approximately 650 employees were terminated in connection with our 2004 Financial Flexibility Program (including 220 employees who transitioned to International Business Machines Corporation ("IBM") as part of the outsourcing agreement discussed below). Under SFAS No. 146, the current period charges represent the liabilities incurred throughout the year for each of these obligations. As of December 31, 2004, we have a remaining reserve balance of $7.9 million related to these restructuring charges (see Note 3 to our consolidated financial statements). By the end of 2005, we expect that approximately 425 additional employees will be terminated as part of the 2004 Financial Flexibility Program. We recorded a portion of these severance and termination costs in the 2004 Financial Flexibility Program charge in accordance with SFAS No. 146 guidelines.

In October 2004, as part of the 2004 Financial Flexibility Program, we entered into an agreement with IBM to outsource certain portions of our data acquisition and delivery, customer service, and financial processes. Approximately 650 employees in total for 2004 and 2005 will be impacted by this outsourcing agreement. As described above, under the terms of the agreement, approximately 220 employees who primarily performed certain customer service functions in the United States, Canada, United Kingdom and the Netherlands, have transitioned to IBM. We will make total payments of approximately $1.8 million to IBM in full satisfaction of any existing liabilities we have for future severance benefits related to the transitioned employees. The severance benefits for the employees who have transitioned to IBM are included in the $32.0 million restructuring charge discussed above. We will incur additional restructuring charges in 2005 of approximately $10 million to complete the IBM outsourcing, which is included in our 2005 plans (see "Future Liquidity — Sources and Uses of Funds — *Financial Flexibility Program*").

In accordance with SFAS No. 87, "Employers' Accounting for Pension," and SFAS No. 88, "Employers' Accounting for Settlements and Curtailments of Defined Benefit Pension Plans and for Termination Benefits," we were required to recognize a net curtailment charge for the estimated pension and postretirement expense impact for our pension plans related to the employee actions of the 2004 Financial Flexibility Program. The curtailment accounting requirement of SFAS No. 88 required us to recognize immediately a pro-rata portion of the unrecognized prior service cost as a result of the layoffs. For our pension plans this resulted in an immediate curtailment charge of $0.9 million and an immediate reduction to ongoing pension income of $3.3 million, which were both recorded as a charge to earnings during the fourth quarter of 2004. In addition we recognized a $3.7 million curtailment gain related to our postretirement benefit plan which was recorded as an increase to earnings during the fourth quarter of 2004. All of these items together resulted in an immediate net reduction to earnings of $0.5 million in the fourth quarter 2004, included in the $32.0 million restructuring charge discussed above.

During 2003, we recorded $17.4 million of restructuring charges in connection with the Financial Flexibility Program announced in February 2003 ("2003 Financial Flexibility Program"). The charge includes $17.1 million for severance and termination costs related to approximately 500 employees (including a $0.5 million pension plan curtailment charge to the U.S. qualified plan due to the 2003 Financial Flexibility Program employee actions) and $0.3 million for lease termination obligations. As of September 30, 2003, all of the approximately 500 employees had been terminated under the 2003 Financial Flexibility Program.

During the second quarter of 2002, we recognized a $30.9 million restructuring charge in connection with the Financial Flexibility Program announced in February 2002 ("2002 Financial Flexibility Program"). The charge included $18.6 million for severance and termination costs relating to approximately 1,050 employees, $10.6 million for the loss on asset disposals and the write-off of assets that were abandoned (including $9.7 million from the outsourcing discussed in the following paragraph), and $1.7 million for lease termination obligations.

As part of the 2002 Financial Flexibility Program, we outsourced certain technology functions to CSC. Under the terms of the agreement, approximately 400 of our employees who performed data center operations, technology help desk and network management functions in the United States and in the United Kingdom were transitioned to CSC. In addition, as part of the agreement, CSC acquired our data center and print-mail facility located in Berkeley Heights, New Jersey, and related assets for $10 million, which we considered the fair value of the assets. This resulted in the $9.7 million impairment loss noted above.

As of December 31, 2004, we have eliminated approximately 4,145 positions (including 300 open positions) and terminated (via attrition and termination) approximately 3,845 employees under our Financial Flexibility Programs since its inception in October 2000. These figures include the 220 employees who were transitioned to IBM and the approximately 400 employees who were transitioned to CSC, as mentioned above.

See Note 3 to our consolidated financial statements, Impact of Implementation of the Blueprint for Growth Strategy.

Interest Income (Expense) — Net

The following table presents our "Interest Income (Expense) — Net" for the years ended December 31, 2004, 2003 and 2002:

	2004	2003	2002
	(Amounts in millions)		
Interest Income	$ 8.4	$ 4.2	$ 3.0
Interest Expense	(18.9)	(18.6)	(19.5)
	$(10.5)	$(14.4)	$(16.5)

Interest income increased $4.2 million, or 100%, in 2004 from 2003, primarily due to higher investment balances in cash and marketable securities, as well as higher interest rates. Interest income increased $1.2 million, or 41%, in 2003 from 2002, due to additional investments in our combined cash and marketable securities, both short and long-term.

Interest expense increased by $0.3 million, or 2%, in 2004 from 2003, primarily due to higher interest rates. Interest expense decreased by $0.9 million, or 5%, in 2003 from 2002, primarily due to lower interest rates.

Other Income (Expense) — Net

The following table presents the components of "Other Income (Expense) — Net" for the years ended December 31, 2004, 2003 and 2002:

	2004	2003	2002
	(Amounts in millions)		
Miscellaneous Other Income (Expense) — Net(a)	$ 1.0	$(1.9)	$(2.3)
Gains (Losses) on Sales of Businesses(b)	30.3	(2.5)	5.0
Gains on Sales of Investments(c)	1.2	0.4	—
Write-off of Non-Recoverable Investments(d)	—	—	(2.9)
Insurance Recovery(e)	—	7.0	—
	$32.5	$ 3.0	$(0.2)

(a) "Miscellaneous Other Income — Net" increased in 2004 from 2003, primarily due to foreign currency transaction gains. The decrease in "Miscellaneous Other Expense — Net" in 2003 from 2002 is primarily due to lower bank fees.

(b) During 2004, we sold the following businesses and recognized the following non-operating gains:

- our operation in France during the fourth quarter, resulting in a pre-tax gain of $12.9 million;
- our operations in Iberia (Spain and Portugal) during the fourth quarter, resulting in a pre-tax gain of $0.1 million;
- our operations in Central Europe (Germany, Austria, Switzerland, Poland, Hungary and the Czech Republic) during the second quarter, resulting in a pre-tax gain of $5.6 million;
- our operations in the Nordic region (Sweden, Denmark, Norway and Finland) during the first quarter, resulting in a pre-tax gain of $7.9 million; and
- our operation in India and Distribution Channels in Pakistan and the Middle East during the first quarter, resulting in a pre-tax gain of $3.8 million.

During 2003, we sold the following businesses and recognized the following non-operating gains (losses):

- our operation in Israel during the third quarter, resulting in a pre-tax loss of $4.3 million; and
- the equity interest in our Singapore investment, resulting in a pre-tax gain of $1.8 million.

During 2002, we sold the following businesses and recognized the following non-operating gains:

- a portion of our equity interest in our Singapore operation during the third quarter, resulting in a pre-tax gain of $2.6 million; and
- our operation in Korea during the fourth quarter, resulting in a pre-tax gain of $2.4 million.

(c) During 2004, we sold an investment in the U.S. for a pre-tax gain of $1.2 million. During 2003, we sold an investment in Italy for a pre-tax gain of $0.4 million.

(d) During 2002, we exited Avantrust LLC, our joint venture with American International Group, Inc., resulting in a $2.9 million pre-tax write-off of our remaining investment.

(e) Represents a settlement on an insurance claim to recover losses related to the events of September 11, 2001.

Provision for Income Taxes

For the year ended December 31, 2004, our effective tax rate remained the same at 37.9% as compared to the year ended December 31, 2003. The effective tax rate for 2004 as compared to 2003 was positively impacted by foreign income taxes primarily related to tax benefits in the UK (0.5 percentage points), valuation allowances primarily related to capital and net operating losses (0.1 percentage point) and research and development tax credits (0.9 percentage points), and negatively impacted by interest expense on tax reserves (1.4 percentage points) and other items (0.1 percentage point).

The effective tax rate for the year ended December 31, 2003 was 37.9% as compared to 39.3% for the year ended December 31, 2002. The effective tax rate for 2003 as compared to 2002 was positively impacted by foreign income taxes (0.3 percentage points), interest expense on tax reserves (1.2 percentage points) and other items (0.5 percentage points), and negatively impacted by valuation allowances related to net operating losses (0.6 percentage points).

Equity in Net Income (Loss) of Affiliates

We recorded $0.2 million and $0.3 million as Equity in Net Income of Affiliates in 2004 and 2003, respectively. We recorded $1.7 million as Equity in Net Losses of Affiliates for the year ended December 31, 2002. The 2002 loss primarily resulted from our investment in Avantrust, which we made in 2001 and exited in the second quarter of 2002. These amounts are in addition to the $2.9 million pre-tax write-off in 2002 of our remaining investment described above in the discussion of "Other Income (Expense) — Net."

Earnings per Share

We reported the following earnings per share, or EPS, for the years ended December 31, 2004, 2003, and 2002:

	2004	2003	2002
Basic Earnings per Share	$3.01	$2.37	$1.93
Diluted Earnings per Share	$2.90	$2.30	$1.87

Basic EPS and diluted EPS increased 27% and 26%, respectively, in 2004 compared with 2003, reflecting a 4% reduction in the weighted average number of shares outstanding and a 21% increase in net income. Basic EPS and diluted EPS both increased 23% in 2003 compared with 2002, reflecting a 1% reduction in the weighted average number of shares outstanding and a 22% increase in net income. Shares outstanding were reduced as a result of our repurchase of shares, as described in "Liquidity and Financial Position — *Cash Used in Financing Activities.*"

Non-Core Gains and (Charges)

For internal management purposes, we treat certain gains and charges that are included in "Consolidated Operating Costs", "Other Income (Expense) — Net" and "Provision for Income Taxes" as non-core gains and (charges). These non-core gains and (charges) are summarized in the table below. We exclude non-core gains and (charges) when evaluating our financial performance because we do not consider these items to reflect our underlying business performance.

	For the Years Ended December 31,		
	2004	2003	2002
	(Amounts in millions)		
Non-core gains and (charges) included in Operating Costs:			
Restructuring costs related to our Financial Flexibility programs	$(32.0)	$(17.4)	$(30.9)
Loss on the sale of High Wycombe, England building	$ —	$(13.8)	$ —
Non-core gains and (charges) included in Other Income (Expense) — Net:			
Gains on sales of operations in the Nordic region, Central Europe, Iberia, France and India, and Distribution Channels in Pakistan and the Middle East	$ 30.3	$ —	$ —
Insurance recovery related to the events of September 11, 2001	$ —	$ 7.0	$ —
Non-core gains and (charges) included in Provision for Income Taxes:			
Increase in Tax Legacy Reserve for "Utilization of Capital Losses — 1998-1990"	$ (4.5)	$ —	$ —
(Provision) Benefit for Income Taxes on the:			
Restructuring costs related to our Financial Flexibility programs	$ 11.2	$ 5.8	$ 9.3
Loss on the sale of High Wycombe, England building	$ —	$ 2.7	$ —
Gains on sales of operations in the Nordic region, Central Europe, Iberia, France and India, and Distribution Channels in Pakistan and the Middle East	$(10.9)	$ —	$ —
Insurance recovery related to the events of September 11, 2001	$ —	$ (2.7)	$ —

Segment Results

North America and International are our segments for which separate financial information is available, and upon which operating results are evaluated on a timely basis to assess performance and to allocate resources.

North America

North America is our largest segment, representing 73%, 69%, and 72% of our total revenue in 2004, 2003, and 2002, respectively. North America also represented 78%, 79%, and 82% of our core revenue in 2004, 2003, and 2002, respectively. Total revenue and core revenue for this segment were the same in all three periods, as there were no divestitures within this segment during these periods.

The following table presents North America customer solution set revenue and operating income for the years ended December 31, 2004, 2003 and 2002:

	2004	2003	2002
	(Amounts in millions)		
Revenue:			
Risk Management Solutions	$ 639.7	$603.6	$594.3
Sales & Marketing Solutions	318.9	294.1	289.1
Supply Management Solutions	29.8	33.4	28.7
E-Business Solutions	49.9	29.0	—
Total and Core North America Revenue	$1,038.3	$960.1	$912.1
Operating Income	$ 365.3	$329.9	$313.1

2004 vs. 2003

North America total and core revenue increased $78.2 million, or 8%, in 2004 from 2003, driven by increases in our three largest customer solution sets.

On a customer solutions set basis, the $78.2 million increase reflects:

- a $36.1 million, or 6%, increase in Risk Management Solutions. This growth was driven by a 7% increase in our Traditional Risk Management Solutions, which accounted for 79% of total North America Risk Management Solutions. There were two main drivers of this growth: (i) our Self Awareness Solutions, which allows our small business customers to establish, improve and protect their own credit; and (ii) the subscription plan we introduced in the United States in the fourth quarter of 2003 for customers that are willing to purchase more data from D&B. This new plan provides expanded access to our Risk Management Solutions in a way that provides more certainty over related costs and generally results in customers increasing their spending on our products. In addition, our Value-Added Risk Management Solutions, which accounted for 21% of total North America Risk Management Solutions, increased 3%, below our expectations due to product and customer care execution problems that we are addressing in 2005.
- a $24.8 million, or 8%, increase in Sales & Marketing Solutions. This growth was driven by a 21% increase in our Value-Added Solutions revenue, which accounted for 57% of total North America Sales & Marketing Solutions. There were two main drivers of this growth: (i) double-digit growth in our CIM products; and (ii) our planned migration of our customers from our Traditional products to our more automated Value-Added Solutions. Our Value-Added Solutions growth was partially offset by the 4% decline in Traditional Sales & Marketing Solutions, which accounted for 43% of total North America Sales & Marketing Solutions. There were two main drivers of this decline: (i) the planned migration to our Value-Added Solutions; and (ii) continued weakness in certain of our Traditional list and label businesses.
- a $3.6 million, or 11%, decrease in Supply Management Solutions, our smallest solution set. This decline was primarily due to product delivery and customer renewal issues.
- a $20.9 million, or 72%, increase in E-Business Solutions, representing the results of Hoover's, Inc. The increase was primarily due to continued growth in subscription revenue, the benefit of our marketing efforts, which have driven increased traffic to the Hoover's Web site and strong ad sales. Additionally, this increase includes twenty percentage points of growth from the effect of purchase accounting on the 2003 results.

In addition, investments in the DUNSRight™ quality process, our unique value proposition that powers all our customer solution sets, benefited North America's revenue results.

North America's operating income increased $35.4 million, or 11%, in 2004 from 2003, primarily due to the increase in revenue and the benefits of our reengineering initiatives, partially offset by increased investments to drive revenue growth.

2003 vs. 2002

North America total and core revenue increased $48.0 million, or 5%, in 2003 from 2002, driven by increases in each of our customer solution sets.

On a customer solution set basis, the $48.0 million increase reflects:

- a $9.3 million, or 2%, increase in Risk Management Solutions. Traditional Risk Management Solutions, which accounted for 78% of total North America Risk Management Solutions, was flat. Value-Added Risk Management Solutions, which accounted for 22% of total North America Risk Management Solutions, increased 9%. In our Value-Added Risk Management Solutions, our portfolio management solution products continued to perform well, which reflected the benefits from our recent investment spending in Enterprise Risk Assessment Manager, that helps customers manage their credit portfolios. Additionally, the increase was driven by our customers' continued shift towards automating their decision-making process.

- a $5.0 million, or 2%, increase in Sales & Marketing Solutions. Traditional Sales & Marketing Solutions, which accounted for 49% of total North America Sales & Marketing Solutions, decreased 12%. This decline was indicative of the then-current economic environment. This is the area of our business that is the most sensitive to changes in the economy, as sales and marketing expenses are often viewed as discretionary spending by our customers. This decline was offset by Value-Added Sales & Marketing Solutions, which accounted for 51% of total North America Sales & Marketing Solutions, and increased by 19%. The increase in our Value-Added Sales & Marketing Solutions was primarily driven by our CIM products and our value-added prospecting solutions, including Market Spectrum™.

- a $4.7 million, or 17%, increase in Supply Management Solutions, reflecting our customers' focus on improving their operating results through the optimization of the procurement process.

- $29.0 million of revenue from E-Business Solutions, representing the results of Hoover's, Inc., contributing three percentage points of growth.

North America's operating income increased $16.8 million, or 5%, in 2003 from 2002, primarily due to the increase in organic core revenue partially offset by increased investments to drive revenue growth in 2004.

International

Our International segment represented 27%, 31%, and 28% of our total revenue in 2004, 2003, and 2002, respectively. International represented 22%, 21%, and 18% of our core revenue in 2004, 2003, and 2002, respectively.

The following table presents our International customer solution set revenue and operating income for the years ended December 31, 2004, 2003 and 2002:

	2004	2003	2002
	(Amounts in millions)		
Revenue			
Risk Management Solutions	$242.3	$200.7	$160.3
Sales & Marketing Solutions	49.3	48.3	42.0
Supply Management Solutions	4.5	4.6	2.7
E-Business Solutions	0.1	—	—
Core International Revenue	296.2	253.6	205.0
Divested Businesses	79.5	172.7	158.5
Total International Revenue	$375.7	$426.3	$363.5
Operating Income	$ 64.3	$ 59.9	$ 43.5

2004 vs. 2003

International total revenue decreased $50.6 million, or 12%, in 2004 from 2003, reflecting a $42.6 million or 17% increase (7% before the effect of foreign exchange) in core revenue offset by a $93.2 million decrease as a result of our divested businesses. The impact of having a full-year of revenue from our 2003 acquisitions of Italian real estate data companies contributed two percentage points of growth in 2004.

On a customer solution set basis, the $42.6 million increase in International core revenue reflects:

- a $41.6 million, or 21%, increase in Risk Management Solutions (10% increase before the effect of foreign exchange). Traditional Risk Management Solutions, which accounted for 91% of total International Risk Management Solutions, increased 21% (10% increase before the effect of foreign exchange). There were two main drivers of this growth: (i) the continued success of our monitoring product, e-Portfolio; and (ii) the full-year benefit from our acquisition of the Italian real estate data companies, which contributed two percentage points of the growth in Traditional Risk Management Solutions. In addition, our Value-Added Risk Management Solutions, which accounted for 9% of total International Risk Management Solutions, increased 23% (14% increase before the effect of foreign exchange), driven by our customers' preference to continue to automate their decisioning processes through products such as Global Decision Maker™, and integrate existing systems using our Toolkit solutions.

- a $1.0 million, or 2%, increase in Sales & Marketing Solutions (7% decrease before the effect of foreign exchange). Traditional Sales & Marketing Solutions, which accounted for 69% of our total International Sales & Marketing Solutions, increased 6% (decreased 4% before the effect of foreign exchange), reflecting the highly competitive local marketplace for traditional products. In addition, our Value-Added Sales & Marketing Solutions, which accounted for 31% of our total International Sales & Marketing Solutions, decreased 6% (14% decrease before the effect of foreign exchange), reflecting our need to (i) enhance our value propositions for our customers by offering the same Value-Added Solutions that have been successfully leveraged in our North America segment and (ii) focus on migrating our customers to these Value-Added Solutions from Traditional Sales & Marketing products.

- a $0.1 million decrease in Supply Management Solutions (9% decrease before the effect of foreign exchange).

- $0.1 million of revenue from E-Business Solutions. We first began offering our Hoover's solution to customers in Europe in the fourth quarter of 2004.

Core revenue growth in International also benefited from our investments in our DUNSRight™ quality process, our unique value proposition that powers all our customer solution sets. In addition, International core revenue growth benefited from our international market leadership strategy, through which we have developed partnerships with strong local players who have enhanced our DUNSRight™ quality process, resulting in an improved value proposition for our customers.

The following factors affecting International create particular challenges to our revenue growth:

- In most International markets, we do not have market leadership positions. This makes us particularly susceptible to competitive pressures.

- Our competition is primarily local, and our customers may have greater loyalty to our local competitors.

- Credit insurance is a significant credit risk mitigation tool in certain markets, thus reducing the demand for information-based credit risk mitigation tools, such as those offered by us.

- In many local markets, key data elements are generally available from public-sector sources, thus reducing our data collection advantage.

- Prior to the launch of our Blueprint for Growth strategy, our investment decisions were made at the country level and not in a coordinated fashion. While we have made significant investments to mitigate this situation, we are still faced with uneven data quality in some local markets.

International's operating income increased $4.4 million, or 8%, from the prior year, primarily due to the increase in core revenue, as well as reduced operating expenses as a result of divested businesses, the benefits of our reengineering initiatives, and the positive effect of foreign exchange.

In addition to the foregoing challenges to revenue growth in our International segment, recent tax legislation in Italy is expected to significantly increase the costs of operating our Italian real estate information business by up to approximately $30 million in 2005. This business, which we entered into in 2002 (see "Note 4 Acquisitions and Other Investments"), represented approximately 11% of International's total revenue in 2004 of $375.7 million (and 14% of International's core revenue in 2004 of $296.2 million). The primary customers for our real estate information business are banks, which use real estate information in making credit decisions.

On February 1, 2005, regulations implementing new tax legislation became effective in Italy that is expected to significantly increase the cost of conducting our Italian real estate information business in 2005. Specifically, the regulations increase data acquisition costs for Italian real estate information and require that we pay a fee each time we resell or license that data.

Our plan is to fully address these incremental costs through price increases to our customers to mitigate the impact to our operating income in Italy. Accordingly, we began implementing these price increases in February 2005.

At this time, we cannot predict with certainty the final impact that this tax legislation and related regulations will have on our 2005 reported results because we cannot forecast:

1. customer acceptance of the price increases,
2. the impact that such price increases may have on customers' utilization of our real estate and other products during the year,
3. the full nature and impact of actions that we may take to mitigate the operating income impact of the legislation and
4. the actions of our competitors.

Our previously announced guidance for 2005 as furnished in our Form 8-K dated February 3, 2005, does not include the impact of the new Italian tax legislation and related regulations. We expect to provide an update on this matter and its impact on our business in our Form l0-Q for the quarter ended March 31, 2005.

As we continue to implement our international market leadership strategy, we will continue to use different approaches to improve our competitive position from market to market worldwide. In some markets, we are investing to strengthen our position, either through organic growth or by acquisition. In other markets, we are establishing strategic relationships to strengthen our global data coverage and our customer value propositions. Additionally, we will continue to leverage our DUNSRight™ quality process to establish leadership positions in our International markets.

2003 vs. 2002

International total revenue increased $62.8 million, or 17%, in 2003 from 2002, reflecting a $48.6 million, or 24% increase (9% increase before the effect of foreign exchange) in core revenue and a $14.2 million increase in revenue from our divested businesses. Ten percentage points of core revenue growth came from our acquisitions of Data House in the third quarter of 2002 and the additional Italian real estate data companies in the second quarter 2003.

On a customer solution set basis, the $48.6 million increase in core International revenue reflects:

- a $40.4 million, or 25%, increase in Risk Management Solutions (10% increase before the effect of foreign exchange), including thirteen percentage points of growth due to the acquisitions of Data House and the Italian real estate data companies. Traditional Risk Management Solutions increased by 27% (11% increase before the effect of foreign exchange), including fourteen percentage points of growth due to the acquisitions. Within our traditional products, we experienced competitive pricing pressures

on our low-end products. We also experienced a shift in our customers' spending from higher-priced comprehensive reports to low-priced, less detailed reports. These competitive and pricing pressures were partially offset by the continued success of our new monitoring product, e-Portfolio. Value-Added Risk Management Solutions increased by 13% (3% increase before the effect of foreign exchange), driven by the customers' preference to continue to automate their decisioning process through products such as Global Decision Maker™, and integrate existing systems using our Toolkit solutions.

- a $6.3 million, or 15%, increase in Sales & Marketing Solutions (4% increase before the effect of foreign exchange). Traditional Sales & Marketing Solutions increased by 3% (7% decrease before the effect of foreign exchange), and our Value-Added Sales & Marketing Solutions increased 50% (35% increase before the effect of foreign exchange). The decline in our traditional Sales & Marketing Solutions was indicative of economic pressures in the Eurozone, compounded by low growth forecasts in larger markets. We also continued to see competitive pricing pressures in our Traditional list and label business. The improvement in our Value-Added Sales & Marketing Solutions can be attributed to specific management actions that occurred in the third quarter of 2003. Those actions included: (i) the addition of sales leadership in five major markets, each with a dedicated sales team, (ii) the continued increased focus by our sales teams on value-added products, (iii) expanded demand generation programs, and (iv) growth in linkage products resulting from our customers' movement from CD to Web-based solutions.

- a $1.9 million, or 67%, increase in Supply Management Solutions (47% increase before the effect of foreign exchange), primarily due to the continued growth in our data rationalization products.

International's operating income increased $16.4 million, or 38%, in 2003 from 2002, primarily due to the positive effect of foreign exchange. To a lesser extent, our acquisitions, our reengineering initiatives, and reduced operating expenses as a result of our divested businesses also contributed to the increase in operating income.

Market Risk

We are exposed to the impact of interest rate changes, foreign currency fluctuations and changes in the market value of certain of our investments.

We employ established policies and procedures to manage our exposure to changes in interest rates and foreign currencies. We use short-term foreign exchange forward contracts to hedge short-term foreign currency-denominated loans, investments and certain third party and intercompany transactions and, from time to time, we have used foreign exchange option contracts to reduce our international earnings exposure to adverse changes in currency exchange rates. In addition, we use interest rate swap agreements to hedge a portion of the interest rate exposure on our outstanding fixed-rate notes, as discussed under "Interest Rate Risk," below.

A discussion of our accounting policies for financial instruments is included in the summary of significant accounting policies in Note 1 to our consolidated financial statements, and further disclosure relating to financial instruments is included in Note 7 to our consolidated financial statements.

Interest Rate Risk

Our objective in managing exposure to interest rates is to limit the impact of interest rate changes on earnings, cash flows and financial position, and to lower overall borrowing costs. To achieve these objectives, we maintain a policy that floating rate debt be managed within a minimum and maximum range of our total debt exposure. To achieve our policy objectives, we may use fixed-rate debt, floating-rate debt and/or interest rate swaps.

In 2001, we issued $300 million in principal of five-year, fixed-rate notes that mature in March 2006 (see Note 7 to our consolidated financial statements). In connection with that note issuance, we entered into fixed to floating interest rate swap agreements in the third quarter of 2001 with notional principal amounts totaling $100 million (see Note 7 to our consolidated financial statements), and designated these swaps as fair value

hedges against the long-term, fixed-rate notes. The arrangement is considered a highly effective hedge and, therefore, the accounting for these hedges has no impact on earnings. The changes in the fair value of the hedge and the designated portion of the notes are reflected in our consolidated balance sheets. At December 31, 2004, we had no floating-rate debt outstanding.

Foreign Exchange Risk

We have offices in 13 countries and conduct operations through minority equity investments and strategic relationships with local players in more than 20 additional countries. Our International operations generated approximately 27% of total revenue in 2004. As of December 31, 2004, approximately 28% of our assets were located outside North America, and no country outside North America, other than the United Kingdom, had a significant concentration of our aggregate cash balances.

Our objective in managing exposure to foreign currency fluctuations is to reduce the volatility caused by foreign exchange rate changes on the earnings, cash flows and financial position of our International operations. We follow a policy of hedging substantially all balance sheet positions denominated in a currency other than the functional currency applicable to each of our various subsidiaries. From time to time, we may also hedge the value of our foreign currency-denominated earnings and investments. We use short-term foreign exchange forward and option contracts to implement our hedging strategies. Typically, these contracts have maturities of twelve months or less. These contracts are executed with creditworthy institutions and are denominated primarily in the British pound sterling and the Euro.

As in prior years, we have hedged substantially all balance sheet positions denominated in a currency other than the functional currency applicable to each of our various subsidiaries with short-term forward foreign exchange contracts. In addition, we used foreign exchange option contracts to hedge certain foreign earnings and foreign exchange forward contracts to hedge certain net investment positions. The option contracts expired as of December 31, 2004. The underlying transactions and the corresponding forward exchange and option contracts are marked to market at the end of each quarter, and are reflected within our consolidated financial statements.

At December 31, 2004, we had approximately $333.3 million in foreign exchange forward contracts outstanding, with net unrealized losses of $4.1 million. If exchange rates on average were to increase 10% from year-end levels, the unrealized loss would be approximately $6.5 million. If exchange rates on average were to decrease 10% from year-end levels, the unrealized loss would be approximately $1.3 million. However, the estimated potential gain and loss on these contracts is expected to be offset substantially by changes in the dollar value of the underlying transactions.

Liquidity and Financial Position

In accordance with our Blueprint for Growth strategy, we have used our cash for three primary purposes:

- First, we have invested in our current business, such our proprietary DUNSRight™ quality process and new products and solutions such as our Enterprise Risk Assessment Manager, e-Portfolio, Global Decision Maker™, Data Integration Toolkit™ and CIM.
- Second, over the past three years we have made acquisitions such as Data House, Hoover's, and a controlling interest in three Italian real estate data companies and RIBES S.p.A.
- Third, during 2004, we spent $200.0 million to repurchase 3,601,986 shares as part of the $200 million share repurchase program approved by our Board of Directors. This investment is in addition to 971,654 shares we repurchased for $51.8 million to mitigate the dilutive effect of the shares issued in connection with our stock incentive plans and Employee Stock Purchase Plan. In January 2005, our Board of Directors approved a new two-year, $400 million share repurchase program.

We believe that cash flows generated from our operations and supplemented as needed with readily available financing in the commercial paper markets are sufficient to meet our short-term and long-term needs, including the cash cost of our restructuring charges, transition costs, contractual obligations and contingencies

(see Note 13 to our consolidated financial statements), excluding the legal matters identified therein for which the exposures are not estimable. We have the ability to access the commercial paper market from time to time to fund working capital needs and share repurchases if needed. Such borrowings would be supported by our bank credit facilities.

Cash Flow for the Years Ended December 31, 2004, 2003 and 2002

Cash Provided by Operating Activities

Net cash provided by operating activities was $267.6 million, $235.7 million and $213.1 million for the years ended December 31, 2004, 2003 and 2002, respectively.

2004 vs. 2003

Net cash provided by operating activities increased by $31.9 million to $267.6 million in 2004 as compared to 2003, primarily due to the increased profitability of our underlying business and improved working capital primarily due to an increase in deferred revenue resulting from higher sales and a slight improvement to trade days sales outstanding in accounts receivable. In addition, restructuring payments made in 2004 for our Financial Flexibility Program actions were lower than those made in 2003. Partially offsetting these increases were increased payments relating to taxes in 2004 and the impact of a $7.0 million receipt for the settlement of the World Trade Center business interruption claim we filed in 2002 and tax refunds relating to the 1998 spin-off of R.H. Donnelley of $7.0 million, which were both received during 2003.

2003 vs. 2002

Net cash provided by operating activities in 2003 was $235.7 million, compared with $213.1 million in 2002. This increase of $22.6 million was primarily due to the increased profitability of our underlying business, additional receipts of cash on amounts due from our customers, an increase in our deferred revenue balance resulting from higher sales, a $7.0 million receipt for the settlement of the World Trade Center business interruption claim we filed in 2002 and tax refunds relating to the 1998 spin-off of R.H. Donnelley of $7.0 million. Partially offsetting these increases in cash during 2003 were increased payments relating to taxes and reductions in our accrued liabilities balances from prior year levels primarily for employee benefits (e.g., benefit payments, earned vacation, and bonus). Days sales outstanding in accounts receivable for the fourth quarter of 2003 were 78 days versus 84 days for the same period in 2002. The improvement in the level of days sales outstanding is primarily attributable to the implementation of additional process improvements in our international collections efforts, tighter management of terms of payment in our customer contracts, and increased sales in 2003 compared to 2002.

Cash Used in Investing Activities

Our business is not capital-intensive, and most of our spending to grow the business is funded by operating cash flow. As a result of our Financial Flexibility Programs, we have sold non-core businesses and real estate assets. Proceeds from these sales have partially (or in some cases, fully) offset our capital expenditures and additions to computer software and other intangibles, as described below.

2004 vs. 2003

Net cash used in investing activities totaled $39.2 million in 2004, compared with $65.3 million in 2003. This change primarily relates to the following activities in both years.

During 2004, we increased our net investment in marketable securities by $70.8 million. During the first quarter of 2004, we sold our Nordic operations to Bonnier Affarsinformation AB (“Bonnier”). We received proceeds from the sale of $42.7 million, consisting of cash of $35.9 million, notes receivable of $5.9 million, of which $0.8 million has been collected in 2004, and another receivable of $0.9 million. In the second quarter of 2004, we wrote-off the other receivable of $0.9 million related to this transaction.

During the first quarter of 2004, we sold our operations in India and our Distribution Channels in Pakistan and the Middle East for $7.7 million. We received proceeds of $7.3 million (net of withholding tax), consisting of cash of $6.5 million and an investment in the amount of $0.8 million representing a 10% remaining interest in the divested entity.

During the second quarter of 2004, we completed the sale of our Central European operations to Bonnier. Proceeds were $25.7 million, consisting of $18.1 million in cash and $7.6 million in other receivables, of which $5.6 million has been collected in 2004.

During the third quarter of 2004 we received $0.7 million for the sale of an investment that was acquired during our acquisition of Hoover's in the first quarter of 2003.

During the fourth quarter of 2004, we also completed the sale of our operations in France and Iberia. Proceeds from the sale of our operations in France to Base D'Informations Legales Holding S.A.S., a major business information provider to the French market, were $30.1 million which consisted of $15.0 million in cash, $14.0 million in other receivables, and $1.1 million in other assets. Proceeds from the sale of our Iberian operations to Informa S.A., a leading provider of business information in Spain, were $13.5 million which consisted of $13.2 million in cash and $0.3 million in other assets.

During 2004, we acquired an additional 16% of RIBES S.p.A., a leading provider of business information to Italian banks for $3.4 million (net of cash acquired), of which $2.0 million was paid during the fourth quarter of 2004. The remaining $1.4 million will be paid during 2005. In 2003, we invested $1.9 million to acquire 17.5% of RIBES S.p.A. At December 31, 2004 and 2003, our interest in RIBES S.p.A. was 51% and 35%, respectively.

In 2003, we received proceeds of $80.2 million from the sale of our European headquarters building in High Wycombe, England, and we received $1.9 million in connection with the sale of our interest in Singapore during the third quarter, collection of the note receivable received during the sale of our Korean operations in the fourth quarter of 2002, and $0.4 million received in connection with the sale of our equity interest in our Italian operations during the first quarter of 2003. We used $92.5 million of cash generated from operations to acquire Hoover's and $5.5 million to obtain a controlling interest in three Italian real estate data companies, net of cash acquired.

Investments in capital expenditures and computer software were $28.8 million in 2004 and $30.3 million in 2003, primarily in the North America segment.

2003 vs. 2002

Net cash used in investing activities totaled $65.3 million in 2003, compared with $55.2 million in 2002. This change primarily relates to the following activities in both years.

During 2003, we received proceeds of $80.2 million from the sale of our European headquarters building in High Wycombe, England, and we received $1.9 million in connection with the sale of our interest in Singapore during the third quarter, collection of the note receivable received during the sale of our Korean operations in the fourth quarter of 2002, and $0.4 million received in connection with the sale of our equity interest in our Italian operations during the first quarter of 2003. We used $92.5 million of cash generated from operations to acquire Hoover's and $5.5 million to obtain a controlling interest in three Italian real estate data companies, net of cash acquired.

In 2002, we received $21.5 million from the sale in the second quarter of our buildings in Berkeley Heights and Murray Hill, New Jersey, and the related assets. We received $3.0 million in the third quarter in connection with the sale of our interest in our Singapore operation, and we received $1.8 million in the fourth quarter in connection with the sale of our Korean operation. We used $21.2 million of cash generated from operations to acquire Data House, net of cash acquired.

Investments in capital expenditures and computer software were $30.3 million in 2003 and $53.5 million in 2002, primarily in the North America segment. In 2003, we also invested $1.9 million to acquire 17.5% of RIBES S.p.A., a leading provider of business information to Italian banks, increasing our interest in RIBES

S.p.A. to 35%. In 2002, we also invested $0.9 million in Avantrust LLC, our joint venture with AIG, which we exited during the second quarter of 2002.

Cash Used in Financing Activities

There was no change in our long-term borrowings in 2004, 2003 or 2002. In the first quarter of 2001, we issued $300 million in five-year, fixed-rate notes. If we fail to comply with certain covenants under our five-year notes, the maturity of the notes could be accelerated. We have been in compliance with these covenants since we issued the notes, and we believe that the likelihood is remote that we would fail to meet these covenants. The cash proceeds from the issuance of these notes were used to repay a $300 million obligation resulting from the purchase of an unrelated partner's interest in a limited partnership.

During the third quarter of 2004, we entered into a new multi-year credit agreement, which will expire in September 2009, and terminated our previous multi-year and 364-day credit agreements. Our aggregate availability under the new facility is $300 million, while our aggregate availability under the terminated facilities was $275 million ($175 million under the multi-year facility and $100 million under the 364-day facility). At December 31, 2004, no borrowings were outstanding under the new facility. The facility also supports our commercial paper borrowings up to $300 million. We did not draw on any of these facilities in 2003 or 2004. We also have not borrowed under our commercial paper program in 2003 or 2004. We believe that cash flows generated from operations, supplemented as needed with readily available financing arrangements, are sufficient to meet our short-term and long-term needs, including any payments that may be required in connection with our Financial Flexibility Program restructuring charges discussed in Note 3, to meet commitments and contract obligations as presented in Note 12, and to settle the contingencies discussed in Note 13 to our consolidated financial statements, excluding the legal matters identified therein for which the exposures are not estimable. The new facility requires the maintenance of interest coverage and total debt to EBITDA ratios (each as defined in the agreement). We were in compliance with all requirements at December 31, 2004 and 2003.

2004 vs. 2003

Net cash used in financing activities was $233.5 million in 2004 and $132.8 million in 2003.

During 2004 and 2003, cash used in financing activities was largely attributable to the purchase of treasury shares. In 2004, we repurchased 971,654 shares of D&B stock for $51.8 million to mitigate the dilutive effect of the shares issued under our stock incentive plans and Employee Stock Purchase Plan. Additionally, we repurchased 3,601,986 shares for $200.0 million related to a previously announced $200 million one-year share repurchase program approved by our Board of Directors in February 2004. In 2003, we repurchased 1,381,276 shares of stock for $56.1 million to mitigate the dilutive effect of the shares issued under our stock incentive plans and Employee Stock Purchase Plan. Additionally, in 2003, we repurchased 2,377,924 shares for $100.0 million to complete a previously announced $100 million two-year share repurchase program approved by our Board in October, 2002. This program was completed by December 31, 2003.

In 2004, net proceeds from our employee stock plans were $18.0 million, compared with $23.4 million in 2003.

2003 vs. 2002

Net cash used in financing activities was $132.8 million in 2003 and $104.7 million in 2002.

During 2003 and 2002, cash used in financing activities was largely attributable to the purchase of treasury shares. In 2003, we repurchased 1,381,276 shares of stock for $56.1 million to mitigate the dilutive effect of the shares issued under our stock incentive plans and Employee Stock Purchase Plan. Additionally, in 2003, we repurchased 2,377,924 shares for $100.0 million to complete a previously announced $100 million two-year share repurchase program approved by our Board of Directors in October 2002. In January 2002, we acquired 2,500,000 of our shares in a privately negotiated block trade for $85.1 million. Also in 2002, we repurchased 855,200 of our shares for $32.6 million to mitigate the dilutive effect of shares issued under stock incentive plans and in connection with our Employee Stock Purchase Plan.

In 2003, net proceeds from our employee stock plans were $23.4 million, compared with $12.1 million in 2002.

Future Liquidity — Sources and Uses of Funds

Contractual Cash Obligations

The following table quantifies as of December 31, 2004, our contractual obligations that will require the use of cash in the future.

Contractual Obligations	Total	2005	2006	2007	2008	2009	Thereafter
	Payments Due by Period						
	(Amounts in millions)						
Long-Term Debt(1)	$300.0	$ —	$300.0	$ —	$ —	$ —	$ —
Operating Leases(2)	$103.9	$24.3	$ 22.0	$16.0	$11.7	$ 9.4	$ 20.5
Obligations to Outsourcers(3)	$580.6	$75.3	$ 76.5	$76.1	$77.6	$77.4	$197.7
Pension and Other Postretirement Benefits Payments/Contributions(4)	$870.2	$42.4	$ 34.1	$38.2	$35.2	$31.7	$688.6
Spin-off Obligation(5)	$ 21.3	$21.3	$ —	$ —	$ —	$ —	$ —

(1) Our $300.0 million debt obligation under our fixed-rate notes is repayable in March 2006.

(2) Most of our operations are conducted from leased facilities, which are under operating leases that expire over the next 10 years, with the majority expiring within five years. We also lease certain computer and other equipment under operating leases that expire over the next three years. These leases are frequently renegotiated or otherwise changed as advancements in computer technology present opportunities to lower costs and improve performance.

(3) In July 2002, we outsourced certain technology functions to CSC under a 10-year agreement, which we may terminate for a fee at any time effective after July 2003 and under certain other conditions. Under the terms of the agreement, CSC is responsible for the data center operations, technology help desk and network management functions in the United States and in the United Kingdom and for certain application development and maintenance through July 31, 2012. In 2004, we incurred $63.0 million under this contract and have a remaining commitment of approximately $481 million.

In December 2003, we signed a three-year agreement with ICT Group, Inc. ("ICT"), effective January 2004, to outsource certain marketing calling activities. We may terminate this agreement for a fee at any time. Under the terms of the agreement, ICT will be responsible for performing certain marketing and credit-calling activities previously performed by D&B's own call centers in North America. The obligation under the contract is based upon transmitted call volumes, but shall not be less than $3 million per contract year. In 2004, we incurred $5.6 million under this contract and have a remaining commitment of approximately $6 million.

On October 15, 2004, we entered into a seven-year outsourcing agreement with IBM. Under the terms of the agreement, we will transition certain portions of our data acquisition and delivery, customer service, and financial processes to IBM. In addition, we can terminate at our discretion, subject to payment of termination fees that decline over the term, or for cause. In 2004, we incurred $2.2 million under this contract and have a remaining commitment of approximately $93 million.

(4) Pension and Other Postretirement Benefits Payments/Contributions:

Represents projected contributions to our non-U.S. defined benefit plans as well as projected benefit payments related to our unfunded plans, including the U.S. Non-Qualified Plans and our postretirement benefit plan. We do not expect to make any contributions to our U.S. Qualified Plan. The expected benefits are estimated based on the same assumptions used to measure our benefit obligation at the end of 2004 and include benefits attributable to estimated future employee service. A closed group approach is used in calculating the projected benefit payments, assuming only the participants who are currently in the valuation population are included in the projection and the projected benefits continue for approximately 99 years.

(5) As part of our spin-off from Moody's/D&B2 in 2000, Moody's and D&B entered into a Tax Allocation Agreement dated as of September 30, 2000 (the "TAA"). Under the TAA, Moody's/D&B2 and D&B agreed that Moody's/D&B2 would be entitled to deduct compensation expense associated with the exercise of Moody's/D&B2 stock options (including Moody's/D&B2 options exercised by D&B employees) and D&B would be entitled to deduct the compensation expense associated with the exercise of D&B stock options (including D&B options exercised by employees of Moody's/D&B2). Put simply, the tax deduction goes to the issuing company of the stock option. The TAA provides, however, that if the IRS issues rules, regulations or other authority contrary to the agreed upon treatment of the tax deductions thereunder, then the party that becomes then entitled to take the deduction may be required to indemnify the other party for the loss of such deduction. The IRS issued rulings discussing an employer's entitlement to stock option deductions after a spin-off or liquidation that appears to require that the tax deduction belongs to the employer of the optionee and not the issuer of the option. Accordingly, under the TAA, we received the benefit of additional tax deductions and under the TAA we may be required to reimburse Moody's/D&B2 for the loss of income tax deductions relating to 2003 and 2004 of approximately $21 million in the aggregate for such years. This potential reimbursement is a reduction to Shareholders' Equity and has no impact on EPS.

Financial Flexibility Program

In 2005, we will continue to implement our flexible business model through the following:

- Improving operating efficiency with a focus on evaluating opportunities in our International segment, and
- Leveraging current outsourcing partners and vendors to drive quality and cost efficiencies primarily in the area of technology.

We expect to complete all actions under the 2005 Financial Flexibility Program by December 2005. On an annualized basis, these actions are expected to create $70 million to $80 million of financial flexibility (approximately $50 million in 2005), before any restructuring charges and transition costs and before any reallocation of spending. To implement these measures and complete our 2004 program, we expect to incur transition costs of approximately $20 million to $22 million. In addition, we expect to incur non-core restructuring charges totaling approximately $30 million to $35 million pre-tax, of which $28 million to $32 million relate to severance and termination costs and $2 million to $3 million relate to lease termination obligations and other exit costs, in 2005. The $30 million to $35 million pre-tax charge includes approximately $10 million of restructuring charges to complete the IBM outsourcing. Approximately $60 million to $65 million of these transition costs and restructuring charges are expected to result in cash expenditures.

Share Repurchases and Dividends

In February 2005, we announced that our Board of Directors authorized a new $400 million two-year share repurchase program. This program is in addition to our existing share repurchase program to offset the dilutive effect of shares issued under employee benefit plans. We expect to fund the program from cash on hand and to execute the program evenly over the next two-year period. Through February 28, 2005, we repurchased 168,000 shares at an aggregate cost of $10.0 million.

We have not paid cash dividends since we separated from Moody's in 2000, and we have decided to continue this policy.

Potential Payments in Tax and Legal Matters

We and our predecessors are involved in certain tax and legal proceedings, claims and litigation arising in the ordinary course of business. These matters are at various stages of resolution, but could ultimately result in significant cash payments as described in "Item 3. Legal Proceedings." We believe we have adequate reserves recorded in our consolidated financial statements for our share of current exposures in these matters.

Pension Plan and Postretirement Benefit Plan Contribution Requirements

For financial statement reporting purposes, the funded status of our pension plans, as determined in accordance with GAAP, was a surplus of $89.8 million for the U.S. Qualified Plan, a deficit of $231.0 million for the U.S. Non Qualified Plans, and a deficit of $58.4 million for the non U.S. plans at December 31, 2004, compared to a surplus of $101.6 million, a deficit of $221.0 million, and a deficit of $46.0 million, respectively, at December 31, 2003. The deterioration in funded status was due primarily to the higher projected benefit obligation at December 31, 2004 driven by the lower interest rate, other assumption changes and experience loss during the year, partially offset by the gains in the plans' equity investments. This is detailed further in Note 10 to our consolidated financial statements.

For funding purposes, governed by the Internal Revenue Service regulations, we are not required to contribute to the U.S. Qualified Plan, the largest of our six plans, in 2005 as the plan is considered "fully funded" under the provisions of the Internal Revenue Code.

If the U.S. Qualified Plan asset returns are flat and the assets decline by the amount of benefits paid to plan participants, and all other factors affecting when contributions are required remain the same, we would not be required to make contributions to this plan until 2008. If plan assets appreciate between now and 2008, the need to make a required contribution would be delayed beyond 2008. If plan assets depreciate, we could be required to make contributions sooner than 2008. In addition, if the U.S. Congress renews the Pension Funding Equity Act, we could delay contributions beyond 2008, assuming there is no return on plan assets. (This Act includes a provision governing the Current Liability Interest Rate to be used beginning in 2004 for calculating the Additional Funding Requirement under the Internal Revenue Code. However, the Act provides only two years of relief.) Whether or not contributions are required, we may voluntarily make contributions to this plan sooner than 2008, if allowable under Internal Revenue Code funding provisions.

We expect to continue to make cash contributions to our five other pension plans in 2005. The expected 2005 contribution amount is approximately $26.4 million, compared with $19.1 million in 2004. In addition, we expect to make benefit payment related to our postretirement benefit plan of approximately $16.0 million in 2005, compared with $14.7 million in 2004. See the table of Contractual Cash Obligations on page 52 for projected contributions and benefit payments beyond 2005.

Off-Balance Sheet Arrangements and Related Party Transactions

We do not have any transactions, obligations or relationships that could be considered off-balance sheet arrangements. Additionally, we have not engaged in any significant related-party transactions.

Forward-Looking Statements

We may from time to time make written or oral forward-looking statements, including statements contained in filings with the Securities and Exchange Commission, in reports to shareholders and in press releases and investor Webcasts. These forward-looking statements can be identified by the use of words like "anticipates," "aspirations," "believes," "continues," "estimates," "expects," "goals," "guidance," "intends," "plans," "projects," "strategy," "targets," "will" and other words of similar meaning. They can also be identified by the fact that they do not relate strictly to historical or current facts.

We cannot guarantee that any forward-looking statement will be realized, although we believe we have been prudent in our plans and assumptions. Achievement of future results is subject to risks, uncertainties and inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Investors should bear this in mind as they consider forward-looking statements and whether to invest in, or remain invested in, our securities. In connection with the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, we are identifying in the following paragraphs important factors that, individually or in the aggregate, could cause actual results to differ materially from those contained in any forward-looking statements made by us; any such statement is qualified by reference to the following cautionary statements.

Demand for our products is subject to intense competition, changes in customer preferences and, to a lesser extent, economic conditions. Our results are dependent upon our continued ability to:

- successfully manage our outsource vendors and our strategic partners in our International segment and fully realize expected DUNSRight™ quality process improvements;
- effectively communicate and sell the value of our DUNSRight™ quality process to our customers, improve customer satisfaction and increase penetration into existing customer accounts;
- reallocate expenses to invest for growth through our Financial Flexibility Program;
- accurately forecast cost increases associated with increasing revenue growth;
- accurately forecast the cost of complying with increasing regulatory requirements, such as Sarbanes-Oxley requirements;
- invest in our database and maintain our reputation for providing reliable data;
- execute our plan to improve the business model of our International segment and thereby improve our global data quality while realizing improved financial performance, including operating margins, in that segment;
- manage employee satisfaction and maintain our global expertise as we implement our Financial Flexibility Program;
- protect against damage or interruptions affecting our database or our data centers;
- develop new products or enhance existing ones to meet customer needs;
- sustain growth in the context of our competition, including challenges to our E-Business in light of the acquisition of OneSource by I-USA, the launch of competitive products, the potential improvement of other pan-European networks in Europe, and the efforts by Equifax to grow their position in the small business decision-making market; and
- implement pricing programs and policies that enable us to capture the additional value we provide through enhanced data and services.

We are also subject to the effects of foreign economies, exchange rate fluctuations, U.S. and foreign legislative or regulatory requirements, and the adoption of new or changes in accounting policies and practices including pronouncements promulgated by the Financial Accounting Standards Board or other standard-setting bodies. Our results are also dependent upon the availability of data for our database and the ability of our strategic partners to fulfill their contractual obligations to satisfy our customers and promote and protect the D&B brand. In addition, the Company's ability to repurchase shares is subject to market conditions, including trading volume in the Company's stock. Developments in any of these areas could cause our results to differ materially from results that have been or may be projected. With respect to the ultimate resolution or settlement of our Tax Legacy Matters, the final amounts payable by us may differ from the estimates reflected in our current reserves due to a number of factors, including judicial, legislative and/or regulatory developments, the terms of any final settlement agreements, final interest computations, the terms of the Tax Sharing Agreements, and the other parties having a contractual obligation to pay a portion of this liability paying their allocable share on a timely basis.

We elaborate on the above list of important factors throughout this document and in our other filings with the SEC, particularly in the discussion of our prominent trends, risks and uncertainties, below. It should be understood that it is not possible to predict or identify all risk factors. Consequently, the above list of important factors or the trends, risks and uncertainties discussed below should not be considered to be a complete discussion of all our potential trends, risks and uncertainties. We do not undertake to update any forward-looking statement we may make from time to time.

Trends, Risks and Uncertainties

We may be unable to achieve our revenue and earnings per share growth targets.

We have established revenue and earnings per share growth targets for 2005 and aspirations for the long term. While we made progress towards our goals and believe our initiatives to transform our business have

established a platform to reach these goals, we have not yet achieved our aspiration to attain our revenue growth goals on a sustainable basis. In order to reach our aspiration, we are undertaking a number of initiatives to both increase and maintain our revenue in each of our product lines, including scaling high-growth products, such as our Self-Awareness Solution. While we believe that our initiatives in each product line will be sufficient to achieve and maintain our desired revenue growth, no assurance can be made as to when or if we will be successful. A failure to reach and maintain our desired revenue growth or to continue to reach our earnings per share growth could have a material adverse effect on the market value of our common stock.

We may be unable to reduce our expense base through our Financial Flexibility program, and the related reinvestments from savings from this program may not produce the level of desired revenue growth.

Successful execution of our Blueprint for Growth strategy will include reducing our expense base through our Financial Flexibility program, and reallocating our expense base reductions into initiatives that produce our desired revenue growth. The success of this program may be affected by our ability to implement all of the actions required under this program within the established timeframe, to enter into or amend agreements with third-party vendors to renegotiate terms beneficial to the Company, and to complete agreements with our local works councils and trade unions related to potential reengineering actions in certain International markets. While we have been successful at reducing our expense base to date, our reallocations into initiatives have not yet resulted in a sustained level of revenue growth over a multi-year period. If we fail to continue to reduce our expense base, or if we do not achieve our desired level of revenue growth, the market value of our common stock may suffer.

We are dependent upon third parties for certain services.

As part of our Financial Flexibility Programs, we have outsourced various functions, including certain of our data center operations and development functions, as well as certain portions of our data acquisition and delivery, customer service and financial processes. If one of the third-party providers were to experience financial or operational difficulties, their services to us may suffer.

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

We obtain much of the data that we use from third parties, direct contact with businesses through our call centers, and by purchasing data from public record sources. As we implement business model changes in various countries in our International segment, we are entering into agreements with a single provider for all of our local data requirements from those countries. We could suffer a material adverse effect if owners or providers of the data we use were to withdraw the data, cease making the data available, or not adhere to our data quality requirements. If a substantial number of data providers were to withdraw their data, cease making it available, or not adhere to our data quality standards, our ability to provide products and services to our customers could be materially adversely impacted, which could result in decreased revenue, net income and earnings per share.

We may be unable to adapt successfully to changes in our customers' preferences for our products.

Our success depends in part on our ability to adapt our products to our customers' preferences. Advances in information technology and uncertain or changing economic conditions are changing the way our customers use business information. As a result, our customers are demanding lower prices and more from our products, such as decision-making tools like credit scores and electronic delivery formats. For example, our customers have been switching from our traditional products such as the Business Information Report, or BIR, which generally offer raw information, to other lower-priced products that offer credit ratings and decisions. If we do not successfully adapt our products to our customers' preferences, our business, financial condition and results of operations would be adversely affected.

We face competition that may cause price reductions or loss of market share.

We are subject to competitive conditions in all aspects of our business. We compete directly with a broad range of companies offering business information services to customers. We have faced increased competition from consumer credit companies that offer consumer information products to help their customers make credit decisions regarding small businesses. We discuss further competitive conditions within our segments under "Item 1. Competition" above.

We also face competition from:

- the in-house operations of the businesses we seek as customers;
- other general and specialized credit reporting and other business information services;
- other information and professional service providers; and
- credit insurers.

In addition, business information products and services are becoming more readily available, principally due to the expansion of the Internet, greater availability of public data and the emergence of new providers of business information products and services. Weak economic conditions can result in customers' seeking to utilize free or lower-cost information that is available from alternative sources such as the Internet and European Commission sponsored projects like the European Business Register. Intense competition could harm us by causing, among other things, price reductions, reduced gross margins and loss of market share.

We are undertaking various initiatives in our International segment that are critical to achieving our aspiration, which may not be successful.

The success of our initiatives in our International segment is important to our ability to achieve our aspiration. These initiatives are primarily focused on improving our competitive position while improving our operating margins in our International segment, both by increasing revenue and lowering our expense base. Examples of initiatives we are undertaking are:

- implementing specific process re-engineering projects designed to improve efficiency and productivity in our business; and
- optimizing revenue and profits realized by the sale of data collected by partner organizations in certain markets.

There can be no assurance that these or other initiatives we may undertake will be successful in attaining a consistent and sustainable level of improved International financial performance. For example, we may not reduce costs of our operations through re-engineering to the extent expected due to challenges in implementing new technology plans, or our efforts by partner organizations to increase the value of the data they provide us may not result in significant improvements in data quality.

If we fail to improve the financial performance of our International segment, the market value of our common stock could be materially adversely affected.

Our operations in the International segment are subject to various risks associated with operations in foreign countries.

Our success depends in part on our various operations outside the United States. Our International segment accounted for 27% of our total revenue in 2004. Our International businesses are subject to many challenges, the most significant being:

- we do not have market leadership positions in all countries in which we operate, making us particularly susceptible to competitive pressures;
- our competition is primarily local, and our customers may have greater loyalty to our local competitors;

- credit insurance is a significant credit risk mitigation tool in certain markets, thus reducing the demand for information-based credit risk mitigation tools, such as those offered by us;
- in some markets, key data elements are generally available from public-sector sources, thus reducing our data collection advantage; and
- prior to the launch of our Blueprint for Growth strategy in October 2000, our investment decisions were made at the country level and not in a coordinated fashion. While we have made significant investments to mitigate this situation, we are still faced with uneven data quality in some local markets.

Our International strategy includes forming strategic relationships in certain markets with third parties to improve our data quality. While we are applying methodical processes to ensure these alliances will create a competitive advantage for D&B, there are no assurances that these alliances will be successful.

The issue of data privacy is an increasingly important area of public policy in various European markets, and we operate in an evolving regulatory environment that could adversely impact aspects of our business.

Our operating results could also be negatively affected by a variety of other factors affecting our foreign operations, many of which are beyond our control. These factors include currency fluctuations, economic, political or regulatory conditions in a specific country or region, trade protection measures and other regulatory requirements. Additional risks inherent in International business activities generally include, among others:

- longer accounts receivable payment cycles;
- the costs and difficulties of managing international operations and alliances;
- greater difficulty enforcing intellectual property rights; and
- the need to comply with a broader array of regulatory and licensing requirements, the failure of which could result in fines, penalties or business suspensions.

Our results of operations may suffer if the economy weakens.

Demand for some of our products is influenced by economic trends. If the economy weakens, we may experience a reduction in the demand for certain of our products as customers look for ways to reduce their expenses.

Economic weakness may also result in certain of our customers going out of business or combining with other companies. When companies combine, their post-consolidation spending on our products is invariably less than their aggregate pre-consolidation spending. In addition, companies may streamline their credit departments, thus reducing the number of users of our products. Customers may also take longer to make spending decisions, causing us to expend greater resources and divert sales resources from other opportunities, negotiate harder on price, and seek cheaper alternatives to our products. In challenging economic times, price competition may increase, which adversely impacts our revenue and profit margins.

We could be harmed by a failure in the integrity of our database.

The reliability of our products is dependent upon the integrity of the data in our global database. We have in the past been subject to customer and third-party inquiries, complaints and lawsuits regarding our data, including claims based on theories of negligence and libel. A failure in the integrity of our database could harm us by exposing us to customer or third-party claims or by causing a loss of customer confidence in our products.

Also, we have licensed, and we may license in the future, proprietary rights to third parties. While we attempt to ensure that the quality of our brand is maintained by the business partners to whom we grant non-exclusive licenses, they may take actions that could materially and adversely affect the value of our proprietary rights or our reputation. In addition, it cannot be assured that these licensees will take the same steps we have taken to prevent misappropriation of our solutions or technologies.

We rely on annual contract renewals.

We derive a substantial portion of our revenue from annual customer contracts. If we are unable to renew a significant number of these contracts, our revenue and results of operations would be harmed.

We may not be able to grow the E-Business component of our strategy.

One component of our Blueprint for Growth strategy was to become an important player on the Web. To implement this component, we acquired a Web-based business (Hoover's) and transitioned our business to a Web-based business model. There are risks associated with a Web-based business model. For example, our business will suffer if we are unable to:

- successfully utilize marketing to acquire, retain and grow Web-based customers;
- successfully accelerate the overall growth of the Hoover's business;
- successfully develop new features to justify higher price points for Hoover's services;
- develop products that are understandable and easy to use over the Web;
- minimize disruptions in our service and other system failures that reduce customer satisfaction;
- develop features and sales channels in support of increasing market penetration of enterprise customers;
- minimize difficulties that delay or prevent the successful development, introduction and marketing of our Web-based products; and
- successfully expand the use of Hoover's into international markets.

We may lose key business assets, including loss of data center capacity or the interruption of telecommunications links or power sources.

Our operations depend on our ability, as well as that of third-party service providers to whom we have outsourced several critical functions, to protect our data centers and related technology against damage from fire, power loss, telecommunications failure or other disasters. The on-line services we provide are dependent on links to telecommunications providers. We believe reasonable precautions are in place to protect our data centers and telecommunications links from events that could interrupt operations. Nonetheless, any damage to our data centers or any failure of our telecommunications links that causes interruptions in operations could materially adversely affect our ability to meet customers' requirements, which could result in decreased revenue, net income and earnings per share.

We are involved in tax and legal proceedings that could have a material effect on us.

We are involved in tax and legal proceedings, claims and litigation that arise in the ordinary course of business. As discussed in greater detail under "Item 3. Legal Proceedings" above, certain of these matters could have a material effect on our results of operations, cash flows or financial position.

Acquisitions may disrupt or otherwise have a negative impact on our business.

As part of our strategy, we may seek to acquire other complementary businesses, products and technologies. Acquisitions are subject to the following risks:

- acquisitions may cause a disruption in our ongoing business, distract our management and make it difficult to maintain our standards, controls and procedures;
- we may not be able to integrate successfully the services, content, products and personnel of any acquisition into our operations; and
- we may not derive the revenue improvements, cost savings and other intended benefits of any acquisition.

Changes in the legislative, regulatory and commercial environments may adversely affect our ability to collect, manage, aggregate and use data.

Certain types of information we gather, compile and publish are subject to regulation by governmental authorities in certain markets in which we operate, particularly in Europe. In addition, there is increasing awareness and concern among the general public regarding marketing and privacy matters, particularly as they relate to individual privacy interests and the ubiquity of the Internet. These concerns may result in new laws and regulations. Compliance with existing laws and regulations has not to date seriously affected our business, financial condition or results of operations. Nonetheless, future laws and regulations with respect to the collection, management and use of information, and adverse publicity or litigation concerning the commercial use of such information, could affect our operations. This could result in substantial regulatory compliance or litigation expense or a loss of revenue.

Italian Tax Legislation

As further described above in the section "Segment Results — *International*," on February 1, 2005, regulations implementing new tax legislation became effective in Italy that are expected to significantly increase the cost of conducting our Italian real estate data information business by up to approximately $30 million in 2005. Specifically, the regulations increase data acquisition costs for Italian real estate information and require that we pay a fee each time we resell or license that data. Our plan is to fully address the increased costs through price increases to our customers to mitigate the impact to our operating income; however, for the reasons stated herein, it is too early to predict the final impact that this new legislation and related regulations will ultimately have on our Italian real estate data information business.

Changes in the legislative or regulatory environments may adversely affect our benefits plans.

Last year, the United States District Court for the Southern District of Illinois affirmed its earlier ruling that IBM's cash balance pension plan violated the age discrimination provisions of ERISA. IBM has announced, however, that it will appeal this decision, and the Treasury Department recently proposed legislation to clarify that cash balance plans do not violate the age discrimination rules if they meet certain criteria. Therefore, it is not possible at this time to determine whether the IBM ruling will ultimately have any material effect on our cash balance plan or our financial position.

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

Information in response to this Item is set forth under the caption "Market Risk" in Part II, Item 7, in this Form 10-K.

Item 8. ***Financial Statements and Supplementary Data***

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Schedules

Schedules are omitted as not required or inapplicable or because the required information is provided in our consolidated financial statements, including the notes to our consolidated financial statements.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND STATEMENT OF MANAGEMENT RESPONSIBILITY FOR FINANCIAL STATEMENTS

We have prepared and are responsible for the consolidated financial statements and related information that appears on pages 65 to 114. The consolidated financial statements, which include amounts based on the estimates of management, have been prepared in conformity with accounting principles generally accepted in the United States of America. Other financial information in this annual report is consistent with that in the consolidated financial statements.

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934. Management designed our internal control systems in order to provide reasonable assurance at reasonable cost that assets are safeguarded against loss from unauthorized use or disposition, and that the financial records are reliable for preparing financial statements and maintaining accountability for assets. These systems are augmented by written policies, an organizational structure providing for division of responsibilities, careful selection and training of qualified financial personnel and a program of internal audits.

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on its evaluation, our management concluded that our internal control over financial reporting was effective as of December 31, 2004.

We engaged independent auditors to conduct an audit of, and render an opinion on, the financial statements in accordance with generally accepted auditing standards in the United States of America. The audit included an assessment of the systems of internal controls and tests of transactions to the extent considered necessary by the auditors to support their opinion. Our management's assessment of the effectiveness of our internal control over financial reporting as of December 31, 2004 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their attestation report, which is included herein.

The Board of Directors, through its Audit Committee, consisting solely of non-employee directors, is responsible for reviewing and monitoring our financial reporting and accounting practices. PricewaterhouseCoopers LLP and the internal auditors each have full and free access to the Audit Committee and meet with it regularly, with and without management.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors of The Dun & Bradstreet Corporation:

We have completed an integrated audit of The Dun & Bradstreet Corporation's 2004 financial statements and of its internal control over financial reporting as of December 31, 2004 and audits of its 2003 and 2002 financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Our opinions, based on our audits, are presented below.

Consolidated financial statements

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations, shareholders' equity and cash flows, present fairly, in all material respects the financial position of The Dun & Bradstreet Corporation at December 31, 2004 and 2003, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2004 in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements 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 of financial statements includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Notes 1, 2, 3, and 10, the Company adopted the provisions of FASB Staff Position No. 106-2, "Accounting and Disclosure Requirements Related to the Medicare Prescription Drug, Improvement and Modernization Act of 2003" in 2004 and Statement of Financial Accounting Standards No. 146, "Accounting for Costs Associated with Exit or Disposal Activities" in 2003.

Internal control over financial reporting

Also, in our opinion, management's assessment, included in the accompanying "Management's Report on Internal Control Over Financial Reporting" that the Company maintained effective internal control over financial reporting as of December 31, 2004 based on criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), is fairly stated, in all material respects, based on those criteria. Furthermore, in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2004, based on criteria established in *Internal Control — Integrated Framework* issued by the COSO. The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting. Our responsibility is to express opinions on management's assessment and on the effectiveness of the Company's internal control over financial reporting based on our audit. We conducted our audit of internal control over financial reporting in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. An audit of internal control over financial reporting includes obtaining an understanding of internal control over financial reporting, evaluating management's assessment, testing and evaluating the design and operating effectiveness of internal control, and performing such other procedures as we consider necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the

company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

/s/ PricewaterhouseCoopers LLP

Florham Park, New Jersey
March 9, 2005

THE DUN & BRADSTREET CORPORATION

CONSOLIDATED STATEMENTS OF OPERATIONS

	Years Ended December 31,		
	2004	2003	2002
	(Dollar amounts in millions, except per share data)		
Operating Revenues	$ 1,414.0	$ 1,386.4	$ 1,275.6
Operating Expenses	403.9	433.3	392.1
Selling and Administrative Expenses	612.0	579.9	512.5
Depreciation and Amortization	47.3	64.0	84.2
Restructuring Expense	32.0	17.4	30.9
Operating Costs	1,095.2	1,094.6	1,019.7
Operating Income	318.8	291.8	255.9
Interest Income	8.4	4.2	3.0
Interest Expense	(18.9)	(18.6)	(19.5)
Other Income (Expense) — Net	32.5	3.0	(0.2)
Non-Operating Income (Expense) — Net	22.0	(11.4)	(16.7)
Income before Provision for Income Taxes	340.8	280.4	239.2
Provision for Income Taxes	129.2	106.2	94.1
Equity in Net Income (Losses) of Affiliates	0.2	0.3	(1.7)
Net Income	$ 211.8	$ 174.5	$ 143.4
Basic Earnings Per Share of Common Stock	$ 3.01	$ 2.37	$ 1.93
Diluted Earnings Per Share of Common Stock	$ 2.90	$ 2.30	$ 1.87
Weighted Average Number of Shares Outstanding — Basic	70,415,000	73,490,000	74,511,000
Weighted Average Number of Shares Outstanding — Diluted	73,104,000	75,826,000	76,874,000

THE DUN & BRADSTREET CORPORATION

CONSOLIDATED BALANCE SHEETS

	December 31, 2004	December 31, 2003
	(Dollar amounts in millions, except per share data)	
Assets		
Current Assets		
Cash and Cash Equivalents	$ 252.9	$ 239.0
Marketable Securities	82.6	5.1
Accounts Receivable — Net of Allowance of $19.4 at December 31, 2004 and $21.8 at December 31, 2003	382.1	355.8
Other Receivables	16.8	29.3
Deferred Income Tax	15.9	27.5
Assets Held for Sale	—	52.6
Other Current Assets	11.8	21.5
Total Current Assets	762.1	730.8
Non-Current Assets		
Property, Plant and Equipment, Net of Accumulated Depreciation of $202.5 at December 31, 2004 and $230.1 at December 31, 2003	51.2	55.1
Prepaid Pension Costs	455.3	414.5
Computer Software, Net of Accumulated Amortization of $328.0 at December 31, 2004 and $306.6 at December 31, 2003	32.4	47.2
Goodwill, Net	217.0	256.9
Deferred Income Tax	60.9	56.0
Other Non-Current Assets	56.6	64.2
Total Non-Current Assets	873.4	893.9
Total Assets	$1,635.5	$1,624.7
Current Liabilities		
Accounts Payable	$ 51.2	$ 50.9
Accrued Payroll	110.8	101.2
Accrued Income Tax	22.2	49.3
Liabilities Held for Sale	—	13.9
Other Accrued and Current Liabilities	140.8	129.3
Deferred Revenue	388.6	391.3
Total Current Liabilities	713.6	735.9
Pension and Postretirement Benefits	468.0	459.9
Long Term Debt	300.0	299.9
Other Non-Current Liabilities	99.7	80.6
Commitments and Contingencies (Note 12 and Note 13)		
Shareholders' Equity		
Preferred Stock, $.01 par value per share, authorized — 10,000,000 shares; — outstanding — none		
Series Common Stock, $.01 par value per share, authorized — 10,000,000 shares; — outstanding — none		
Common Stock, $.01 par value per share, authorized — 200,000,000 shares — issued — 81,945,520 shares	0.8	0.8
Unearned Compensation Restricted Stock	(1.4)	(3.3)
Capital Surplus	198.2	204.4
Retained Earnings	670.3	458.5
Treasury Stock, at cost, 13,331,966 shares at December 31, 2004 and 9,692,002 shares at December 31, 2003	(557.6)	(341.6)
Cumulative Translation Adjustment	(149.0)	(177.3)
Minimum Pension Liability Adjustment	(107.1)	(93.1)
Total Shareholders' Equity	54.2	48.4
Total Liabilities and Shareholders' Equity	$1,635.5	$1,624.7

The accompanying notes are an integral part of the consolidated financial statements.

THE DUN & BRADSTREET CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31,		
	2004	2003	2002
	(Dollar amounts in millions)		
Cash Flows from Operating Activities:			
Net Income	$ 211.8	$ 174.5	$ 143.4
Reconciliation of Net Income to Net Cash Provided by Operating Activities:			
Depreciation and Amortization	47.3	64.0	84.2
Loss from Sale of Real Estate	—	13.8	—
(Gain) Loss from Sales of Businesses and Investments	(31.5)	2.1	(5.0)
Income Tax Benefit due to Exercise of Stock Incentive Plans	6.9	12.4	5.4
Equity (Gains) Losses in Excess of Dividends Received from Affiliates	(0.2)	(0.3)	1.7
Restructuring Expense	32.0	17.4	30.9
Restructuring Payments	(27.5)	(30.0)	(31.3)
Deferred Income Taxes	71.1	35.5	10.2
Accrued Income Taxes, Net	(16.5)	10.6	59.8
Changes in Current Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	(8.5)	(9.3)	2.0
Net (Increase) Decrease in Other Current Assets	8.4	(1.2)	2.2
Increase (Decrease) in Deferred Revenue	28.3	3.5	(8.3)
Increase (Decrease) in Accounts Payable	0.2	—	(1.5)
Net Decrease in Accrued Liabilities	(6.9)	(24.9)	(37.1)
Net Decrease in Other Accrued and Current Liabilities	(6.8)	(7.2)	(7.3)
Changes in Non-Current Assets and Liabilities:			
Increase in Other Long-Term Assets	(37.5)	(36.7)	(23.4)
Net Increase (Decrease) in Long-Term Liabilities	(4.8)	9.4	(15.7)
Net, Other Non-Cash Adjustments	1.8	2.1	2.9
Net Cash Provided by Operating Activities	267.6	235.7	213.1
Cash Flows from Investing Activities:			
Proceeds from Sales of Real Estate	—	80.2	21.5
Investments in Marketable Securities	(223.2)	(0.2)	(4.5)
Redemptions in Marketable Securities	152.4	4.5	—
Proceeds from Sales of Businesses, Net of Cash Divested	65.8	3.6	4.8
Payments for Acquisitions of Businesses, Net of Cash Acquired	(2.0)	(98.0)	(21.2)
Cash Settlements of Foreign Currency Contracts	(4.8)	(14.6)	(1.1)
Capital Expenditures	(12.1)	(11.0)	(15.8)
Additions to Computer Software and Other Intangibles	(16.7)	(19.3)	(37.7)
Net Assets Held for Sales of Businesses	—	(9.9)	—
Investments in Unconsolidated Affiliates	—	(1.9)	(0.9)
Net, Other	1.4	1.3	(0.3)
Net Cash Used in Investing Activities	(39.2)	(65.3)	(55.2)
Cash Flows from Financing Activities:			
Payments for Purchase of Treasury Shares	(251.8)	(156.1)	(117.7)
Net Proceeds from Stock Plans	18.0	23.4	12.1
Net, Other	0.3	(0.1)	0.9
Net Cash Used in Financing Activities	(233.5)	(132.8)	(104.7)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	19.0	9.5	(6.6)
Increase in Cash and Cash Equivalents	13.9	47.1	46.6
Cash and Cash Equivalents, Beginning	239.0	191.9	145.3
Cash and Cash Equivalents, End	$ 252.9	$ 239.0	$ 191.9
Supplemental Disclosure of Cash Flow Information:			
Cash Paid Year to Date for:			
Income Taxes, Net of Refunds	$ 67.6	$ 47.5	$ 28.3
Interest Expense	$ 17.2	$ 17.2	$ 18.5

The accompanying notes are an integral part of the consolidated financial statements.

THE DUN & BRADSTREET CORPORATION

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

	Three Years Ended December 31, 2004								
	Common Stock ($.01 Par Value)	Unearned Compensation Restricted Stock	Capital Surplus	Retained Earnings	Treasury Stock	Cumulative Translation Adjustment	Minimum Pension Liability Adjustment	Total Shareholders' Equity	Comprehensive Income (Loss)
	(Dollar amounts in millions, except per share data)								
Balance, January 1, 2002	$0.8	$(1.8)	$227.3	$140.7	$(148.7)	$(203.7)	$ (33.6)	$ (19.0)	
Net Income				143.4				143.4	$143.4
Treasury Shares Reissued Under Stock Options, Deferred, and Other Compensation Plans and Restricted Stock Plan (714,937)			(8.6)		22.3			13.7	
Treasury Shares Reissued Under Employee Stock Purchase Plan (120,894)					3.8			3.8	
Treasury Shares Acquired (3,355,200)					(117.7)			(117.7)	
Amortization of Restricted Stock Awards		1.2						1.2	
Change in Cumulative Translation Adjustment						9.5		9.5	9.5
Change in Minimum Pension Liability Adjustment							(53.6)	(53.6)	(53.6)
Unrealized Losses on Investments				(0.1)				(0.1)	(0.1)
Total Comprehensive Income									$ 99.2
Balance, December 31, 2002	0.8	(0.6)	218.7	284.0	(240.3)	(194.2)	(87.2)	(18.8)	
Net Income				174.5				174.5	$174.5
Treasury Shares Reissued Under Stock Options, Deferred, and Other Compensation Plans and Restricted Stock Plan (1,545,362)		(5.1)	(14.3)		51.5			32.1	
Treasury Shares Reissued Under Employee Stock Purchase Plan (108,440)					3.6			3.6	
Treasury Shares Acquired (3,759,200)					(156.1)			(156.1)	
Amortization of Restricted Stock Awards		2.1						2.1	
Restricted Stock Surrendered		0.3			(0.3)			—	
Change in Cumulative Translation Adjustment						16.9		16.9	16.9
Change in Minimum Pension Liability Adjustment							(5.9)	(5.9)	(5.9)
Total Comprehensive Income									$185.5
Balance, December 31, 2003	0.8	(3.3)	204.4	458.5	(341.6)	(177.3)	(93.1)	48.4	
Net Income				211.8				211.8	$211.8
Treasury Shares Reissued Under Stock Options, Deferred, and Other Compensation Plans and Restricted Stock Plan (836,381)		0.5	(6.9)		32.0			25.6	
Treasury Shares Reissued Under Employee Stock Purchase Plan (97,295)			0.7		3.8			4.5	
Treasury Shares Acquired (4,573,640)					(251.8)			(251.8)	
Amortization of Restricted Stock Awards		1.4						1.4	
Change in Cumulative Translation Adjustment						28.3		28.3	28.3
Change in Minimum Pension Liability Adjustment							(14.0)	(14.0)	(14.0)
Total Comprehensive Income									$226.1
Balance, December 31, 2004	$0.8	$(1.4)	$198.2	$670.3	$(557.6)	$(149.0)	$(107.1)	$ 54.2	

The accompanying notes are an integral part of the consolidated financial statements.

Note 1. Description of Business and Summary of Significant Accounting Policies

Description of Business. The Dun & Bradstreet Corporation (“D&B” or “we”) provides global business information, tools and insight, and has enabled customers to Decide with Confidence™. D&B’s proprietary DUNSRight™ process provides customers with quality business information. This quality information is the foundation of D&B’s solutions that customers rely on to make critical business decisions. Customers use D&B Risk Management Solutions™ to mitigate credit risk, increase cash flow and drive increased profitability, D&B Sales & Marketing Solutions™ to increase revenue from new and existing customers, and D&B Supply Management Solutions™ to identify purchasing savings and manage purchasing risk and improve compliance within their supply base. D&B’s E-Business Solutions™ help customers convert prospects to clients faster.

Basis of Presentation. The consolidated financial statements include our accounts, as well as those of our subsidiaries and investments in which we have a controlling interest. Investments in companies over which we have significant influence but not a controlling interest are carried on an equity basis. Investments over which we do not have significant influence are recorded at cost. We periodically review our investments to determine if there has been any impairment judged to be other than temporary. Such impairments are recorded as write-downs in the statement of operations. The effects of all significant intercompany accounts and transactions have been eliminated in consolidation.

The financial statements of subsidiaries in our International segment reflect a fiscal year ended November 30 to facilitate timely reporting of our consolidated financial results and financial position.

Certain prior-year amounts have been reclassified to conform to the current year presentation.

The preparation of financial statements and related disclosures in conformity with accounting principles generally accepted in the United States of America requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period reported. As discussed throughout this Note 1, we base our estimates on historical experience, current conditions and various other factors that we believe to be reasonable under the circumstances. Significant items subject to such estimates and assumptions include valuation allowances for receivables and deferred income tax assets; liabilities for potential tax deficiencies and potential litigation claims and settlements; assets and obligations related to employee benefits; allocation of the purchase price in acquisition accounting; long-term asset recoverability; revenue deferrals; and restructuring charges. We review estimates and assumptions periodically and reflect the revisions in the consolidated financial statements in the period in which we determine any revisions to be necessary. Actual results could differ from those estimates under different assumptions or conditions.

Significant Accounting Policies

Revenue Recognition. Our Risk Management Solutions products are generally sold under monthly or annual contracts that enable a customer to purchase D&B information products during the period of contract at prices per an agreed price list, up to the contracted dollar limit. Revenue on these contracts is recognized as products are delivered to the customer based on the per-product price. Any additional products purchased over this limit may be subject to pricing variations and are billed to the customer as products are delivered. If customers do not use the full value of their contract and forfeit the unused portion, we recognize the forfeited amount as revenue at contract expiration.

We have fixed price contracts for larger customers that allow those customers unlimited use within predefined ranges, subject to certain conditions, of the Risk Management Solutions products. In these instances, we recognize revenue ratably over the term of the contract, which is generally one year.

Revenue related to services provided over the contract term (e.g., monitoring services) is recognized ratably over the contract period, typically one year.

For Sales & Marketing Solutions and Supply Management Solutions products, we generally recognize revenue upon delivery of the information file to the customer. For arrangements that include periodic updates to that information file over the contract term, the portion of the revenue related to updates expected to be delivered is deferred and recognized as the updates are delivered, usually on a quarterly or monthly basis. For subscription products that provide continuous access to D&B's generic marketing information and business reference databases, as well as any access fees or hosting fees related to enabling customers access to D&B information, revenue is recognized ratably over the term of the contract, which is generally one year.

We have certain product offerings that are sold as multi-element arrangements. The multiple elements may include information files, file updates for certain products, software and/or services. Revenue for each element is recognized when that element is delivered to the customer based upon the fair value for each element. For offerings that include software that is considered to be more than incidental, we recognize revenue when a non-cancelable license agreement has been signed and the product has been shipped. Maintenance revenues, which consist of fees for ongoing support and software updates, are recognized ratably over the term of the contract, typically one year, when the maintenance for the software is considered significant. When maintenance is insignificant, we recognize the revenue associated with the software and maintenance when the agreement is signed and product is shipped.

Revenues from consulting and training services are recognized as the services are performed.

Amounts billed in advance are recorded as deferred revenue on the balance sheet.

Sales Cancellations. In determining sales cancellation allowances, we analyze historical trends, customer-specific factors, current economic trends and changes in customer demand.

Allowance For Bad Debts. With respect to estimating bad debt allowances, we analyze the aging of accounts receivable, historical bad debts, customer creditworthiness and current economic trends.

Restructuring Charges. Prior to January 1, 2003, we established restructuring reserves in accordance with Emerging Issues Task Force ("EITF") Issue No. 94-3, "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring)." Under EITF Issue No. 94-3, we considered the number of individuals to be affected by severance programs, the expected date of their termination and the expected cash payments to be made. We recognized the estimated cost and liability associated with employee terminations when:

- our Board of Directors approved a plan, which could be implemented within one year, specifying the number of employees to be terminated, their job classifications or functions, and their location and established termination benefits; and
- we communicated benefits to the affected employees.

In determining lease termination obligations, we considered the expected date of termination and the effect of any sub-lease rental income, if any, for the respective properties. We recognized the cost when management committed to the plan.

Effective January 1, 2003, we adopted Statement of Financial Accounting Standards ("SFAS") No. 146, "Accounting for Costs Associated with Exit or Disposal Activities." SFAS No. 146 addresses financial accounting and reporting for costs associated with restructuring activities, including severance and lease termination obligations, and other related exit costs. It nullifies EITF Issue No. 94-3. The principal difference between SFAS No. 146 and EITF Issue No. 94-3 is in the timing of liability recognition. Under SFAS No. 146, we establish a liability for a cost associated with an exit or disposal activity, including severance and lease termination obligations, and other related exit costs, when the liability is incurred, rather than at the date that we commit to an exit plan. The adoption of SFAS No. 146 has resulted in expense recognition over a period of time rather than at one time for the restructuring activities that we have undertaken after December 31, 2002.

Under both EITF Issue No. 94-3 and SFAS No. 146, we reassess the expected cost to complete the exit or disposal activities at the end of each reporting period and adjust our remaining estimated liabilities, if necessary.

Employee Benefit Plans. We offer defined benefit pension plans to substantially all of our employees in our operations in the U.S. as well as certain of our International operations. The plans provide benefits that are based on the employees' average annual compensation, age and years of service. We also provide various health care and life insurance benefits for our retired employees. We use actuarial assumptions to calculate pension and benefit costs as well as pension assets and liabilities included in our consolidated financial statements.

Income Taxes. Income taxes are determined in accordance with SFAS No. 109, "Accounting for Income Taxes," which requires recognition of deferred income tax liabilities and assets for the expected future tax consequences of events that have been included in the consolidated financial statements or tax returns. Under this method, deferred income tax liabilities and assets are determined based on the difference between financial statement and tax basis of liabilities and assets using enacted tax rates in effect for the year in which the differences are expected to reverse. SFAS No. 109 also provides for the recognition of deferred tax assets if it is more likely than not that the assets will be realized in future years. We have established a valuation allowance for deferred tax assets for which realization is not likely. In assessing the valuation allowance, we have considered future taxable income and ongoing prudent and feasible tax planning strategies.

Legal and Tax Contingencies. We are involved in tax and legal proceedings, claims and litigation arising in the ordinary course of business. We periodically assess our liabilities and contingencies in connection with these matters, based upon the latest information available. For those matters where it is probable that we have incurred a loss and the loss or range of loss can be reasonably estimated, we have recorded reserves in the consolidated financial statements. In other instances, because of the uncertainties related to both the probable outcome and amount or range of loss, we are unable to make a reasonable estimate of a liability, if any. As additional information becomes available, we adjust our assessment and estimates of such liabilities accordingly.

Cash and Cash Equivalents. We consider all investments purchased with an initial term to maturity of three months or less to be cash equivalents. These instruments are stated at cost, which approximates market value because of the short maturity of the instruments.

Marketable Securities and Restricted Assets. In accordance with SFAS No. 115, "Accounting for Certain Investments in Debt and Equity Securities," certain of our marketable securities are classified as "available for sale" and are reported at fair value, with net unrealized gains and losses reported in shareholders' equity. We also had marketable securities that are classified as "held to maturity" and are reported at cost.

The fair value of current and non-current marketable securities is based on quoted market prices. Realized gains and losses on marketable securities are determined on the specific identification method.

At December 31, 2004, we had short-term "available for sale" securities of $82.6 million. At December 31, 2003, we had short-term "held to maturity" and long-term "available for sale" securities of $5.1 million and $6.7 million, respectively. The long-term "available for sale" securities are included in "Other Non-Current Assets."

In addition, we had restricted assets of $12.5 million and $15.5 million at December 31, 2004 and 2003, respectively, held in grantor trusts primarily to fund certain pension obligations (see Note 10). At December 31, 2004 and 2003, the restricted assets solely consisted of cash and cash equivalents. Such amounts are included in "Other Non-Current Assets."

Property, Plant and Equipment. Property, plant and equipment are stated at cost, except for property, plant and equipment that have been impaired for which the carrying amount is reduced to the estimated fair value at the impairment date. Property, plant and equipment are depreciated principally using the straight-line method. Buildings are depreciated over a period of 40 years. Equipment is depreciated over a period of three to 10 years. Leasehold improvements are amortized on a straight-line basis over the shorter of the term of the lease or the estimated useful life of the improvement.

Computer Software. We account for computer software used in our business in accordance with Statement of Position ("SOP") 98-1, "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use." In addition, certain computer software costs related to software sold to customers are capitalized in accordance with SFAS No. 86, "Accounting for the Costs of Computer Software to Be Sold, Leased or Otherwise Marketed." Capitalized computer software costs are amortized over its estimated useful life, typically three to five years, and are reported at the lower of unamortized cost or net realizable value. We review the valuation of capitalized software whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Factors that could trigger an impairment review include significant changes in the manner of use of the assets or strategic decisions made relating to future plans for those assets, as well as consideration of future operating results, significant negative industry trends or economic trends.

Assets and Liabilities Held for Sale. We classify assets and liabilities ("disposal group") as held for sale in the period in which all of the following criteria are met: (i) management, having the authority to approve the action, commits to a plan to sell the disposal group, (ii) the disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such disposal groups, (iii) an active program to locate a buyer and other actions required to complete the plan to sell the disposal group have been initiated, (iv) the sale of the disposal group is probable and transfer of the disposal group is expected to qualify for recognition as a completed sale, within one year, (v) the disposal group is being actively marketed for sale at a price that is reasonable in relation to its current fair value, and (vi) actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Goodwill and Other Intangible Assets. Effective January 1, 2002, we adopted SFAS No. 142, "Goodwill and Other Intangible Assets." SFAS No. 142 addresses financial accounting and reporting for intangible assets acquired individually or with a group of other assets (not constituting a business combination) at acquisition. SFAS No. 142 also addresses financial accounting and reporting for goodwill and other intangible assets subsequent to their acquisition.

Goodwill represents the excess purchase price over the fair value of identifiable net assets of businesses acquired. Prior to January 1, 2002, goodwill was amortized on a straight-line basis over five to 40 years. Other intangibles resulting from acquisitions are being amortized using the straight-line method, over three to 15 years.

We consider our segments, North America and International, as our reporting units under SFAS No. 142 for consideration of potential impairment of indefinite-lived intangibles, which are included in "Other Non-Current Assets" and goodwill balances. Goodwill is tested for impairment annually, or more often, if an event or circumstance indicates that an impairment loss has been incurred. We assess the recoverability of our goodwill at the reporting unit level. We estimated the fair value of the reporting unit upon adoption of SFAS No. 142 and in our periodic reviews using a revenue multiple. Based on our analyses at December 31, 2004 and 2003, no impairment charges related to goodwill and other intangible assets with indefinite lives have been recognized.

Foreign Currency Translation. For all operations outside the United States where we have designated the local currency as the functional currency, assets and liabilities are translated using the end-of-year exchange rates, and revenues and expenses are translated using average exchange rates for the year. For these countries, currency

translation adjustments are accumulated in a separate component of shareholders' equity, whereas transaction gains and losses are recognized in other income (expense) — net. Transaction gains were $5.1 million for 2004 and transaction losses were $0.3 million and $0.1 million in 2003 and 2002, respectively.

Earnings per Share of Common Stock. In accordance with SFAS No. 128, "Earnings per Share" ("EPS"), basic EPS are calculated based on the weighted average number of shares of common stock outstanding during the reporting period. Diluted EPS are calculated giving effect to all potentially dilutive common shares, assuming such shares were outstanding during the reporting period. The difference between basic and diluted EPS is solely attributable to stock options. We use the Treasury Stock method to calculate the impact of outstanding stock options.

Stock-Based Compensation. Our stock-based compensation plans are described more fully in Note 11. We account for those plans under the recognition and measurement principles of Accounting Principles Board Opinion No. 25 "Accounting for Stock Issued to Employees" ("APB No. 25"), and related interpretations. Accordingly, no stock-based employee compensation cost is reflected in net income for our outstanding stock options as all options granted under our plans had an exercise price equal to the market value of the underlying common stock on the date of grant. Also, no stock-based compensation cost is reflected in our net income for our Employee Stock Purchase Plan. The cost associated with our restricted stock grants, stock appreciation rights and restricted stock units is included in net income.

The following table summarizes the pro forma effect of stock-based compensation on net income and net income per share as if the fair value expense recognition provisions of SFAS No. 123, "Accounting for Stock-Based Compensation," as amended by SFAS No. 148, "Accounting for Stock-Based Compensation — Transition and Disclosure," had been adopted.

	Years Ended December 31,		
	2004	2003	2002
Net Income, as reported	$211.8	$174.5	$143.4
Add: Stock compensation cost included in net income, net of tax benefits	6.7	1.8	0.7
Deduct: Total stock compensation cost under fair-value method for all awards, net of tax benefits	(17.2)	(10.5)	(7.7)
Pro forma Net Income	$201.3	$165.8	$136.4
Basic EPS:			
As reported	$ 3.01	$ 2.37	$ 1.93
Pro forma	$ 2.86	$ 2.25	$ 1.83
Diluted EPS:			
As reported	$ 2.90	$ 2.30	$ 1.87
Pro forma	$ 2.75	$ 2.18	$ 1.77

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted average assumptions:

	2004	2003	2002
Expected dividend yield	0%	0%	0%
Expected stock volatility	30%	30%	30%
Risk-free interest rate	3.83%	2.94%	3.98%
Expected holding period (years)	7.0	4.9	5.0
Weighted average fair value of options granted	$21.66	$11.08	$11.82

Financial Instruments. We recognize all derivatives as either assets or liabilities on the balance sheet and the measurement of those instruments at fair value.

We use foreign exchange forward and option contracts to hedge cross-border intercompany transactions and certain non-U.S. earnings. These forward and option contracts are marked to market and gains and losses are recorded as other income or expense. In addition, foreign exchange forward controls are used to hedge certain of our foreign net investment. The gains and losses associated with these contracts are recorded in "Cumulative Translation Adjustments," a component of equity.

We use interest rate swap agreements to hedge long-term fixed-rate debt. When executed, we designate the swaps as fair-value hedges and assess whether the swaps are highly effective in offsetting changes in the fair value of the hedged debt. We formally document all relationships between hedging instruments and hedged items, and we have documented policies for our risk management exposures. Changes in fair values of interest rate swap agreements that are designated fair-value hedges are recognized in earnings as an adjustment of interest expense. The effectiveness of the hedge accounting is monitored on an ongoing basis, and if considered ineffective, we discontinue hedge accounting prospectively.

Note 2. Recent Accounting Announcements

In January 2003, the Financial Accounting Standards Board ("FASB") issued FASB Interpretation ("FIN") No. 46, "Consolidation of Variable Interest Entities," which amended Accounting Research Bulletin No. 51, "Consolidated Financial Statements," and established standards for determining the circumstances under which a variable interest entity ("VIE") should be consolidated with its primary beneficiary. FIN No. 46 also requires disclosure about VIEs that we are not required to consolidate but in which we have a significant variable interest. In December 2003, the FASB issued FIN No. 46R which made some revisions and replaced the original FIN No. 46. The adoption of FIN No. 46R in the first quarter of 2004 did not have an impact on our consolidated financial statements as we did not have any VIE's.

In December 2003, the U.S. Securities and Exchange Commission ("SEC") issued Staff Accounting Bulletin ("SAB") No. 104, "Revenue Recognition," which supercedes SAB No. 101, "Revenue Recognition in Financial Statements." The primary purpose of SAB No. 104 is to rescind accounting guidance contained in SAB No. 101 related to multiple element revenue arrangements, superceded as a result of the issuance of EITF Issue No. 00-21, "Accounting for Revenue Arrangements with Multiple Deliverables." Additionally, SAB No. 104 rescinds the SEC's Revenue Recognition in Financial Statements Frequently Asked Questions and Answers ("FAQ") issued with SAB No. 101. The adoption of SAB No. 104 in the first quarter of 2004 did not have a material impact on our consolidated financial statements.

On December 8, 2003, the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (the "Medicare Reform Act") was signed into law. In connection with the Medicare Reform Act, FASB issued FASB Staff Position ("FSP") No. FAS 106-2, "Accounting and Disclosure Requirements Related to the Medicare Prescription Drug, Improvement and Modernization Act of 2003." FSP No. FAS 106-2 provides guidance on accounting for the effects of the new Medicare prescription drug legislation for employers whose prescription drug benefits are actuarially equivalent to the drug benefit under Medicare Part D and are therefore entitled to receive subsidies from the federal government beginning in 2006. The FSP was adopted beginning after July 1, 2004. Under the FSP, if a company concludes that its defined benefit postretirement benefit plan is actuarially equivalent to the Medicare Part D benefit, the employer should recognize the subsidies in the measurement of the accumulated postretirement benefit obligation ("APBO") under SFAS No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions." The resulting reduction of the APBO should be accounted for as an actuarial gain. D&B has reviewed its postretirement benefit plan and concluded, based on the guidance included in the Act, that the plan will be actuarially equivalent in 2006 and for approximately 10 years thereafter. Pursuant to FSP No. FAS 106-2, D&B has chosen to recognize the financial impact of the Medicare Reform Act during the third quarter of 2004 on a prospective basis. As a result, our APBO as of July 1, 2004 decreased by approximately $31 million, subject to changes over time in economic conditions and actual plan experience. Our 2004 postretirement benefit cost decreased by $1.3 million. See Note 10 "Pension and Postretirement Benefits" for a more detailed discussion on the financial impact of FSP No. FAS 106-2.

In March 2004, the EITF Task Force reached a consensus on EITF No. 03-1, "The Meaning of Other-Than-Temporary Impairment and Its Application to Certain Investments." EITF 03-1 provides guidance for determining when an investment is other-than-temporarily impaired and disclosure requirements relating to those impairments. The adoption of EITF 03-1 in the first quarter of 2004 did not have an impact on our consolidated financial statements.

In December 2004, the FASB issued SFAS No. 123 (revised 2004) or "SFAS No. 123R," "Share-Based Payments," which revises SFAS No. 123, "Accounting for Stock-Based Compensation," and supercedes APB Opinion No. 25, "Accounting for Stock Issued to Employees." This standard requires companies to recognize in the statement of operations the cost of employee services received in exchange for awards of equity instruments based on the grant-date fair value of the award (with limited exceptions). The cost will be recognized over the period that an employee provides service in exchange for the award, which normally would be the vesting period. SFAS No. 123R will be effective for public companies that do not file as small business issuers as of the beginning of the first interim or annual reporting period that begins after June 15, 2005. The standard has two transition application methods to choose from; the Modified Prospective application or Modified Retrospective application. Under the Modified Prospective application, compensation cost is recognized for new grants and modifications made after the date of the required effective date, plus the remaining unrecognized expense associated with previously issued awards that are not vested as of the date of adoption. Prior periods remain unchanged and pro forma disclosures previously required by SFAS No. 123 continue to be required. Under the Modified Retrospective application, a company is required to restate its financial statements back either (a) to all prior years for which SFAS No. 123 was effective or (b) to only prior interim periods in the year in which SFAS No. 123R is adopted. We will adopt the Modified Prospective application on July 1, 2005. We are finalizing the financial impact that the adoption of SFAS No. 123R will have on our consolidated financial statements.

In December 2004, the FASB issued FSP No. FAS 109-1, "Application of FASB Statement No. 109, "Accounting for Income Taxes," to the Tax Deduction on Qualified Production Activities Provided by the American Jobs Creation Act of 2004." On October 22, 2004, the American Jobs Creation Act of 2004 (the "Act") was signed into law. The Act provides a deduction for income from qualified domestic production activities, which will be phased in from 2005 through 2010. In return, the Act also provides for a two-year phase-out of the existing extra-territorial income exclusion (ETI) for foreign sales. FSP FAS No. 109-1 provides guidance on the accounting implications of the Act related to the deduction for qualified domestic production activities. The deduction will be treated as a "special deduction" as described in FASB Statement No. 109. As such, the special deduction has no effect on deferred tax assets and liabilities existing at the enactment date. Rather, the impact of this deduction, if any, will be reported in the period in which the deduction is claimed on our tax return. We are currently assessing the Act's impact and any corresponding financial impact that the adoption of FSP No. FAS 109-1 will have on our consolidated financial statements and expect to finalize our assessment by September 30, 2005.

In December 2004, the FASB issued FSP No. FAS 109-2, "Accounting and Disclosure Guidance for the Foreign Earnings Repatriation Provision within the American Jobs Creation Act of 2004." FSP No. FAS 109-2 provides guidance under FASB Statement No. 109 with respect to recording the potential impact of the repatriation provisions of the Act in income tax expense and deferred tax liability. We are awaiting the issuance of further regulatory guidance and passage of statutory technical corrections with respect to certain provisions in the Act. Therefore, we are not in a position to decide on whether, and to what extent, we might repatriate foreign earnings that have not yet been remitted to the U.S. We are currently assessing the impact of applying the guidance of FSP No. FAS 109-2 on our consolidated financial statements and expect to finalize our assessment by September 30, 2005.

Note 3. Impact of Implementation of the Blueprint for Growth Strategy

Restructuring Charges

Since the launch of our Blueprint for Growth strategy, we have implemented several Financial Flexibility Programs. In each of these programs, we identified ways to reduce our expense base, then we reallocated some of the identified spending to other areas of our operations to improve revenue growth. With each program, we have incurred a restructuring charge, which generally consists of employee severance and termination costs, asset write-offs, and/or costs to terminate lease obligations. These charges are incurred as a result of eliminating, consolidating, standardizing, automating and/or outsourcing operations of our business. We have also incurred transition costs such as consulting fees, costs of temporary workers, relocation costs and stay bonuses to implement our Financial Flexibility Programs.

During 2004, we recorded $32.0 million of restructuring charges in connection with the Financial Flexibility Program announced in February 2004 (“2004 Financial Flexibility Program”). The charges were recorded in accordance with SFAS No. 146, “Accounting for Costs Associated with Exit or Disposal Activities.” The charge included $28.9 million for severance and termination costs related to approximately 900 employees (including a $0.5 million net pension plan and postretirement charge due to the 2004 Financial Flexibility Program employee actions discussed in the following paragraph) and $3.1 million for lease termination obligations, other costs to consolidate or close facilities and other exit costs. During 2004, approximately 650 employees were terminated in connection with our 2004 Financial Flexibility Program (including 220 employees who transitioned to International Business Machines Corporation (“IBM”) as part of the outsourcing agreement discussed below). Under SFAS No. 146, the current period charge represents the liabilities incurred throughout the year for each of these obligations. By the end of 2005, 425 additional employees will be terminated as part of the 2004 Financial Flexibility Program. We recorded a portion of these severance and termination costs in the 2004 Financial Flexibility Program charge in accordance with SFAS No. 146 guidelines.

In October 2004, as part of the 2004 Financial Flexibility Program, we entered into an agreement with IBM to outsource certain portions of our data acquisition and delivery, customer service, and financial processes. Approximately 650 in total for 2004 and 2005 employees will be impacted by this outsourcing agreement. As described above under the terms of the agreement, approximately 220 employees who primarily performed certain customer service functions in the United States, Canada, United Kingdom and the Netherlands have transitioned to IBM. We will make total payments of approximately $1.8 million to IBM as full satisfaction of any existing liabilities we have for future severance benefits related to the transitioned employees. The severance benefits for the employees who will transition to IBM are included in the $32.0 million restructuring charge discussed above.

In accordance with SFAS No. 87, “Employers’ Accounting for Pension,” and SFAS No. 88, “Employers’ Accounting for Settlements and Curtailments of Defined Benefit Pension Plans and for Termination Benefits,” we were required to recognize a net curtailment charge for the estimated pension and post retirement expense impact for our pension plans related to the employee actions of the 2004 Financial Flexibility Program. The curtailment accounting requirement of SFAS No. 88 required us to recognize immediately a pro-rata portion of the unrecognized prior service cost as a result of the layoffs. For our pension plans, this resulted in an immediate curtailment charge of $0.9 million and an immediate reduction to ongoing pension income of $3.3 million, which were both recorded as a charge to earnings during the fourth quarter of 2004. In addition, we recognized a $3.7 million curtailment gain related to our post retirement benefit plan which was recorded as an increase to earnings during the fourth quarter of 2004. All of these items together resulted in an immediate net reduction to earnings of $0.5 million in the fourth quarter 2004, included in the $32.0 million restructuring charge discussed above.

During 2003, we recorded $17.4 million of restructuring charges in connection with the Financial Flexibility Program announced in February 2003 (“2003 Financial Flexibility Program”). The charge included

$17.1 million for severance and termination costs related to approximately 500 employees (including a $0.5 million pension plan curtailment charge to the U.S. qualified plan due to the 2003 Financial Flexibility Program employee actions) and $0.3 million for lease termination obligations. As of September 30, 2003, all of the approximately 500 employees had been terminated under the 2003 Financial Flexibility Program.

During the second quarter of 2002, we recorded a $30.9 million restructuring charge in connection with the Financial Flexibility Program announced in February 2002 ("2002 Financial Flexibility Program"). The charge included $18.6 million for severance and termination costs relating to approximately 1,050 employees, $10.6 million for the loss on asset disposals and the write-off of assets that were abandoned (including $9.7 million from the outsourcing discussed in the following paragraph), and $1.7 million for lease termination obligations.

As part of the 2002 Financial Flexibility Program, we outsourced certain technology functions to Computer Sciences Corporation ("CSC"). Under the terms of the agreement, approximately 400 of our employees who performed data center operations, technology help desk and network management functions in the United States and in the United Kingdom were transitioned to CSC. In addition, as part of the agreement, CSC acquired our data center and print-mail facility located in Berkeley Heights, New Jersey, and related assets for $10 million, which we considered the fair value of the assets. This resulted in the $9.7 million impairment loss noted above.

As of December 31, 2004, we have eliminated approximately 4,145 positions (including 300 open positions) and terminated (via attrition and termination) approximately 3,845 employees under our Financial Flexibility Programs since its inception in October 2000. These figures include the 220 employees who were transitioned to IBM and the approximately 400 employees who were transitioned to CSC, as mentioned above.

The following table sets forth, in accordance with SFAS No. 146, the restructuring reserves and utilization to date related to our 2004 Financial Flexibility Program.

	Severance and Termination	Pension Plan and Postretirement Net Charges	Lease Termination Obligations and Other Exit Costs	Total
2004 Restructuring Charges:				
Total Charge Incurred during 2004	$28.4	$ 0.5	$ 3.1	$32.0
Charge Taken during First Quarter 2004	$ 9.3	$ —	$ 0.9	$10.2
Payments during First Quarter 2004	(3.8)	—	(0.9)	(4.7)
Balance Remaining as of March 31, 2004	$ 5.5	$ —	$ —	$ 5.5
Charge Taken during Second Quarter 2004	$ 7.5	$ —	$ 0.5	$ 8.0
Payments during Second Quarter 2004	(4.1)	—	—	(4.1)
Balance Remaining as of June 30, 2004	$ 8.9	$ —	$ 0.5	$ 9.4
Charge Taken during Third Quarter 2004	$ 2.6	$ —	$ 0.1	$ 2.7
Payments during Third Quarter 2004	(7.1)	—	(0.4)	(7.5)
Balance Remaining as of September 30, 2004	$ 4.4	$ —	$ 0.2	$ 4.6
Charge Taken during Fourth Quarter 2004	$ 9.0	$ 0.5	$ 1.6	$11.1
Payments/ Pension Plan and Postretirement Net Charges during Fourth Quarter 2004	(6.2)	(0.5)	(1.1)	(7.8)
Balance Remaining as of December 31, 2004	$ 7.2	$ —	$ 0.7	$ 7.9

The following table sets forth, in accordance with SFAS No. 146, the restructuring reserves and utilization to date related to our 2003 Financial Flexibility Program, which occurred in 2003.

	Severance and Termination	Pension Curtailment	Lease Termination Obligations	Total
2003 Restructuring Charges:				
Total Charge Incurred during 2003	$16.6	$ 0.5	$ 0.3	$17.4
Charge Taken during First Quarter 2003	$10.1	$ 0.5	$ 0.3	$10.9
Payments/ Curtailment during First Quarter 2003	(2.6)	(0.5)	—	(3.1)
Balance Remaining as of March 31, 2003	$ 7.5	$ —	$ 0.3	$ 7.8
Charge Taken during Second Quarter 2003	$ 4.9	$ —	$ —	$ 4.9
Payments during Second Quarter 2003	(4.5)	—	(0.1)	(4.6)
Balance Remaining as of June 30, 2003	$ 7.9	$ —	$ 0.2	$ 8.1
Charge Taken during Third Quarter 2003	$ 1.6	$ —	$ —	$ 1.6
Payments during Third Quarter 2003	(4.0)	—	—	(4.0)
Balance Remaining as of September 30, 2003	$ 5.5	$ —	$ 0.2	$ 5.7
Payments during Fourth Quarter 2003	$ (4.6)	$ —	$(0.1)	$ (4.7)
Balance Remaining as of December 31, 2003	$ 0.9	$ —	$ 0.1	$ 1.0
Payments during First Quarter 2004	$ (0.8)	$ —	$ —	$ (0.8)
Balance Remaining as of March 31, 2004	$ 0.1	$ —	$ 0.1	$ 0.2
Payments during Second Quarter 2004	$ —	$ —	$(0.1)	$ (0.1)
Balance Remaining as of June 30, 2004	$ 0.1	$ —	$ —	$ 0.1
Payments during Third Quarter 2004	$ (0.1)	$ —	$ —	$ (0.1)
Balance Remaining as of September 30, 2004	$ —	$ —	$ —	$ —

The following table sets forth, under the requirements of EITF Issue No. 94-3, the reserves and utilization to date related to our 2002 Financial Flexibility Program.

	Original Charge	2002 Payments/ Asset Write-offs	Balance at 12/31/2002	2003 Payments	Balance at 12/31/2003	2004 Payments	Balance at 12/31/2004
2002 Restructuring Charge for:							
Severance and Termination	$18.6	$ (7.3)	$11.3	$(10.9)	$0.4	$(0.4)	$ —
Asset Write-Offs	10.6	(10.6)	—	—	—	—	—
Lease Termination Obligations	1.7	(0.2)	1.5	(0.2)	1.3	(1.2)	0.1
	$30.9	$(18.1)	$12.8	$(11.1)	$1.7	$(1.6)	$0.1

All the prior year program actions, including our 2003 Financial Flexibility Program, were completed as of September 30, 2003. As of December 31, 2004, there were approximately $1.3 million of restructuring reserves outstanding for future lease termination payments related to these programs.

Additionally, on January 31, 2005, the Board of Directors of D&B approved our 2005 Financial Flexibility Program. (see Note 17).

Divestitures

As part of our Blueprint for Growth Strategy, we implemented our international market leadership strategy which has led to various dispositions over the past three years.

On October 4, 2004, we sold our operations in Iberia to Informa S.A for $13.5 million, primarily consisting of cash, and recognized a pre-tax gain of $0.1 million in 2004 in "Other Income (Expense) — Net." Our Iberian operations generated $24 million of revenue in 2003.

On October 1, 2004, we completed the sale of our operation in France to Base D'Informations Legales Holding S.A.S. ("Bil Holding") for $30.1 million, consisting of $15.0 million in cash, $14.0 million in other receivables, and $1.1 million in other assets. We recognized a pre-tax gain of $12.9 million in the fourth quarter of 2004 in "Other Income (Expense) — Net." The proceeds and gain are subject to change pursuant to the sales agreement between Bil Holding and D&B, which has stipulated period of time to agree on certain post-closing purchase price adjustments. Our French operation generated $38 million of revenue in 2003.

On May 10, 2004, we sold our operations in Germany, Austria, Switzerland, Poland, Hungary and the Czech Republic ("Central European Operations") to Bonnier Affarsinformation AB ("Bonnier") for $25.7 million, consisting of $18.1 million in cash and $7.6 million in other receivables, of which $5.6 million has been collected in 2004. We recognized a pre-tax gain of $5.6 million in the second quarter of 2004 in "Other Income (Expense) — Net." Our Central European Operations generated approximately $52 million in revenue in 2003.

On February 29, 2004, we sold our operations in India and our Distribution Channels in Pakistan and the Middle East for $7.7 million. We received proceeds of $7.3 million (net of withholding tax), consisting of cash of $6.5 million and an investment of $0.8 million representing a 10% interest in the newly formed entity. We recognized a pre-tax gain of $3.8 million in "Other Income (Expense) — Net" in the first quarter of 2004. In 2003, revenue generated from these operations and distribution channels were approximately $6.4 million.

On December 1, 2003, we sold our operations in Sweden, Denmark, Norway, and Finland ("Nordic operations") to Bonnier, for $42.7 million. The proceeds consisted of cash of $35.9 million, notes receivable of $5.9 million and another receivable of $0.9 million. As a result of our International segment November 30 fiscal year end, we recognized a pre-tax gain of $7.9 million in "Other Income (Expense) — Net" in the first quarter of 2004. Additionally, we wrote-off the $0.9 million other receivable in the second quarter of 2004. Our Nordic operations generated approximately $50.9 million of revenue in 2003.

In all of the divestitures noted above, D&B established a strategic relationship in each of these countries where the buyer will operate the acquired businesses under the D&B name, continue to distribute D&B-branded products and services, and provide D&B with data to support our global customer needs. All these divestitures were part of our International Segment.

During the third quarter of 2003, we sold our equity interest in our Singapore investment and our operations in Israel and recognized a pre-tax gain of $1.8 million and a pre-tax loss of $4.3 million, respectively, in "Other Income (Expense) — Net."

During the second quarter of 2002, we exited Avantrust LLC ("Avantrust"), our joint venture with American International Group, Inc. ("AIG"). As the market opportunity for e-marketplaces originally envisioned for Avantrust did not develop, AIG and D&B agreed that the focus of Avantrust should shift to selling and marketing AIG solutions. We had an ownership share of 41.8%, which had been accounted for under the equity method. As a result of exiting this joint venture, we recorded a $2.9 million pre-tax write-off of the remaining investment in "Other Income (Expense) — Net" in the second quarter of 2002. We recognized "Equity in Net Losses of Affiliates" of $1.7 million in 2002.

During the third quarter of 2002, we sold a portion of our equity interest in our Singapore operations for $3.0 million, recognizing a pre-tax gain of $2.6 million in "Other Income (Expense) — Net" on this transaction.

We sold our Korean operations during the fourth quarter of 2002 and received proceeds of $3.1 million, consisting of $1.8 million in cash and a note for $1.3 million payable by the purchaser over the 12 months following the closing, which has been paid in full. We recognized a pre-tax gain of $2.4 million within "Other Income (Expense) — Net."

Other Transactions

During the third quarter of 2003, we sold our High Wycombe, England, building and received proceeds of $80.2 million. We continue to operate a portion of the building under a multi-year lease after the sale. We recognized a pre-tax loss on the sale of the building of $13.8 million within Operating Costs.

Note 4. Acquisitions and Other Investments

Hoover's, Inc.

During the first quarter of 2003, we acquired Hoover's, Inc. with cash on hand. The results of Hoover's operations have been included in our consolidated financial statements since that date. Hoover's provides information on public and private companies, primarily to senior executives and sales professionals worldwide.

The transaction was valued at $7.00 per share in cash, for a total of $119.4 million. In addition, we capitalized $3.3 million of transaction costs in accordance with SFAS No. 141, "Business Combinations." The acquisition was accounted for under the purchase method of accounting. The purchase price was allocated to the acquired assets and liabilities on the basis of their respective fair values. As a result, we recognized goodwill and intangible assets of $66.4 million and $14.5 million, respectively. The goodwill was assigned to our North America segment. Of the $14.5 million of acquired intangible assets, $5.1 million was assigned to trademarks and trade names that are not subject to amortization, and $9.4 million was assigned to subscriber relationships and licensing agreements with useful lives from one to five years. The impact the acquisition would have had on our results had the acquisition occurred at the beginning of 2003 is not material, and, as such, pro forma results have not been presented.

In 2004, we recorded purchase accounting adjustments which increased deferred tax assets and reduced goodwill by $7.1 million. The majority of the adjustments represents recognition of additional net operating loss carryovers as a result of an Internal Revenue Service pronouncement.

Italian Real Estate Data Companies

During the second quarter of 2003, we paid $6.2 million to acquire controlling interests in three privately held Italian real estate data companies: 100% interest in Italservice Bologna S.r.l. and Datanet S.r.l. and a 51% interest in RDS S.r.l. In addition, we paid $1.9 million to acquire 17.5% of RIBES S.p.A., a leading provider of business information to Italian banks. Together with the 17.5% interest held by our subsidiary Datahouse, we had 35% interest at December 31, 2003. During the fourth quarter of 2004, we acquired an additional 16% of RIBES S.p.A. for $4.0 million, resulting in a 51% interest at December 31, 2004. The transaction was funded with cash on hand.

These three Italian acquisitions were accounted for under the purchase method of accounting in accordance with SFAS No. 141. The purchase price for controlling interests of the three companies, together with the capitalized transaction costs allowed under SFAS No. 141, was allocated to the acquired assets and liabilities on the basis of their respective fair values. As a result, goodwill of $7.2 million was recognized and assigned to our International segment. No separately identifiable intangible assets were acquired. During the first quarter of 2004, we recorded a purchase accounting adjustment. This adjustment reduced goodwill by $0.9 million.

The impact the acquisition would have had on our results had the acquisition occurred at the beginning of 2003 is not material, and as such, pro forma results have not been presented.

During the third quarter of 2002, we acquired Data House, an Italian provider of commercial and personal real estate information that is used in Italy by banks, notaries, real estate agencies and corporations in business loan decisions, for $22.0 million ($21.2 million, net of cash acquired). The acquisition was funded with cash on hand. We recognized goodwill of $22.6 million in connection with the acquisition, all of which was assigned to our International segment. No separately identifiable intangible assets were acquired. Subsequent to the acquisition, we recorded purchase accounting adjustments, primarily related to the re-evaluation of the valuation allowance with respect to deferred tax assets, and in accordance with SFAS No. 109, reduced the valuation allowance and the original goodwill by approximately $2.3 million in 2003 and $0.7 million in 2004. The impact the acquisition would have had on our results had the acquisition occurred at the beginning of 2002 is not material, and as such, pro forma results have not been presented.

All the above acquisitions noted above were part of our Blueprint for Growth strategy to enhance our current business through value-creating acquisitions. In addition, all the acquisitions noted above were stock acquisitions, and as a result there was no goodwill deductible for tax purposes.

Note 5. Income Taxes

Income before provision for income taxes consisted of:

	2004	2003	2002
U.S.	$253.6	$246.4	$215.2
Non-U.S.	87.2	34.0	24.0
Income Before Provision for Income Taxes	$340.8	$280.4	$239.2

The provision (benefit) for income taxes consisted of:

	2004	2003	2002
Current Tax Provision (Benefit):			
U.S. federal	$ 81.2	$ 50.5	$56.0
State and local	12.2	6.9	8.1
Non-U.S.	25.3	17.4	4.2
Total current tax provision	118.7	74.8	68.3
Deferred Tax Provision (Benefit):			
U.S. federal	11.5	32.1	22.9
State and local	0.3	5.8	1.9
Non-U.S.	(1.3)	(6.5)	1.0
Total deferred tax provision	10.5	31.4	25.8
Provision for Income Taxes	$129.2	$106.2	$94.1

The following table summarizes the significant differences between the U.S. Federal statutory tax rate and our effective tax rate for financial statement purposes.

	2004	2003	2002
Statutory tax rate	35.0%	35.0%	35.0%
State and local taxes, net of U.S. federal tax benefit	3.0	3.0	2.9
Non-U.S. taxes	(2.1)	(1.6)	(1.3)
Valuation allowance	0.5	0.6	—
Interest	2.3	0.9	2.1
Tax credits	(0.9)	—	—
Other	0.1	—	0.6
Effective tax rate	37.9%	37.9%	39.3%

Income taxes paid were approximately $74.2 million, $59.2 million and $40.9 million in 2004, 2003, and 2002, respectively. Income taxes refunded were approximately $6.6 million, $11.7 million and $12.6 million in 2004, 2003 and 2002, respectively.

Deferred tax assets (liabilities) are comprised of the following at December 31:

	2004	2003
Deferred Tax Assets:		
Operating Losses	$ 61.2	$ 93.8
Fixed Assets	4.8	1.5
Intangibles	25.7	35.2
Post-employment Benefits	—	0.2
Restructuring and Reorganization Costs	4.1	4.9
Bad Debts	6.1	5.9
Accrued Expenses	9.4	7.8
Deferred Revenue	—	0.3
Investments	20.3	4.1
Minimum Pension Liability	59.8	51.5
Other	4.2	0.5
Total Deferred Tax Assets	195.6	205.7
Valuation Allowance	(55.9)	(76.4)
Net Deferred Tax Assets	139.7	129.3
Deferred Tax Liabilities:		
Tax Leasing Transactions	(3.0)	(4.6)
Postretirement Benefits	(59.9)	(41.2)
Total Deferred Tax Liability	(62.9)	(45.8)
Net Deferred Tax Asset	$ 76.8	$ 83.5

We have not provided for U.S. deferred income taxes or foreign withholding taxes on $296.3 million of undistributed earnings of the Company's non-U.S. subsidiaries as of December 31, 2004, since we intend to reinvest these earnings indefinitely. Additionally, we have not determined the tax liability if such earnings were remitted to the U.S., as the determination of such liability is not practicable. See Note 1 for our significant policy related to income taxes.

We have federal, state and local, and foreign tax loss carryforwards, the tax effect of which was $61.2 million as of December 31, 2004. Approximately $39.0 million of these tax benefits have an indefinite carryforward period. Of the remainder, $2.8 million expire in 2005, and $19.4 million expire at various times between 2006 and 2023.

We have established a valuation allowance against non-U.S. net operating losses in the amount of $43.4 million, $76.4 million, and $56.8 million in 2004, 2003, and 2002, respectively, that in the opinion of management, are more likely than not to expire before we can utilize them.

Note 6. Notes Payable and Indebtedness

Our borrowings at December 31, 2004 and 2003, including interest rate swaps designated as hedges, are summarized below:

	2004	2003
	Liability (Asset)	
Long-term, fixed-rate notes	$301.8	$304.7
Fair value of interest rate swaps	(1.9)	(4.9)
Other	0.1	0.1
Long-Term Debt	$300.0	$299.9

The notes with face value of $300 million have a five-year term maturing in March 2006 and bear interest at a fixed annual rate of 6.625%, payable semi-annually. We have entered into interest rate swap agreements to hedge a portion of this long-term debt (see Note 7). The weighted average interest rates on the long-term notes, including the benefit of the swaps on December 31, 2004 and 2003, were 5.62% and 5.61%, respectively.

Other Credit Facilities

During the third quarter of 2004, we entered into a new multi-year credit agreement, which will expire in September 2009, and terminated our previous multi-year and 364-day credit agreement. Our aggregate availability under the new facility is $300 million, while our aggregate availability under the terminated facilities was $275 million ($175 million under the multi-year facility and $100 million under the 364-day facility). At December 31, 2004, we had a total of $300 million of bank credit facilities available at prevailing short-term interest rates, which will expire in September 2009. These facilities also support our commercial paper borrowings up to $300 million. We have not drawn on the facilities and we did not have any borrowings outstanding under these facilities at December 31, 2004 and 2003. We also have not borrowed under our commercial paper program in 2004. We believe that cash flows generated from operations, supplemented as needed with readily available financing arrangements, are sufficient to meet our short-term and long-term needs, including any payments that may be required in connection with our Financial Flexibility Program restructuring charges discussed in Note 3, to meet commitments and contractual obligations as presented in Note 12, and to settle or resolve the contingencies discussed in Note 13 to these consolidated financial statements, excluding the legal matters identified therein for which the exposure are not estimable. The facility requires the maintenance of interest coverage and total debt to EBITDA ratios (each as defined in the agreement). We were in compliance with these requirements at December 31, 2004 and 2003.

At December 31, 2004 and 2003, certain of our international operations also had non-committed lines of credit of $5.9 million and $8.0 million, respectively. We had no borrowings outstanding under these lines of credit as of December 31, 2004 and 2003. These arrangements have no material commitment fees or compensating balance requirements.

Interest paid totaled $17.2 million, $17.2 million and $18.5 million for the years ended December 31, 2004, 2003 and 2002, respectively.

Note 7. Financial Instruments with Off-Balance Sheet Risks

We employ established policies and procedures to manage our exposure to changes in interest rates and foreign currencies. We use short-term foreign exchange forward contracts to hedge short-term foreign currency-denominated loans, investments and certain third party and intercompany transactions and, from time to time, we have used foreign exchange option contracts to reduce our international earnings exposure to adverse changes in currency exchange rates. In addition, we use interest rate swap agreements to hedge a portion of the interest rate exposure on our outstanding fixed-rate notes, as discussed under "Interest Rate Risk Management," below.

We do not use derivative financial instruments for trading or speculative purposes. If a hedging instrument ceases to qualify as a hedge, any subsequent gains and losses are recognized currently in income. Collateral is generally not required for these types of instruments.

By their nature, all such instruments involve risk, including the credit risk of non-performance by counterparties. However, at December 31, 2004 and 2003, in our opinion, there was no significant risk of loss in the event of non-performance of the counterparties to these financial instruments. We control our exposure to credit risk through monitoring procedures.

Our trade receivables do not represent a significant concentration of credit risk at December 31, 2004 and 2003, due to the fact that we sell to a large number of customers in different geographical locations.

Interest Rate Risk Management

Our objective in managing exposure to interest rates is to limit the impact of interest rate changes on earnings, cash flows and financial position, and to lower overall borrowing costs. To achieve these objectives, we maintain a policy that floating-rate debt be managed within a minimum and maximum range of our total debt exposure. To manage our exposure, we may use fixed-rate debt, floating-rate debt and/or interest rate swaps.

In connection with the $300 million, five-year, fixed-rate note maturing March 2006, we entered into fixed to floating (LIBOR rate indexed) interest rate swap agreements in the third quarter of 2001 with a notional principal amount totaling $100 million, and designated these swaps as fair-value hedges against the long-term fixed rate notes. The arrangement is considered a highly effective hedge, and therefore the accounting for these hedges has no impact on earnings. The changes in the fair value of the hedge and the designated portion of the notes are reflected in our consolidated balance sheets. At December 31, 2004 and 2003, we had no floating-rate debt outstanding.

Foreign Exchange Risk Management

Our objective in managing exposure to foreign currency fluctuations is to reduce the volatility caused by foreign exchange rate changes on the earnings, cash flows and financial position of our International operations. We follow a policy of hedging balance sheet positions denominated in currencies other than the functional currency applicable to each of our various subsidiaries. In addition, we are subject to foreign exchange risk associated with our international earnings and investments. We use short-term, foreign exchange forward and option contracts to implement our hedging strategies. Typically, these contracts have maturities of twelve months or less. These contracts are executed with creditworthy institutions and are denominated primarily in the British pound sterling and the Euro. The gains and losses on the forward contracts associated with the balance sheet positions hedge are recorded in "Other Income (Expense) — Net" in our consolidated financial statements and are essentially offset by the gains and losses on the underlying foreign currency transactions. The gains and losses on the forward contracts associated with net investment hedges are recorded in "Cumulative Translation Adjustment" in our consolidated financial statements.

At December 31, 2004 and 2003, we had a notional amount of approximately $241.4 million and $297.9 million, respectively, of foreign exchange forward contracts outstanding that offset foreign currency

denominated intercompany loans. Gains and losses associated with these contracts were $0.4 million and $1.0 million, respectively, at December 31, 2004, $0.7 million and $0.2 million, respectively, at December 31, 2003, and $0.8 million and $2.3 million, respectively, at December 31, 2002. In addition, at December 31, 2004 and 2003, we had $91.9 million and $83.6 million, respectively, of foreign exchange forward contracts outstanding associated with our international investments. Losses associated with these contracts were $3.6 million and $4.7 million at December 31, 2004 and 2003, respectively. These contracts typically have various expiration dates within three months of entry into such contracts.

Fair Value of Financial Instruments

At December 31, 2004 and 2003, our financial instruments included cash and cash equivalents (including commercial paper investments), marketable securities, accounts receivable, other receivables, accounts payable, short-term and long-term borrowings and foreign exchange forward contracts.

At December 31, 2004 and 2003, the fair values of cash and cash equivalents, marketable securities, accounts receivable, other receivables and accounts and notes payable approximated carrying value due to the short-term nature of these instruments. The estimated fair values of other financial instruments subject to fair-value disclosures, determined based on third-party quotes from financial institutions, are as follows:

	At December 31, 2004		At December 31, 2003	
	Carrying Amount (Asset) Liability	Fair Value (Asset) Liability	Carrying Amount (Asset) Liability	Fair Value (Asset) Liability
Long-term debt	$301.9	$309.0	$304.7	$321.3
Risk management contracts:				
Interest rate swaps (long-term)	$ (1.9)	$ (1.9)	$ (4.9)	$ (4.9)
Foreign exchange forwards (short-term) — Net	4.1	4.1	4.4	4.4
	$ 2.2	$ 2.2	$ (0.5)	$ (0.5)

Note 8. Capital Stock

The total number of shares of all classes of stock that we have authority to issue under our Certificate of Incorporation is 220,000,000 shares, of which 200,000,000 shares, par value $.01 per share, represent Common Stock (the "Common Stock"); 10,000,000 shares, par value $.01 per share, represent Preferred Stock (the "Preferred Stock"); and 10,000,000 shares, par value $.01 per share, represent Series Common Stock (the "Series Common Stock"). The Preferred Stock and the Series Common Stock can be issued with varying terms, as determined by our Board of Directors. Our Board of Directors has designated 500,000 shares of the Preferred Stock as Series A Junior Participating Preferred Stock, par value $.01 per share.

On September 30, 2000, we separated from Moody's, and 81,213,520 shares of our Common Stock were distributed to the shareholders of Moody's/D&B2 (see Note 13 for further discussion on Moody's/D&B2). Since we have been treated as the successor entity for accounting purposes, our historical financial statements reflect the recapitalization in connection with the 2000 Distribution (see Note 13 for further discussion on the 2000 Distribution), including the elimination of treasury shares (which shares became treasury shares of Moody's) and the authorization of our Common Stock, Preferred Stock and Series Common Stock.

In connection with our separation from Moody's, we entered into a Rights Agreement with EquiServe Trust Company, N.A., designed to:

- minimize the prospects of changes in control that could jeopardize the tax-free nature of the separation by assuring meaningful Board of Directors' involvement in any such proposed transaction; and

- enable us to develop our businesses and foster our long-term growth without disruptions caused by the threat of a change in control not deemed by our Board of Directors to be in the best interests of shareholders.

Under the Rights Agreement, each share of our Common Stock has a right that trades with the stock until the right becomes exercisable. Each right entitles the registered holder to purchase one one-thousandth of a share of Series A Junior Participating Preferred Stock, par value $.01 per share, at a price of $125 per one one-thousandth of a share, subject to adjustment. The rights will generally not be exercisable until a person or group (an "Acquiring Person") acquires beneficial ownership of, or commences a tender offer or exchange offer that would result in such person or group having beneficial ownership of, 15% or more of the outstanding Common Stock.

In the event that any person or group becomes an Acquiring Person, each right will thereafter entitle its holder (other than the Acquiring Person) to receive, upon exercise, that number of shares of our Common Stock having a market value of two times the exercise price.

In the event that, after a person or group has become an Acquiring Person, we are acquired in a merger or other business combination transaction or 50% or more of our consolidated assets or earning power are sold, each right will entitle its holder (other than the Acquiring Person) to receive, upon exercise, that number of shares of common stock of the person with whom we have engaged in the foregoing transaction (or its parent). Such holder may acquire that number of shares having a market value of two times the exercise price.

We may redeem the rights, which expire on August 15, 2010, for $.01 per right, under certain circumstances.

The Board Affairs Committee of our Board of Directors periodically reviews the Rights Agreement and other anti-takeover measures to determine whether such measures continue to be in the best interests of our shareholders, and whether modifications to such measures are appropriate. In May 2004, the Committee reviewed the measures and determined that they continue to be in our shareholders' best interests.

Note 9. Reconciliation of Weighted Average Shares

	2004	2003	2002
	(Share data in thousands)		
Weighted average number of shares — basic	70,415	73,490	74,511
Dilutive effect of shares issuable under stock options, restricted stock and performance share plans	2,625	2,213	2,309
Adjustment of shares applicable to stock options exercised during the period and performance share plans	64	123	54
Weighted average number of shares — diluted	73,104	75,826	76,874

In 2004, we repurchased 971,654 shares of stock for $51.8 million to mitigate the dilutive effect of the shares issued under our stock incentive plans and Employee Stock Purchase Plan. Additionally, in 2004, we repurchased 3,601,986 shares to complete a previously announced $200 million share repurchase program for $200.0 million. During 2003, we repurchased 2,377,924 shares in connection with the previously announced $100 million share repurchase program for $100.0 million and an additional 1,381,276 shares for $56.1 million to mitigate the dilutive effect of the shares under our stock incentive plans and Employee Stock Purchase Plan. During the first quarter of 2002, we repurchased 2,500,000 shares at the market price of $85.1 million, in a privately negotiated block trade. In addition, over the course of the year, we repurchased an additional 855,200 shares for $32.6 million to mitigate the dilutive effect of the shares issued under our employee benefit plan.

Options to purchase 73,546, 158,540 and 1,601,878 shares of common stock were outstanding at December 31, 2004, 2003 and 2002, respectively, but were not included in the computation of diluted earnings per share because the options' exercise prices were greater than the average market price of the common stock. Our options generally expire 10 years after the grant date.

Note 10. Pension and Postretirement Benefits

We offer substantially all of our U.S.-based employees coverage in a defined benefit plan called The Dun & Bradstreet Corporation Retirement Account (the "U.S. Qualified Plan"). The defined benefit plan covers active and retired employees including retired individuals from spin-off companies (see Note 13 for further discussion of spin-off companies). The benefits to be paid upon retirement are based on a percentage of the employee's annual compensation. The percentage of compensation allocated annually to a retirement account ranges from 3% to 12.5%, based on age and service. Amounts allocated under the plan also receive interest credits based on the 30-year Treasury rate or equivalent rate published by the Internal Revenue Service. Pension costs are determined actuarially and funded in accordance with the Internal Revenue Code. We also maintain supplemental and excess plans in the United States (the "U.S. Non-Qualified Plans") to provide additional retirement benefits to certain key employees of the Company. These plans are unfunded, pay-as-you-go plans. The U.S. Qualified Plan and the U.S. Non-Qualified Plans account for approximately 73% and 15% of our pension obligation, respectively, at December 31, 2004. Our employees in certain of our international operations are also provided retirement benefits through defined benefit plans, representing the remaining balance of our pension obligations.

In addition to providing pension benefits, we provide various health care and life insurance benefits for retired employees. U.S.-based employees who retire after age 45 with 10 years of vesting service are eligible to receive benefits. Postretirement benefit costs and obligations are also determined actuarially.

Certain of our non-U.S.-based employees receive postretirement benefits through government-sponsored or -administered programs.

We use an annual measurement date of December 31 for our U.S. and Canada plans and November 30 for other non-U.S. plans.

Benefit Obligation and Plan Assets

The following table sets forth the changes in our benefit obligations and plan assets for our pension and postretirement plans. The table also reconciles the funded status of these obligations to the amounts reflected in our financial statements, and identifies the line items in our consolidated balance sheets where the related assets and liabilities are recorded:

	Pension Plans		Postretirement Benefits	
	2004	2003	2004	2003
Change in Benefit Obligations				
Benefit obligation at January 1	$(1,455.3)	$(1,366.0)	$(162.1)	$(250.9)
Service cost	(14.7)	(13.9)	(0.9)	(1.2)
Interest cost	(86.1)	(84.6)	(7.6)	(14.3)
Benefits paid	86.6	90.5	20.2	16.7
Plan amendment	(0.9)	(0.1)	—	69.4
Impact of curtailment gain (loss)	3.0	1.6	(0.3)	—
Plan participant contributions	(0.8)	—	(5.5)	(3.8)
Actuarial gain (loss)	(30.2)	(0.5)	33.0	22.0
Assumption change	(47.5)	(72.2)	—	—
Effect of changes in foreign currency exchange rates	(18.2)	(10.1)	—	—
Benefit obligation at December 31	$(1,564.1)	$(1,455.3)	$(123.2)	$(162.1)

	Pension Plans		Postretirement Benefits	
	2004	2003	2004	2003
Change in Plan Assets				
Fair value of plan assets at January 1	$1,289.9	$1,113.7	$ —	$ —
Actual return on plan assets	128.0	235.6	—	—
Employer contribution	19.1	23.9	14.7	12.9
Plan participant contributions	0.8	0.6	5.5	3.8
Benefits paid	(86.6)	(90.5)	(20.2)	(16.7)
Effect of changes in foreign currency exchange rates	13.3	6.6	—	—
Fair value of plan assets at December 31	$1,364.5	$1,289.9	$ —	$ —
Reconciliation of Funded Status to Total Amount Recognized				
Funded status of plan	$ (199.6)	$ (165.4)	$(123.2)	$(162.1)
Unrecognized actuarial loss (gain)	551.7	481.1	(4.9)	26.2
Unrecognized prior service cost	16.7	19.7	(51.9)	(67.0)
Net amount recognized	$ 368.8	$ 335.4	$(180.0)	$(202.9)
Amounts recognized in the Consolidated Balance Sheets				
Prepaid pension costs	$ 455.3	$ 414.5	$ —	$ —
Accrued pension and postretirement Benefits	(268.3)	(240.6)	(180.0)	(202.9)
Intangible assets	14.9	16.9	—	—
Accumulated other comprehensive income	166.9	144.6	—	—
Net amount recognized	$ 368.8	$ 335.4	$(180.0)	$(202.9)
Accumulated Benefit Obligation	$1,511.6	$1,399.9	N/A	N/A
Increase in minimum liability included in other comprehensive income — Pretax	$ 22.3	$ 9.7	N/A	N/A

The amount recorded in "Accumulated Other Comprehensive Income" is included in our Consolidated Statements of Shareholders' Equity as "Minimum Pension Liability Adjustment," net of tax. The associated deferred tax assets were $59.8 million and $51.5 million at December 31, 2004 and 2003, respectively. We recorded a "Change in Minimum Pension Liability Adjustment" of $14.0 million and $5.9 million, net of applicable tax, in the years ended December 31, 2004 and 2003, respectively.

Grantor Trusts are used to fund the U.S. Non-Qualified Plans. At December 31, 2004 and 2003, the balances in these trusts were approximately $12.5 million and $15.5 million, respectively.

Additional Minimum Pension Liability

Under SFAS No. 87, we are required to recognize an additional minimum pension liability for pension plans with accumulated benefit obligations in excess of plan assets. At December 31, 2004 and 2003, our unfunded accumulated benefit obligations and the related projected benefit obligations were as follows:

	2004	2003
Accumulated Benefit Obligation	$379.3	$330.0
Fair Value of Plan Assets	111.0	89.4
Unfunded Accumulated Benefit Obligation	$268.3	$240.6
Projected Benefit Obligation	$397.7	$355.4

The unfunded accumulated benefit obligations at December 31, 2004 consisted of $218.9 million and $49.4 million related to our U.S. Non-Qualified Plans and non-U.S. defined benefit plans, respectively. At December 31, 2003, the unfunded accumulated benefit obligations consisted of $205.5 million and $35.1 million related to our U.S. Non-Qualified Plans and non-U.S. defined benefit plans, respectively.

Net Periodic Pension Costs

The following table sets forth the components of the net periodic cost associated with our pension plans and our postretirement benefit obligations:

	Pension Plans			Postretirement Benefits		
	2004	2003	2002	2004	2003	2002
Components of Net Periodic Cost						
Service cost	$ 14.7	$ 13.9	$ 14.7	$ 0.9	$ 1.2	$ 1.5
Interest cost	86.1	84.6	86.2	7.6	14.3	16.6
Expected return on plan assets	(126.8)	(128.1)	(142.8)	—	—	—
Amortization of prior service Cost	2.9	3.2	3.2	(11.4)	(2.4)	—
Recognized actuarial loss (gain)	11.4	8.2	4.7	(0.1)	1.8	1.8
Net periodic (income) cost	$ (11.7)	$ (18.2)	$ (34.0)	$ (3.0)	$14.9	$19.9

We incurred a curtailment charge of $1.3 million, $0.5 million and $0.5 million for our pension plans in 2004, 2003 and 2002, respectively. In addition, we recognized a curtailment gain of $3.7 million for our postretirement benefit plan in 2004.

We apply our long-term expected rate of return assumption to the market-related value of assets to calculate the expected return on plan assets, which is a major component of our annual net periodic pension expense. The market-related value of assets recognizes short-term fluctuations in the fair value of assets in a systematic and rational manner over a period of five years, using a straight-line amortization basis. The methodology has been utilized to reduce the effect of short-term market fluctuations on the net periodic pension cost, as provided under SFAS No. 87. At December 31, 2004 and 2003, the market-related value of assets of our U.S. Qualified Plan was $1,321.3 million and $1,379.9 million, respectively.

The following table sets forth the assumptions we used to determine our pension plan and postretirement benefit plan obligations for December 31, 2004 and 2003.

	Pension Plans		Postretirement Benefits	
	2004	2003	2004	2003
Weighted average discount rate	5.71%	5.96%	5.25%	6.00%
Weighted average rate of compensation increase	3.67%	3.64%	N/A	N/A
Cash balance accumulation/conversion rate	5.00%	5.00%	N/A	N/A

The following table sets forth the assumptions we used to determine net periodic benefit cost for the years ended December 31, 2004, 2003 and 2002.

	Pension Plans			Postretirement Benefits		
	2004	2003	2002	2004	2003	2002
Weighted average discount rate	5.98%	6.44%	7.21%	6.00%	6.45%	7.25%
Weighted average expected long-term return on plan assets	8.66%	8.65%	9.67%	N/A	N/A	N/A
Weighted average rate of compensation increase	3.65%	3.65%	4.38%	N/A	N/A	N/A
Cash balance accumulation/conversion rate	5.00%	4.75%	5.50%	N/A	N/A	N/A

The expected long-term rate of return assumption was 8.75%, 8.75% and 9.75% for 2004, 2003 and 2002, respectively for the U.S. Qualified Plan. For 2005, we will lower the expected long-term rate of return assumption to 8.50% from the 8.75% assumption we used to calculate pension income in 2004 and 2003 for the U.S. Qualified Plan. This assumption is based on the plan's target asset allocation of 68% equity securities, 25% debt securities and 7% real estate. The expected long-term rate of return assumption reflects long-term capital market return forecasts for the asset classes employed, assumed excess returns from active management within each asset class, the portion of plan assets that are actively managed, and periodic rebalancing back to target allocations. Current market factors such as inflation and interest rates are evaluated before the long-term capital market assumptions are determined. In addition, peer data and historical returns are reviewed to check for reasonableness. Although we review our expected long-term rate of return assumption annually, our plan performance in any one particular year does not, by itself, significantly influence our evaluation. Our assumption is generally not revised unless there is a fundamental change in one of the factors upon which it is based, such as the target asset allocation or long-term capital market return forecasts.

The following table sets forth the weighted average asset allocations and target asset allocations by asset category, as of the measurement dates of the plans.

	Asset Allocations		Target Asset Allocations	
	2004	2003	2004	2003
Equity securities	68%	69%	65%	65%
Debt securities	26%	26%	29%	29%
Real estate	6%	5%	6%	6%
Total	100%	100%	100%	100%

The U.S. Qualified Plan, our principal plan, employs a total return investment approach in which a mix of equity, debt and real estate investments are used to maximize the long-term return on plan assets at a prudent level of risk. The plan's target asset allocation is 65% equity securities (range of 60% to 70%), 29% debt securities (range of 24% to 34%) and 6% real estate (range of 6% to 9%). The target allocation is

controlled by periodic rebalancing back to target. Plan assets are invested using a combination of active and passive (indexed) investment strategies. Active strategies employ multiple investment management firms.

The plan's equity securities are diversified across U.S. and non-U.S. stocks. The active investment managers employ a range of investment styles and approaches that are combined in a way that compensates for capitalization and style biases versus benchmark indices, while focusing primarily on issue selection as a means to add value. The plan's debt securities are diversified principally among securities issued or guaranteed by the U.S. government or its agencies, mortgage-backed securities, including collateralized mortgage obligations, corporate debt obligations and dollar-denominated obligations issued in the U.S. by non-U.S. banks and corporations. Generally, up to 10% of the debt securities may be invested in securities rated lower than A. The plan's real estate investments are made through a commingled equity real estate fund of U.S. properties diversified by property type and geographic location.

Investment risk is controlled through diversification among multiple asset classes, managers, styles and securities. Risk is further controlled at the investment manager level by requiring managers to follow formal written investment guidelines and by assigning excess return and tracking error targets. Investment results and risk are measured and monitored on an ongoing basis, and quarterly investment reviews are conducted. The plan's active investment managers are prohibited from investing plan assets in equity or debt securities issued or guaranteed by D&B. In addition, D&B is not part of any index fund in which the plan invests.

Discount rate is used to measure the present value of pension plan obligations and postretirement health care obligations at year-end as well as to calculate next year's pension income (cost). It is based on investment yields available at year-end on Aa-rated corporate long-term bonds and the Citigroup Pension Curve. The rate is adjusted yearly, based on the factors noted above. As of December 31, 2004, for all of our U.S. pension plans we lowered the discount rate to 5.75% from 6.0% used at December 31, 2003. We also lowered the discount rate for our postretirement benefit plan to 5.25% at December 31, 2004 from 6.0% used at December 31, 2003.

We expect to contribute $26.4 million to our Non-Qualified U.S. plans and non-U.S. pension plans and $16.0 million to our postretirement benefit plan in 2005. We do not expect to contribute to the U.S. Qualified Plan.

The following table summarizes expected benefit payments from our pension plans and postretirement plans through 2014. Actual benefit payments may differ from expected benefit payments. These amounts are reflected net of expected plan participant contributions.

		Postretirement Benefits		
	Pension Plans	Gross Expected Benefit Payment	Gross Expected Subsidy	Net Expected Benefit Payment
2005	$ 88.1	$16.0	$ —	$16.0
2006	$ 83.8	$15.1	$ 2.7	$12.4
2007	$ 88.8	$14.5	$ 3.0	$11.5
2008	$ 87.4	$13.8	$ 3.2	$10.6
2009	$ 85.9	$13.3	$ 3.4	$ 9.9
2010 – 2014	$469.8	$58.4	$18.3	$40.1

For measurement purposes, an 11.0% annual rate of increase in the per capita cost of covered health care benefits was assumed for 2005. The rate was assumed to decrease gradually to 5.0% by 2011 and remain at that level thereafter.

Assumed health care cost trend rates have an effect on the amounts reported for the health care plans. A one-percentage-point change in the assumed health care cost trend rates would have the following effects.

	1% Point	
	Increase	Decrease
Benefit obligation at end of year	$3.4	$(4.8)
Service cost plus interest cost	$0.2	$(0.2)

In the fourth quarter of 2003, an amendment was made to D&B's Postretirement Benefit Plan. Starting January 1, 2004, we began to limit the amount of our insurance premium contribution based on the amount D&B contributed in 2003 per retiree. This change is expected to reduce our postretirement benefit obligation by approximately $69.4 million, subject to changes in economic conditions and actual plan experience. This non-cash reduction will be amortized over the next five to six years, starting in 2004. This change has reduced the annual postretirement benefit costs by approximately $12 million in 2004.

In December 2003, the Medicare Prescription Drug, Improvement and Modernization Act of 2003 was signed into law. The Act expands Medicare, primarily by adding a prescription drug benefit for medicare-eligibles starting in 2006. The Act provides employers currently providing postretirement prescription drug benefits with a range of options for coordinating with the new government-sponsored program potentially to reduce this benefit, including providing for a federal subsidy to sponsors of retiree health care benefit plans that provide a benefit that is at least actuarially equivalent to the benefit established by the law. In connection with the Act, the FASB issued FSP No. FAS 106-2, "Accounting and Disclosure Requirements Related to the Medicare Prescription Drug, Improvement and Modernization Act of 2003" (see detailed descriptions about this pronouncement in Note 2 "Recent Accounting Pronouncements"). We have reviewed the postretirement benefit plan and concluded, based on the guidance included in the Act, that the plan will be actuarially equivalent in 2006 and for approximately 10 years thereafter. Pursuant to FSP No. FAS 106-2, we have recognized the financial impact of the Medicare Reform Act during the third quarter of 2004 on a prospective basis. As a result, the accumulated postretirement benefit obligation is expected to decrease by approximately $31 million, including $27 million related to the subsidy and $4 million related to the impact of the future participant opt-out assumption as participants seek more affordable drug coverage under Medicare Part D benefits. These amounts are subject to changes in economic conditions and actual plan experience. In addition, our 2004 postretirement benefit cost decreased by $1.3 million, including a $1.1 million reduction in the interest cost and a $0.2 million increase in recognized actuarial gain. Interest cost and recognized actuarial gain are components of net periodic postretirement benefit (income) cost (see above table under "Net Periodic Pension Costs").

Effective, April 1, 2004, an amendment was made to the U.K. final pay defined benefit pension plan. After the amendment, the final pay defined benefit plan was closed to new participants. Under the revised defined benefit plan, the method used to accrue pension benefits is based on career average salary, which would reduce plan members' future benefit. Existing participants in the revised defined benefit plan are required to increase their contributions. Existing participants under the defined benefit plan also have the option to participate in a defined contribution plan which will offer enhanced benefits.

Profit Participation Plan

We have a profit participation plan covering substantially all U.S. employees that provides for an employee salary deferral contribution and employer contributions. Employees may contribute up to 16% of their pay. We contribute an amount equal to 50% of employee contributions, up to a maximum of 6% of the employee's salary. We also make contributions to the plan if certain financial performance objectives are met, based on performance over a one-year period. We recognized expense associated with our employer contributions to the plan of $10.4 million, $8.7 million, and $12.4 million in 2004, 2003 and 2002, respectively.

Note 11. Employee Stock Plans

Under The Dun & Bradstreet Corporation 2000 Stock Incentive Plan ("2000 SIP") and Non-Employee Directors' Stock Incentive Plan ("2000 DSIP"), we have granted options to certain employees and non-employee directors to purchase shares of our common stock at the market price on the date of the grant. Options granted under the 2000 SIP prior to February 9, 2004 generally vest in three equal installments, beginning on the third anniversary of the grant. Options granted under the 2000 SIP on or after February 9, 2004 generally vest in four equal installments beginning on the first anniversary of the grant. Options granted under the 2000 DSIP generally vest 100% on the first anniversary of the grant. All options expire 10 years from the date of the grant. The 2000 SIP and 2000 DSIP provide for the granting of up to 9.7 million and 0.3 million shares of our common stock, respectively.

Under The Dun & Bradstreet Corporation 2000 Employee Stock Purchase Plan ("ESPP"), which became effective October 2000, we are authorized to sell up to 1.5 million shares of our common stock to our eligible employees of which 1,000,275 remain available for future purchases at December 31, 2004. Under the terms of the ESPP, employees may have up to 10% of their earnings withheld to purchase our common stock. The purchase price of the stock on the date of purchase is 85% of the average high and low sale prices of shares on the New York Stock Exchange on the last trading day of the month. Under the ESPP, we sold 97,295, 108,440, and 120,894, shares to employees in 2004, 2003 and 2002, respectively.

We apply APB No. 25, "Accounting for Stock Issued to Employees," and related interpretations in accounting for our plans. Accordingly, no compensation cost has been recognized for grants under the stock option plans or purchases under the ESPP (See Note 1 for the pro forma effect disclosure under the provision of SFAS No. 123).

Options outstanding at December 31, 2004 were originally granted during the years 1995 through 2004 and are exercisable over periods ending not later than 2014. At December 31, 2004, 2003 and 2002, options for 3,991,434 shares, 3,479,627 shares, and 1,667,013 shares of our common stock, respectively, were exercisable, and 3,646,883 shares, 3,650,541 shares, and 4,847,316 shares of our common stock, respectively, were available for future grants under the stock option plans.

Changes in stock options for the three years ended December 31, 2004 are summarized as follows:

	Shares	Weighted Average Exercise Price($)
Options outstanding at January 31, 2002	10,681,698	20.81
Granted	478,995	34.92
Exercised	(718,352)	11.67
Surrendered or expired	(750,100)	23.31
Options outstanding at December 31, 2002	9,692,241	21.99
Granted	1,895,645	35.15
Exercised	(1,414,827)	14.07
Surrendered or expired	(969,939)	28.40
Options outstanding at December 31, 2003	9,203,120	25.25
Granted	816,286	53.75
Exercised	(877,619)	16.68
Surrendered or expired	(841,314)	32.01
Options outstanding at December 31, 2004	8,300,473	28.20

For 2004, the annual stock options awarded to employees were granted in February of the following year after the approval of the 2005 compensation program and Business Plan. 470,400 options were granted at an exercise price of $60.54 in February 2005.

For 2002 and 2003, the annual stock options awarded to employees were granted in February of the following year after the approval of the 2003 and 2004 compensation program and Business Plan, respectively. 1,580,300 and 628,440 options were granted at an exercise price of $34.17 and $53.30 in February 2003 and 2004, respectively.

The following table summarizes information about stock options outstanding at December 31, 2004:

	Stock Options Outstanding			Stock Options Exercisable	
Range of Exercise Prices	Shares	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
$10.59 – $14.86	1,117,334	4.1 Years	$13.63	1,053,002	$13.61
$15.06 – $17.59	1,341,274	5.0 Years	$15.51	1,340,236	$15.51
$23.72 – $27.94	2,038,248	6.0 Years	$24.11	1,202,047	$23.92
$31.26 – $35.81	1,639,007	7.9 Years	$34.10	85,773	$34.33
$36.16 – $49.16	1,391,984	7.2 Years	$36.99	310,376	$36.16
$50.07 – $59.86	772,626	9.2 Years	$53.78	—	$ —
Total	8,300,473			3,991,434	

The 2000 SIP and 2000 DSIP plans also provide for the granting of stand-alone stock appreciation rights (“SARs”) and limited stock appreciation rights (“LSARs”) in tandem with stock options to certain key employees. At December 31, 2004, 2003 and 2002, 3,685,680, 3,326,200 and 3,188,983 shares of LSARs attached to stock options have been granted, respectively, which are exercisable only if, and to the extent that,

the related option is exercisable, and only upon the occurrence of specified contingent events. During 2004, 2003 and 2002, no shares, 4,600 shares, and no shares of SARs were granted, respectively. At December 31, 2004, 2003, and 2002, 17,736, 57,235 and 64,257 shares of SARs were outstanding, respectively, and we have recognized the associated expense of $0.5 million, $0.6 million, and $0.2 million within "Operating Costs" for the years 2004, 2003 and 2002, respectively. Compensation expense for stock appreciation rights is measured as the amount by which the quoted market value of the shares of our common stock exceeds the base unit price at the date of the grant. Changes, either increases or decreases, in the quoted market value of these shares between the date of grant and at the end of each subsequent quarter result in a change in the measure of compensation for the rights. The compensation expense is recognized proportionally over the vesting period.

During 2004 and 2002, no shares of restricted stock were granted, and during 2003, 147,870 shares of restricted stock were granted. During 2004 and 2003, 14,420 and 11,300 shares of restricted stock were forfeited, respectively from previous plans. There were no forfeitures during 2002. The restrictions on the majority of such shares lapse over a period of three years from the date of the grant, and the cost is charged to compensation expense ratably. We record compensation expense for the amortization of restricted stock units issued to employees, utilizing the intrinsic-value method, which would result in the same amount of compensation expense that would be recognized as if we had applied the fair value recognition provisions of SFAS 123. We recognized compensation expense recorded under APB 25 associated with the restricted stock of $1.4 million, $2.1 million, and $1.1 million in 2004, 2003 and 2002, respectively.

Beginning in 2004, certain employees were provided an opportunity to receive an award of restricted stock in the future. That award is contingent on performance against the same goals that drive payout of the annual bonus plan. The restricted stock award will be granted, if at all, after the one year performance goal has been met and will then vest over a three-year period. In 2004, we recognized expense associated with the restricted stock opportunity of $8.3 million.

During 2004, 2003 and 2002, 9,238 shares, 27,550 shares, and 10,890 shares of restricted stock units were granted, respectively. During 2004 and 2003, 2,660 shares and 2,290 shares of restricted stock units were forfeited, respectively. There were no forfeitures during 2002. The restrictions on the majority of such shares lapse over a period of three years from the date of the grant. We recognized expense associated with the restricted stock units of $0.6 million, $0.7 million, and $0.4 million in 2004, 2003 and 2002, respectively.

Note 12. Lease Commitments and Contractual Obligations

Most of our operations are conducted from leased facilities, which are under operating leases that expire over the next 10 years, with the majority expiring within five years. We also lease certain computer and other equipment under operating leases that expire over the next three years. These leases are frequently renegotiated or otherwise changed as advancements in computer technology produce opportunities to lower costs and improve performance. Rental expenses under operating leases (cancelable & non-cancelable) were $32.8 million, $34.7 million and $29.4 million for the years ended December 31, 2004, 2003 and 2002, respectively.

In July 2002, we outsourced certain technology functions to Computer Sciences Corporation ("CSC") under a 10-year agreement, which we may terminate for a fee at any time effective after July 2003 and under certain other conditions. Under the terms of the agreement, CSC will be responsible for the data center operations, technology help desk and network management functions in the United States and in the United Kingdom and for certain application development and maintenance through July 31, 2012. The obligation under the contract is based on our historical and expected future level of usage and volume. If our future volume changes, payments under the contract could vary up or down based on specified formulas. Charges are subject to increases to partially offset inflation. We incurred $63.0 million, $58.9 million, and $18.6 million in 2004, 2003 and 2002, respectively under this contract.

In December 2003, we signed a three-year agreement with ICT Group, Inc. effective January 2004 to outsource certain marketing calling activities. We may terminate this agreement for a fee at any time. Under

the terms of the agreement, ICT will be responsible for performing certain marketing and credit calling activities previously performed by our own call centers in North America. The obligation under the contract is based upon transmitted call volumes, but shall not be less than $3 million per contract year. In 2004, we incurred $5.6 million under this contract.

On October 15, 2004, we entered into a seven-year outsourcing agreement with IBM. Under the terms of the agreement, we will transition certain portions of our data acquisition and delivery, customer service, and financial processes to IBM. In addition, we can terminate at our discretion, subject to payment of termination fees that decline over the term, or for cause. In 2004, we incurred $2.2 million under this contract.

The following table quantifies our future contractual obligations as discussed above as of December 31, 2004:

	2005	2006	2007	2008	2009	Thereafter	Total
Operating Leases	$24.3	$22.0	$16.0	$11.7	$ 9.4	$ 20.5	$103.9
Obligations to Outsourcers	$75.3	$76.5	$76.1	$77.6	$77.4	$197.7	$580.6

Excludes pension obligations in which funding requirements are uncertain and long-term contingent liabilities. Our obligations with respect to pension and post-retirement medical benefit plans are described in Note 10 to these consolidated financial statements. Our long-term contingent liabilities with respect to tax matters are described in Note 13 to these consolidated financial statements.

Note 13. Contingencies

We are involved in tax and legal proceedings, claims and litigation arising in the ordinary course of business. We periodically assess our liabilities and contingencies in connection with these matters based upon the latest information available. For those matters where it is probable that we have incurred a loss and the loss or range of loss can be reasonably estimated, we have recorded reserves in our consolidated financial statements. In other instances, we are unable to make a reasonable estimate of any liability because of the uncertainties related to the probability of the outcome and/or amount or range of loss. As additional information becomes available, we adjust our assessment and estimates of such liabilities accordingly. It is possible that the ultimate resolution of our liabilities and contingencies could be at amounts that are different from our currently recorded reserves and that such differences could be material.

Based on our review of the latest information available, we believe our ultimate liability in connection with pending tax and legal proceedings, claims and litigation will not have a material effect on our results of operations, cash flows or financial position, with the possible exception of the matters described below.

In order to understand our exposure to the potential liabilities described below, it is important to understand the relationship between us and Moody's Corporation, our predecessors and other parties that, through various corporate reorganizations and contractual commitments, have assumed varying degrees of responsibility with respect to such matters.

In November 1996, the company then known as The Dun & Bradstreet Corporation ("D&B1") separated through a spin-off into three separate public companies: D&B1, ACNielsen Corporation ("ACNielsen") and Cognizant Corporation ("Cognizant") (the "1996 Distribution"). This was accomplished through a spin-off by D&B1 of its stock in ACNielsen and Cognizant. In June 1998, D&B1 separated through a spin-off into two separate public companies: D&B1, which changed its name to R.H. Donnelley Corporation ("Donnelley/ D&B1"), spun off its stock in a new company named The Dun & Bradstreet Corporation ("D&B2") (the "1998 Distribution"). During 1998, Cognizant separated into two separate public companies: IMS Health Incorporated ("IMS") and Nielsen Media Research, Inc. ("NMR") (the "1998 Cognizant Distribution"). In September 2000, D&B2 separated through a spin-off into two separate public companies: D&B2, which changed its name to Moody's Corporation ("Moody's" and also referred to elsewhere in this Form 10-K as "Moody's/D&B2"), spun off its stock in a new company named The Dun & Bradstreet Corporation ("we" or "D&B3" and also referred to elsewhere in this Form 10-K as "D&B") (the "2000 Distribution").

Tax Matters

Moody's/D&B2 and its predecessors entered into global tax-planning initiatives in the normal course of business, principally through tax-free restructurings of both their foreign and domestic operations. As further described below, we have contractual obligations to be financially responsible for a portion of certain liabilities arising from three of these historical tax-planning initiatives ("Legacy Tax Matters"). The status of these Legacy Tax Matters is summarized below, including our settlement of the matter referred to as "Utilization of Capital Losses — 1989–1990" ("Capital Losses Matter") during the fourth quarter of 2004.

Pursuant to a series of tax sharing agreements (the "Tax Sharing Agreements"), IMS and NMR are jointly and severally liable for and must pay one-half, and we and Moody's/D&B2 are jointly and severally liable for and must pay the other half, of any payments over $137 million for taxes, accrued interest and other amounts resulting from the Legacy Tax Matters (other than the matter summarized under "Amortization and Royalty Expense Deductions/Royalty Income 1997–2004," for which we and Moody's/D&B2 are solely responsible). Moody's/D&B2 was contractually obligated to pay, and did pay, that $137 million in connection with the Capital Losses Matter.

As further described below, we currently believe that we have adequate reserves for these matters and, as a result, the ultimate resolution of these Legacy Tax Matters is not expected to have a material impact on our earnings.

Utilization of Capital Losses — 1989–1990

The IRS completed its review of the utilization of certain capital losses generated during 1989 and 1990 and, on June 26, 2000, issued a formal notice of adjustment. On May 12, 2000, an amended tax return was filed for the 1989 and 1990 tax periods, which reflected $561.6 million of tax and interest due. Moody's/D&B2 paid the IRS approximately $349.3 million of this amount on May 12, 2000, and IMS paid the IRS approximately $212.3 million on May 17, 2000. The payments were made to the IRS to stop further interest from accruing. Donnelley/D&B1, the taxpayer of record, filed a complaint for a refund in the U.S. District Court on September 21, 2000.

During the fourth quarter of 2004, the taxpayer entered into a settlement agreement with the IRS resolving this matter. We expect the net impact of the settlement to our cash flow in 2005 will be approximately $17.0 million (tax, interest, and penalties, net of tax benefits and inclusive of amounts in dispute with IMS and NMR as described below), in line with our expectations. This amount will be payable to the IRS following our receipt of the related bills for the settlement. The IRS has issued to the taxpayer of record a bill with respect to tax year 1990 for $11.6 million which was paid in full by February 24, 2005 by the companies noted above. Of this amount, we paid $2.9 million. We expect the IRS to issue the bill or bills for the balance of the settlement during the first half of 2005, based on representations from the IRS.

As stated above, the Tax Sharing Agreements provide that IMS and NMR are jointly and severally liable and must pay one half, and we and Moody's/D&B2 are jointly and severally liable and must pay the other half, of tax liabilities relating to this matter. IMS and NMR have indicated to us their belief that they are not responsible for certain portions of the remaining settlement payment. Given our indemnification obligations to Donnelley/D&B1 (the taxpayer of record) we and Moody's/D&B2 are required to pay to the IRS on behalf of Donnelley/D&B1 any portion of the settlement amount not paid by IMS and NMR. Based on our discussions with IMS and NMR, we believe that this dispute with IMS and NMR will require that we pay the IRS approximately $4.5 million (tax and interest, net of tax benefits) in excess of our allocable share of the settlement under the terms of the Tax Sharing Agreements. We believe that the position of IMS and NMR on this issue is contrary to their obligations under the Tax Sharing Agreements. If we are unable to resolve this dispute with IMS and NMR through the negotiation process contemplated by the Tax Sharing Agreements we will commence arbitration proceedings to enforce our rights to collect these amounts from IMS and NMR. While we believe we will prevail in any such arbitration, we cannot predict with certainty that we will ultimately achieve this result.

Royalty Expense Deductions — 1993–1997

In the second quarter of 2003, we received on behalf of Donnelley/D&B1 a proposed notice of deficiency from the IRS proposing adjustments with respect to a partnership transaction entered into in 1993. Specifically, the IRS proposed to disallow certain royalty expense deductions claimed by Donnelley/D&Bl on its 1993–1996 tax returns. We estimate that the disallowance of the 1993 and 1994 royalty expense deductions would result in a loss to us of up to $5.0 million in pending tax refunds. We also estimate that the net impact to D&B's cash flow with respect to the disallowance of the 1995 and 1996 royalty expense deductions could be up to $46.2 million (tax, interest and penalties, net of tax benefits).

In addition, and also in the second quarter of 2003, we received on behalf of the partnership associated with the above transaction a notice of proposed adjustment from the IRS challenging the tax treatment of certain royalty payments received by the partnership in which Donnelley/D&B1 was a partner. In that notice, the IRS is seeking to reallocate certain partnership income to Donnelley/D&B1. In January 2004, we received, on behalf of the partnership, a notice of proposed partnership adjustment, and on behalf of Donnelley/D&B1 a notice of proposed adjustment (similar to those received in the second quarter of 2003) associated with Donnelley/D&Bl's remaining interest in the partnership transaction (as described above) for the three months in 1997 for which the entities were partners. In April 2004, we received, on behalf of Donnelley/D&B1, a proposed notice of deficiency proposing the adjustments described in the January 2004 notice. We estimate that the net impact to cash flow with respect to our share of this income for the Notices received in 2003 and 2004 could be up to $22.8 million (tax, interest, and penalties, net of tax benefits). We believe that the position of the IRS regarding the partnership is inconsistent with its position with respect to the same royalty expense deductions described above and, therefore, the IRS is unlikely to prevail on both positions. The $22.8 million referenced in this paragraph would be in addition to the $46.2 million noted above related to royalty expense deductions discussed in the previous paragraph.

We previously reported in our Form 10-Q for the quarter ended June 30, 2004, that we had negotiated with the IRS a tentative settlement of this matter for tax years 1995–1996 (the "Proposed Settlement"). Per the terms of the Proposed Settlement, the taxpayer would retain approximately 15% of the tax benefit associated with this transaction and pay a penalty of approximately 7%. During the third quarter of 2004, the IRS tendered to us a final settlement agreement for this matter, reflecting the financial terms set forth in the related Proposed Settlement. In accordance with the Tax Sharing Agreements we sought consent to execute the final settlement agreement for this matter from the relevant parties having financial responsibilities under the Tax Sharing Agreements (i.e., Donnelley/D&B1, Moody's/D&B2, IMS, NMR and D&B). Only NMR and IMS did not consent to the final settlement agreement as tendered by the IRS. As a result, the settlement agreement was not executed and the IRS withdrew its settlement offer.

The Tax Sharing Agreements, which govern each of the parties' rights and obligations under this situation, provide that, a party withholding consent to a proposed settlement shall "continue or initiate further proceedings" with the IRS "at its own expense, and the liability of [the party previously in control of such proceedings] shall be limited to the liability that would have resulted from the proposed settlement agreement (including interest, additions to tax and penalties which have accrued at that time.)" We believe, therefore, as a result of the failure of NMR and IMS to provide their consent that in accordance with the foregoing provisions (the "Royalty Expense Indemnity & Defense Provisions") we have effectively capped our liability for this matter with respect to tax years 1995–1996 at the amounts provided in the Royalty Expense Proposed Settlement (and related final agreement).

Thus, we believe that the ultimate resolution of the 1995–1996 tax years will have a projected net impact to our cash flow of $37.7 million (tax, interest and penalties, net of tax benefits). We also believe that in accordance with the terms of the Tax Sharing Agreements NMR would be contractually responsible to pay any excess amounts above the Proposed Settlement that may ultimately be owing with respect to tax years 1995–1996.

IMS has alleged various breaches of our obligations under the Tax Sharing Agreements related to our management and attempted settlement of this matter. In addition to "reserving its rights" against D&B, IMS has urged NMR to:

- challenge our application of the Royalty Expense Indemnity & Defense Provisions of the Tax Sharing Agreements (namely, that NMR must now lead the defense and that NMR and IMS indemnify us for any financial outcome that is less advantageous to us than the final settlement); and
- assert breaches of contract and to terminate the obligations of IMS and NMR under the Tax Sharing Agreements generally.

We believe that neither NMR nor IMS have any right or the legal basis to terminate their obligations under the Tax Sharing Agreements and that any attempt to do so will be found to be without merit.

We anticipate commencing arbitration proceedings to enforce our rights under the Royalty Expense Indemnity & Defense Provisions should the negotiation process required by the Tax Sharing Agreements fail to resolve the parties' dispute. While we believe that we should prevail in such arbitration, and thereby effectively cap our exposure with respect to tax years 1995–1996 at the levels described above, we cannot predict with certainty that we will ultimately achieve that outcome.

As noted above, the IRS has withdrawn its settlement offer with respect to tax years 1995–1996 and, accordingly, may issue notices preliminary to making assessments at any time. If we, on behalf of Donnelley/D&B1 and Moody's/D&B2, were to challenge at any time, any of the IRS positions for years other than 1993 and 1994 described above in U.S. District Court or the U.S. Court of Federal Claims, rather than in U.S. Tax Court, the disputed amounts for each applicable year would need to be paid in advance for the Court to have jurisdiction over the case. It is possible that the IRS may seek to issue such notices with respect to each of the inconsistent positions noted above.

Amortization and Royalty Expense Deductions/Royalty Income — 1997–2004

In the fourth quarter of 2003, we received on behalf of Donnelley/D&B1 and Moody's/D&B2, IRS Notices of Proposed Adjustment with respect to a partnership transaction entered into in 1997. In addition, we received, on behalf of the partnership, various IRS materials further explaining the examining agent's position with respect to the activities of the partnership in 1997–1998.

In April 2004, we received on behalf of Donnelley/D&B1 and Moody's/D&B2 proposed notices of deficiency from the IRS, proposing adjustments with respect to the 1997 partnership transaction. The adjustments proposed in the notices reflect the notices of proposed adjustment and other IRS materials referred to above.

Specifically, the IRS asserted that certain amortization expense deductions claimed by Donnelley/D&Bl and Moody's/D&B2 on their 1997–1998 tax returns should be disallowed. We estimate that the net impact to cash flow as a result of the disallowance of the 1997 and 1998 amortization deductions and the disallowance of such deductions claimed from 1999 to date could be up to $59.9 million (tax, interest and penalties, net of tax benefits but not taking into account the Moody's/D&B2 repayment to us of $37.2 million described below). This transaction is scheduled to expire in 2012 and, unless terminated by us, the net impact to cash flow, based on current interest rates and tax rates would increase at a rate of approximately $2.1 million per quarter (including potential penalties) as future amortization expenses are deducted. At the 2000 Distribution date, we paid Moody's/D&B2 approximately $55 million in cash representing the discounted value of future tax benefits associated with this transaction. However, pursuant to the terms of the distribution agreement for the 2000 Distribution, should the transaction be terminated, Moody's/D&B2 would be required to repay us an amount equal to the discounted value of its 50% share of the related future tax benefits. If the transaction was terminated at December 31, 2004, the amount of such repayment from Moody's/D&B2 to us would be approximately $37.2 million and would decrease by approximately $4.0 million to $5.0 million per year.

In addition, the IRS has asserted that royalty expense deductions, claimed by Donnelley/D&B1 and Moody's/D&B2 on their tax returns for 1997–1998, for royalties paid to the partnership, should be disallowed. Relatedly, the IRS has asserted that the receipt of these same royalties by the partnership should be reallocated to and reported as royalty income by Donnelley/D&Bl and Moody's/D&B2, including the portions of the royalties that were allocated to third-party partners in the partnership, and, thus, included in their taxable income. We believe that the IRS' stated positions with respect to the treatment of the royalty expense and royalty income are mutually inconsistent. If the IRS prevails on one of the positions with respect to the royalty expense and royalty income, we believe that it is unlikely that it will prevail on the other position. As a result, we believe that after taking into account certain other tax benefits resulting from the IRS' position on the partnership it is unlikely that there will be any net impact to cash flow in addition to the amounts noted above related to the amortization expense deduction.

In the unlikely event the IRS were to prevail on both positions with respect to the royalty expense/ income, we estimate that the net impact to cash flow as a result of the disallowance of the 1997–1998 royalty expense deductions, the disallowance of such deductions claimed from 1999 to date and the inclusion of the reallocated royalty income for all relevant years could be up to $140.7 million (tax, interest, and penalties, net of tax benefits). This $140.7 million would be in addition to the $59.9 million noted above related to the amortization expense deduction.

We have filed protests relating to this matter with the IRS Office of Appeals. During the third quarter of 2004, we were informed by the IRS Office of Appeals that this matter was being returned to the Examination Division of the IRS for further development of the issues. We are attempting to resolve this matter with the IRS before proceeding to litigation, if necessary. If we, on behalf of Donnelley/D&B1 and Moody's/D&B2, were to challenge, at any time, any of these IRS positions for years 1997 and 1998 in U.S. District Court or the U.S. Court of Federal Claims, rather than in U.S. Tax Court, the disputed amounts for each applicable year would need to be paid in advance for the Court to have jurisdiction over the case. It is possible that the IRS may seek to issue such notices with respect to each of the inconsistent positions noted above.

We have considered the foregoing Legacy Tax Matters and the merits of the legal defenses and the various contractual obligations in our overall assessment of potential tax liabilities. We have net $108 million recorded in the consolidated financial statements, made up of the following components: $17 million of reserves in Accrued Income Tax and $91 million in Other Non-Current Liabilities. We believe that these reserves are adequate for our share of the liabilities in these Legacy Tax Matters. Any payments that would be made for these exposures could be significant to our cash from operations in the period a cash payment took place, including any payments for the purpose of obtaining jurisdiction in U.S. District Court or the U.S. Court of Federal Claims to challenge any of the IRS's positions.

Legal Proceedings

Information Resources, Inc.

Introduction

The following is a description of an antitrust lawsuit filed in 1996 by Information Resources, Inc. ("IRI"). As more fully described below, VNU N.V., a publicly traded Dutch company ("VNU"), and its U.S. subsidiaries VNU, Inc., ACNielsen, AC Nielsen (US), Inc. ("ACN (US)"), and Nielsen Media Research ("NMR") (collectively, the "VNU Parties"), have assumed exclusive joint and several liability for any judgment or settlement of this antitrust lawsuit. As a result of the indemnity obligation, D&B does not have any exposure to a judgment or settlement of this lawsuit unless the VNU Parties default on their obligations. In the event of such default, contractual commitments undertaken by D&B in connection with various corporate reorganizations since 1996, including our spin-off from Moody's/D&B2 in 2000, require us to bear a portion of any amount not paid by the VNU Parties. See below "D&B's Potential Exposure in the Lawsuit."

Moreover, as described below, on February 1, 2005, the U.S. District Court for the Southern District of New York entered a final judgment against IRI dismissing IRI's claims. IRI filed a notice of appeal to the Second Circuit Court of Appeals on February 2, 2005. The Court of Appeals for the Second Circuit has ordered that the appeal be argued no earlier than the week of June 13, 2005.

Overview of the Lawsuit

In July 1996, IRI filed a complaint, subsequently amended in 1997, in the U.S. District Court for the Southern District of New York, naming as defendants a company then known as The Dun & Bradstreet Corporation and now known as R.H. Donnelley (referred to in this Form 10-K as Donnelley/D&B1), A.C. Nielsen Company (a subsidiary of ACNielsen) and IMS International, Inc. (a subsidiary of the company then known as Cognizant Corporation). At the time of the filing of the complaint, each of the other defendants was a wholly-owned subsidiary of Donnelley/D&B1.

The amended complaint alleges various violations of United States antitrust laws under Sections 1 and 2 of the Sherman Antitrust Act. IRI's antitrust claims allege that defendants developed and implemented a plan to undermine IRI's ability to compete within the United States and foreign markets in North America, Latin America, Asia, Europe and Australia/New Zealand through a series of anti-competitive practices, including: unlawfully tying/bundling services in the markets in which defendants allegedly had monopoly power with services in markets in which ACNielsen competed with IRI; entering into exclusionary contracts with retailers in certain countries to deny IRI's access to sales data necessary to provide retail tracking services or to artificially raise the cost of that data; predatory pricing; acquiring foreign market competitors with the intent of impeding IRI's efforts to expand; disparaging IRI to financial analysts and clients; and denying IRI access to capital necessary for it to compete.

IRI is seeking damages in excess of $650 million, which IRI also asked to be trebled. IRI has filed with the court the report of its expert who has opined that IRI suffered damages of between $582 million and $652 million from the defendants' alleged practices. IRI also sought punitive damages in an unspecified amount, which the Company believes are precluded as a result of the dismissal of one of IRI's claims.

On December 3, 2004, the Court entered In limine Order No. 1, which bars IRI from "arguing that Nielsen's pricing practices or discounts were illegal or anti-competitive unless it can prove they involved prices below short-run average variable cost, calculated without the inclusion of Nielsen's 'Fixed Operations' costs." On December 17, 2004, IRI issued a press release, which said, in relevant part, "Without this evidence, IRI believes that little would be left of IRI's case to take to trial." IRI has asked the Court to enter a final judgment against it so that it can take an immediate appeal to the Second Circuit. The defendants did not object to this request. On February 1, 2005, the Court entered a final judgment dismissing IRI's claims and on February 2, 2005, the Court entered IRI's notice of appeal to the Court of Appeals for the Second Circuit. The Court of Appeals for the Second Circuit has ordered that the appeal be argued no earlier than the week of June 13, 2005.

The Indemnity and Joint Defense Agreement

In connection with the 1996 Distribution, Cognizant (now NMR), ACNielsen and Donnelley/D&B1 entered into an Indemnity and Joint Defense Agreement (the "Original JDA"), pursuant to which they agreed to:

- allocate potential liabilities that may relate to, arise out of or result from the IRI lawsuit ("IRI Liabilities"); and
- conduct a joint defense of such action.

VNU's and D&B's Involvement in the Lawsuit

In 2001, ACNielsen was acquired by VNU. VNU assumed ACNielsen's obligations under the Original JDA.

Under the terms of the 1998 Distribution, D&B2 assumed all potential liabilities of Donnelley/D&B1 arising from the IRI action and agreed to indemnify Donnelly/D&B1 in connection with such potential liabilities. Under the terms of the 2000 Distribution, D&B undertook to be jointly and severally liable with Moody's/D&B2 for D&B2's obligations to Donnelley/D&B1 under the 1998 Distribution, including for any liabilities arising under the Original JDA and arising from the IRI action itself. However, as between us and Moody's/D&B2, we agreed that under the 2000 Distribution, each of us and Moody's/D&B2 will be responsible for 50% of any payments required to be made by Moody's/D&B2 with respect to the IRI action under the terms of the 1998 Distribution, including legal fees or expenses related to the IRI action.

The Amended and Restated JDA

On July 30, 2004, the VNU Parties, Donnelley/D&B1, D&B, Moody's/D&B2 and IMS, entered into an Amended and Restated Indemnity and Joint Defense Agreement (the "Amended JDA").

Pursuant to the Amended JDA, any and all IRI Liabilities incurred by Donnelley/D&B1, D&B, Moody's/D&B2 or IMS relating to a judgment (even if not final) or any settlement being entered into in the IRI action will be jointly and severally assumed and fully discharged exclusively by the VNU Parties. Under the Amended JDA, the VNU Parties have agreed to, jointly and severally, indemnify Donnelley/D&B1, D&B, Moody's/D&B2 and IMS from and against all IRI Liabilities to which they become subject. As a result, the cap on ACNielsen's liability for the IRI Liabilities, which the Original JDA provided for, no longer exists, and all such liabilities are the responsibility of the VNU Parties pursuant to the Amended JDA.

In addition, the Amended JDA provides that if it becomes necessary to post any bond pending an appeal of an adverse judgment, then the VNU Parties shall obtain the bond required for the appeal and shall pay the full cost of such bond.

In connection with entering into the Amended JDA, Donnelley/D&B1, D&B, Moody's/D&B2 and IMS agreed to amend certain covenants of the Original JDA to provide operational flexibility for ACNielsen going forward. In addition, the Amended JDA includes certain amendments to the covenants of ACNielsen (which, under the Amended JDA, are now also applicable to ACN (US), which we understand holds ACNielsen's operating assets), which are designed to preserve such parties' claim-paying ability and protect Donnelley/D&B1, D&B, Moody's/D&B2 and IMS. Among other covenants, ACNielsen and ACN (US) agreed that neither they nor any of their respective subsidiaries will incur any indebtedness to any affiliated person, except indebtedness which its payment will, after a payment obligation under the Amended JDA comes due, be conditioned on, and subordinated to, the payment and performance of the obligations of such parties under the Amended JDA. VNU has agreed to have a process agent in New York receive on its behalf service of any process concerning the Amended JDA.

D&B's Potential Exposure in the Lawsuit

As described above, the VNU Parties have assumed exclusive responsibility for the payment of all IRI Liabilities. However, because liability for violations of the antitrust laws is joint and several and because the rights and obligations relating to the Amended JDA are based on contractual relationships, the failure of the VNU Parties to fulfill their obligations under the Amended JDA could result in the other parties bearing all or a share of the IRI Liabilities.

Joint and several liability for the IRI action means that even where more than one defendant is determined to have been responsible for an alleged wrongdoing, the plaintiff can collect all or part of the judgment from just one of the defendants. This is true regardless of whatever contractual allocation of responsibility the defendants and any other indemnifying parties may have made, including the allocations described above between the VNU Parties, Donnelly/D&B1, D&B, Moody's/D&B2 and IMS.

Accordingly, and as a result of the allocations of liability described above, in the event the VNU Parties default on their obligations under the Amended JDA, each of Moody's/D&B2 and D&B will be responsible for the payment of 50% of the portion of any judgment or settlement ultimately paid by Donnelley/D&B1 (which is a defendant in the IRI action), which can be as high as all the IRI Liabilities.

While, as described above, the IRI lawsuit has been dismissed, IRI has filed an appeal. Accordingly, we are unable to predict the outcome of the IRI action (including the appeal) or the financial condition of any of the VNU Parties or the other defendants at the time of any such outcome (and hence we cannot estimate their ability to pay the IRI Liabilities pursuant to the Amended JDA or the judgment or settlement in the IRI action). However, provided that the VNU Parties fulfill their obligations under the Amended JDA, we believe that the resolution of this matter would not materially affect our results of operations, cash flows and financial position. Accordingly, no amount in respect of this matter has been accrued in our consolidated financial statements. If, however, IRI were to prevail in whole or in part in this action and if D&B is required to pay, notwithstanding such contractual obligations, a portion of any significant settlement or judgment, the outcome of this matter could have a material adverse effect on D&B's financial position, results of operations and cash flows.

Hoover's — Initial Public Offering Litigation

On November 15, 2001, a putative shareholder class action lawsuit was filed against Hoover's, certain of its then current and former officers and directors (the "Individual Defendants"), and one of the investment banks that was an underwriter of Hoover's July 1999 initial public offering ("IPO"). The lawsuit was filed in the United States District Court for the Southern District of New York and purports to be a class action filed on behalf of purchasers of the stock of Hoover's during the period from July 20, 1999 through December 6, 2000.

A Consolidated Amended Complaint, which is now the operative complaint, was filed on April 19, 2002. The purported class action alleges violations of Sections 11 and 15 of the Securities Act of 1933, as amended, (the "1933 Act") and Sections 10(b), Rule 10b-5 and 20(a) of the Securities Exchange Act of 1934, as amended, against Hoover's and Individual Defendants. Plaintiffs allege that the underwriter defendant agreed to allocate stock in Hoover's IPO to certain investors in exchange for excessive and undisclosed commissions and agreements by those investors to make additional purchases of stock in the aftermarket at predetermined prices above the IPO price. Plaintiffs allege that the Prospectus for Hoover's IPO was false and misleading in violation of the securities laws because it did not disclose these arrangements. The action seeks damages in an unspecified amount. The defense of the action is being coordinated with more than 300 other nearly identical actions filed against other companies. On July 15, 2002, Hoover's moved to dismiss all claims against it and the Individual Defendants. On October 9, 2002, the Court dismissed the Individual Defendants from the case based upon Stipulations of Dismissal filed by the plaintiffs and the Individual Defendants. On February 19, 2003, the Court denied the motion to dismiss the complaint against Hoover's. On October 13, 2004, the Court certified a class in six of the approximately 300 other nearly identical actions and noted that the decision is intended to provide strong guidance to all parties regarding class certification in the remaining cases. Plaintiffs have not yet moved to certify a class in the case involving Hoover's.

Hoover's has approved a settlement agreement and related agreements that set forth the terms of a settlement between Hoover's, the plaintiff class and the vast majority of the other approximately 300 issuer defendants. Among other provisions, the settlement provides for a release of Hoover's and the individual defendants for the conduct alleged in the action to be wrongful. Hoover's would agree to undertake certain responsibilities, including agreeing to assign away, not assert, or release certain potential claims Hoover's may have against its underwriters. The settlement agreement also provides a guaranteed recovery of $1 billion to plaintiffs for the cases relating to all of the approximately 300 issuers. To the extent that the underwriter defendants settle all of the cases for at least $1 billion, no payment will be required under the issuers' settlement agreement. To the extent that the underwriter defendants settle for less than $1 billion, the issuers are required to make up the difference. It is anticipated that any potential financial obligation of Hoover's to plaintiffs pursuant to the terms of the settlement agreement and related agreements will be covered by existing

insurance. Hoover's currently is not aware of any material limitations on the expected recovery of any potential financial obligation to plaintiffs from its insurance carriers. Its carriers are solvent, and Hoover's is not aware of any uncertainties as to the legal sufficiency of an insurance claim with respect to any recovery by plaintiffs. Therefore, we do not expect that the settlement will involve any payment by Hoover's. If material limitations on the expected recovery of any potential financial obligation to the plaintiffs from Hoover's insurance carriers should arise, Hoover's maximum financial obligation to plaintiffs pursuant to the settlement agreement is less than $3.4 million. On February 15, 2005, the Court granted preliminary approval of the settlement agreement, subject to certain modifications consistent with its opinion. The Court ruled that the issuer defendants and the plaintiffs must submit a revised settlement agreement that provides for a mutual bar of all contribution claims by the settling and non-settling parties and does not bar the parties from pursuing other claims. There is a conference scheduled with the judge on March 18, 2005 to discuss the status of the revised settlement agreement. The underwriter defendants will have an opportunity to object to the revised settlement agreement. There is no assurance that the parties to the settlement will be able to agree to a revised settlement agreement consistent with the court's opinion, or that the court will grant final approval to the settlement to the extent the parties reach agreement.

As previously noted, if the settlement is ultimately approved and implemented in its current form, Hoover's reasonably foreseeable exposure in this matter, if any, would be limited to amounts that would be covered by existing insurance. If the settlement is not approved in its current form, we cannot predict the final outcome of this matter or whether such outcome or ultimate resolution of this matter could materially affect our results of operations, cash flows or financial position. No amount in respect of any potential judgment in this matter has been accrued in our consolidated financial statements.

Pension Plan Litigation

In March 2003, a lawsuit seeking class action status was filed against us in federal court in Connecticut on behalf of 46 specified former employees relating to our retirement plans. As noted below, during the fourth quarter of 2004 most of the counts in the complaint were dismissed. The complaint, as amended in July 2003 (the "Amended Complaint"), sets forth the following putative class:

- current D&B employees who are participants in The Dun & Bradstreet Corporation Retirement Account and were previously participants in its predecessor plan, The Dun & Bradstreet Master Retirement Plan;
- current employees of Receivable Management Services Corporation ("RMSC") who are participants in The Dun & Bradstreet Corporation Retirement Account and were previously participants in its predecessor plan, The Dun & Bradstreet Master Retirement Plan;
- former employees of D&B or D&B's Receivable Management Services ("RMS") operations who received a deferred vested retirement benefit under either The Dun & Bradstreet Corporation Retirement Account or The Dun & Bradstreet Master Retirement Plan; and
- former employees of D&B's RMS operations whose employment with D&B terminated after the sale of the RMS operations but who are not employees of RMSC and who, during their employment with D&B, were "Eligible Employees" for purposes of The Dun & Bradstreet Career Transition Plan.

The Amended Complaint estimates that the proposed class covers over 5,000 individuals.

There are four counts in the Amended Complaint. Count 1 claims that we violated ERISA by not paying severance benefits to plaintiffs under our Career Transition Plan. Count 2 claims a violation of ERISA in that our sale of the RMS business to RMSC and the resulting termination of our employees constituted a prohibited discharge of the plaintiffs and/or discrimination against the plaintiffs for the "intentional purpose of interfering with their employment and/or attainment of employee benefit rights which they might otherwise have attained." Count 3 claims that the plaintiffs were materially harmed by our alleged violation of ERISA's

requirements that a summary plan description reasonably apprise participants and beneficiaries of their rights and obligations under the plans and that, therefore, undisclosed plan provisions (in this case, the actuarial deduction beneficiaries incur when they leave D&B before age 55 and elect to retire early) cannot be enforced against them. Count 4 claims that the 6⅗% interest rate (the rate is actually 6¾%) used to actuarially reduce early retirement benefits is unreasonable and, therefore, results in a prohibited forfeiture of benefits under ERISA.

In the Amended Complaint, the plaintiffs sought payment of severance benefits; equitable relief in the form of either reinstatement of employment with D&B or restoration of employee benefits (including stock options); invalidation of the actuarial reductions applied to deferred vested early retirement benefits, including invalidation of the plan rate of 6⅗% (the actual rate is 6¾%) used to actuarially reduce former employees' early retirement benefits; attorneys' fees and such other relief as the court may deem just.

We deny all allegations of wrongdoing and are aggressively defending the case. In September 2003, we filed a motion to dismiss Counts 1, 3 and 4 of the Amended Complaint on the ground that plaintiffs cannot prevail on those claims under any set of facts, and in February 2004, the Court heard oral argument on our motion. With respect to Count 4, the Court requested that the parties conduct limited expert discovery and submit further briefing. In November 2004, after completion of expert discovery on Count 4, we moved for summary judgment on Count 4 on the ground that an interest rate of 6.75% is reasonable as a matter of law. Briefing on that motion is being completed. Meanwhile, on November 30, 2004 the Court issued a ruling granting our motion to dismiss Counts 1 and 3. Shortly after that ruling, plaintiffs' counsel stipulated to dismiss Count 2 (which challenged the sale of the RMS business as an intentional interference with employee benefit rights, but which the motion to dismiss did not address). Plaintiffs' counsel also stipulated to a dismissal of Count 1, the severance pay claim, agreeing to forego any appeal of the Court's dismissal of that claim. Plaintiffs' counsel did file a motion to join party plaintiffs and to amend the amended complaint to add a new count challenging the adequacy of the retirement plan's mortality tables. The court granted the motion and we have filed our objections.

We are unable to predict at this time the final outcome of this matter or whether the resolution of this matter could materially affect our results of operations, cash flows or financial position. No amount in respect of this matter has been accrued in our consolidated financial statements.

Other Matters

In the normal course of business, D&B indemnifies other parties, including customers, lessors and parties to other transactions with D&B, with respect to certain matters. D&B has agreed to hold the other parties harmless against losses arising from a breach of representations or covenants, or out of other claims made against certain parties. These agreements may limit the time within which an indemnification claim can be made and the amount of the claim. D&B has also entered into indemnity obligations with its officers and directors of the Company. Additionally, in certain circumstances, D&B issues guarantee letters on behalf of our wholly owned subsidiaries for specific situations. It is not possible to determine the maximum potential amount of future payments under these indemnification agreements due to the limited history of prior indemnification claims and the unique facts and circumstances involved in each particular agreement. Historically, payments made by D&B under these agreements have not had a material impact on our consolidated financial statements.

Note 14. Segment Information

The segments reported below are our segments for which separate financial information is available and upon which operating results are evaluated on a timely basis to assess performance and to allocate resources. We manage our business on a geographical basis — with two segments, North America and International. Our customer solution sets are Risk Management Solutions, Sales & Marketing Solutions, Supply Management Solutions and E-Business Solutions. Inter-segment sales are immaterial and no single customer accounted for 10% or more of our total revenues. For management reporting purposes, we evaluate business segment performance before restructuring charges because they are not a component of our ongoing income or expenses and may have a disproportionate positive or negative impact on the results of our ongoing underlying business (see "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations," under the heading "How We Manager Our Business" for further details). Additionally, transition costs, which are period costs such as consulting fees, costs of temporary employees, relocation costs and stay bonuses incurred to implement our Financial Flexibility Program, are not allocated to our business segments.

	Year Ended December 31,		
	2004	2003	2002
Operating Revenues:			
North America	$1,038.3	$ 960.1	$ 912.1
International	375.7	426.3	363.5
Consolidated Total	$1,414.0	$1,386.4	$1,275.6
Operating Income (Loss):			
North America	$ 365.3	$ 329.9	$ 313.1
International	64.3	59.9	43.5
Total Divisions	429.6	389.8	356.6
All Other(1)	(110.8)	(98.0)	(100.7)
Consolidated Total	318.8	291.8	255.9
Non-Operating Income (Expense) — Net	22.0	(11.4)	(16.7)
Income before Provision for Income Taxes	$ 340.8	$ 280.4	$ 239.2
Depreciation and Amortization:(2)			
North America	$ 35.7	$ 41.1	$ 57.7
International	10.9	19.6	23.9
Total Divisions	46.6	60.7	81.6
All Other	0.7	3.3	2.6
Consolidated Total	$ 47.3	$ 64.0	$ 84.2
Capital Expenditures:			
North America	$ 7.3	$ 7.7	$ 10.6
International	4.6	3.3	5.2
Total Divisions	11.9	11.0	15.8
All Other	0.2	—	—
Consolidated Total	$ 12.1	$ 11.0	$ 15.8

	Year Ended December 31,		
	2004	2003	2002
Additions to Computer Software and Other Intangibles:			
North America	$ 14.0	$ 16.5	$ 29.8
International	2.6	2.8	7.7
Total Divisions	16.6	19.3	37.5
All Other	0.1	—	0.2
Consolidated Total	$ 16.7	$ 19.3	$ 37.7
Assets:			
North America	$ 467.3	$ 456.8	$ 366.0
International	455.5	541.1	493.1
Total Divisions	922.8	997.9	859.1
All Other (primarily domestic pensions and taxes)	712.7	626.8	668.6
Consolidated Total	$1,635.5	$1,624.7	$1,527.7
Goodwill: (3)			
North America	$ 110.9	$ 118.0	$ 51.6
International	106.1	138.9	131.7
Consolidated Total	$ 217.0	$ 256.9	$ 183.3
Supplemental Geographic and Customer Solution Set Information:			
Long-Lived Assets:			
North America	$ 580.6	$ 642.8	$ 534.8
International	136.7	167.5	267.8
Consolidated Total	$ 717.3	$ 810.3	$ 802.6
Customer Solution Set Revenues:			
North America:			
Risk Management Solutions	$ 639.7	$ 603.6	$ 594.3
Sales & Marketing Solutions	318.9	294.1	289.1
Supply Management Solutions	29.8	33.4	28.7
E-Business Solutions	49.9	29.0	—
Total North America Core	1,038.3	960.1	912.1
Other Divested Businesses	—	—	—
Total North America	1,038.3	960.1	912.1
International:			
Risk Management Solutions	242.3	200.7	160.3
Sales & Marketing Solutions	49.3	48.3	42.0
Supply Management Solutions	4.5	4.6	2.7
E-Business Solutions	0.1	—	—
Total International Core	296.2	253.6	205.0

	Year Ended December 31,		
	2004	2003	2002
Other Divested Businesses	79.5	172.7	158.5
Total International	375.7	426.3	363.5
Consolidated Total:			
Risk Management Solutions	882.0	804.3	754.6
Sales & Marketing Solutions	368.2	342.4	331.1
Supply Management Solutions	34.3	38.0	31.4
E-Business Solutions	50.0	29.0	—
Consolidated Total Core	1,334.5	1,213.7	1,117.1
Other Divested Businesses	79.5	172.7	158.5
Consolidated Total	$1,414.0	$1,386.4	$1,275.6

(1) The following table itemizes "All Other":

	Year Ended December 31,		
	2004	2003	2002
Operating Income (Loss):			
Corporate Costs	$ (58.2)	$(44.5)	$ (38.4)
Transition Costs (Costs to implement our Financial Flexibility Program)	(20.6)	(22.3)	(31.4)
Restructuring Expense	(32.0)	(17.4)	(30.9)
Loss on High Wycombe Building Sale	—	(13.8)	—
Total "All Other"	$(110.8)	$(98.0)	$(100.7)

(2) Includes depreciation and amortization of Property, Plant and Equipment, Computer Software, Goodwill and Other Intangibles.

(3) The decrease in goodwill in North America from $118.0 million at December 31, 2003 to $110.9 million at December 31, 2004 is primarily attributed to an adjustment for additional net operating loss carryovers from the Hoover's acquisition that resulted from an Internal Revenue Service pronouncement. The decrease in goodwill in International from $138.9 million at December 31, 2003 to $106.1 million at December 31, 2004 is primarily attributed to the sales of operations in Iberia, France, Central Europe, the Nordic region and, India (see Note 3 for more detail), partially offset by the positive effect of foreign currency translation and the acquisition of a controlling interest in RIBES S.p.A (see Note 4 for more detail).

The increase in goodwill in North America from $51.6 million at December 31, 2002 to $118.0 million at December 31, 2003 is primarily attributed to the acquisition of Hoover's. The increase in goodwill in International from $131.7 million at December 31, 2002 to $138.9 million at December 31, 2003 is primarily attributed to the acquisition of Datahouse. (See Note 4 for more detail).

Note 15. Supplemental Financial Data

Other Accrued and Current Liabilities:

	At December 31, 2004	At December 31, 2003
Restructuring Accruals	$ 9.3	$ 2.7
Professional Fees	27.5	29.5
Operating Expenses	31.5	37.0
Spin-Off Obligation(1)	21.3	—
Other Accrued Liabilities	51.2	60.1
	$140.8	$129.3

(1) As part of our spin-off from Moody's/D&B2 in 2000, Moody's and D&B entered into a Tax Allocation Agreement dated as of September 30, 2000 (the "TAA"). Under the TAA, Moody's/D&B2 and D&B agreed that Moody's/D&B2 would be entitled to deduct compensation expense associated with the exercise of Moody's/D&B2 stock options (including Moody's/D&B2 options exercised by D&B employees), and D&B would be entitled to deduct the compensation expense associated with the exercise of D&B stock options (including D&B options exercised by employees of Moody's/D&B2). Put simply, the tax deduction goes to the issuing company of the stock option. The TAA provides, however, that if the IRS issues rules, regulations or other authority contrary to the agreed upon treatment of the tax deductions thereunder, then the party that becomes then entitled to take the deduction may be required to indemnify the other party for the loss of such deduction. The IRS issued rulings discussing an employer's entitlement to stock option deductions after a spin-off or liquidation that appears to require that the tax deduction belongs to the employer of the optionee and not the issuer of the option. Accordingly, under the TAA, we received the benefit of additional tax deductions and under the TAA we may be required to reimburse Moody's/D&B2 for the loss of income tax deductions relating to 2003 and 2004 of approximately $21 million in the aggregate for such years. This potential reimbursement is a reduction to Shareholders' Equity and has no impact on EPS.

Property, Plant and Equipment — Net, carried at cost:

	At December 31, 2004	At December 31, 2003
Land	$ 4.7	$ 4.7
Buildings	29.1	28.9
Machinery and Equipment	196.3	221.0
	230.1	254.6
Less: Accumulated Depreciation	186.9	209.7
	43.2	44.9
Leasehold Improvements, less:		
Accumulated Amortization of $15.6 and $20.4	8.0	10.2
	$ 51.2	$ 55.1

Other Income (Expense) — Net:

	Year Ended December 31,		
	2004	2003	2002
Miscellaneous Other Income (Expense) — Net	$ 1.0	$(1.9)	$(2.3)
Gains (Losses) on Sales of Businesses(2)	30.3	(2.5)	5.0
Gain on Sale of Investment	1.2	0.4	—
Write-off of Non-Recoverable Investments(2)	—	—	(2.9)
Insurance Recovery	—	7.0	—
	$32.5	$ 3.0	$(0.2)

(2) See Note 3 to these consolidated financial statements.

Computer Software and Goodwill:

	Computer Software	Goodwill
January 1, 2003	$ 69.5	$183.3
Additions at cost	19.3	—
Amortization	(40.9)	—
Divestitures	—	(2.3)
Assets Held for Sale	—	(20.9)
Acquisitions	0.2	71.3
Other(3)	(0.9)	25.5
December 31, 2003	47.2	256.9
Additions at cost	16.4	—
Amortization	(31.4)	—
Divestitures	(0.1)	(44.0)
Acquisitions	0.9	(3.8)
Other(3)	(0.6)	7.9
December 31, 2004	$ 32.4	$217.0

(3) Impact of foreign currency fluctuations.

Other Intangibles:

	Customer Lists	Trademarks, Patents and Other	Total
January 1, 2003	$ 7.6	$0.1	$ 7.7
Additions at cost	9.4	5.1	14.5
Operating Amortization	(3.1)	—	(3.1)
Other(4)	(6.3)	—	(6.3)
December 31, 2003	7.6	5.2	12.8
Additions at cost	3.1	—	3.1
Operating Amortization	(2.5)	—	(2.5)
Disposals	—	1.4	1.4
Other(5)	0.2	0.3	0.5
December 31, 2004	$ 8.4	$6.9	$15.3

(4) Due to assets held for sale.

(5) Impact of foreign currency fluctuations.

Allowance for Doubtful Accounts:	
January 1, 2002	$ 21.0
Additions charged to costs and expenses	15.3
Write-offs	(13.3)
December 31, 2002	23.0
Additions charged to costs and expenses	4.1
Write-offs	(5.3)
December 31, 2003	21.8
Additions charged to costs and expenses	6.5
Write-offs	(7.9)
Divestitures	(1.9)
Other	0.9
December 31, 2004	$ 19.4

Deferred Tax Asset Valuation Allowance:	
January 1, 2002	$ 70.2
Additions charged (credited) to costs and expenses	(13.4)
December 31, 2002	56.8
Additions charged (credited) to costs and expenses	21.9
Additions charged (credited) to other accounts(6)	(2.3)
December 31, 2003	76.4
Additions charged (credited) to costs and expenses	9.3
Additions charged (credited) due to divestitures	(29.1)
Additions charged (credited) to other accounts(6)	(0.7)
December 31, 2004	$ 55.9

(6) Amount represents a decrease to goodwill associated with the Data House acquisition. See Note 4 "Acquisitions and Other Investments" to these consolidated financial statements.

Note 16. Quarterly Financial Data (Unaudited)

	Three-Months Ended				
	March 31	June 30	September 30	December 31	Year
2004 Operating Revenues:					
North America	$250.5	$245.4	$247.8	$294.6	$1,038.3
International	92.9	104.5	85.4	92.9	375.7
Consolidated Operating Revenues	$343.4	$349.9	$333.2	$387.5	$1,414.0
Operating Income (Loss):					
North America	$ 87.5	$ 73.0	$ 82.4	$122.4	$ 365.3
International	7.1	20.2	12.1	24.9	64.3
Total Divisions	94.6	93.2	94.5	147.3	429.6
All Other(1)	(29.1)	(28.6)	(21.6)	(31.5)	(110.8)
Consolidated Operating Income	$ 65.5	$ 64.6	$ 72.9	$115.8	$ 318.8
Net Income	$ 49.8	$ 39.5	$ 47.5	$ 75.0	$ 211.8
Basic Earnings Per Share of Common Stock(2)	$ .69	$ .56	$ .68	$ 1.09	$ 3.01
Diluted Earnings Per Share of Common Stock(2)	$ .66	$ .54	$ .65	$ 1.04	$ 2.90
2003 Operating Revenues:					
North America	$226.5	$229.3	$229.2	$275.1	$ 960.1
International	88.2	105.7	103.1	129.3	426.3
Consolidated Operating Revenues	$314.7	$335.0	$332.3	$404.4	$1,386.4
Operating Income (Loss):					
North America	$ 80.3	$ 68.4	$ 75.3	$105.9	$ 329.9
International	1.3	16.4	10.8	31.4	59.9
Total Divisions	81.6	84.8	86.1	137.3	389.8
All Other(1)	(26.0)	(23.7)	(32.0)	(16.3)	(98.0)
Consolidated Operating Income	$ 55.6	$ 61.1	$ 54.1	$121.0	$ 291.8
Net Income	$ 37.1	$ 35.1	$ 28.8	$ 73.5	$ 174.5
Basic Earnings Per Share of Common Stock(2)	$ .50	$ .47	$ .39	$ 1.01	$ 2.37
Diluted Earnings Per Share of Common Stock(2)	$ .48	$ .46	$ .38	$ .98	$ 2.30

(1) The following table itemizes the components of the "All Other" category of Operating Income (Loss) (see Note 3 to these consolidated financial statements):

	Three Months Ended				
	March 31	June 30	September 30	December 31	Year
Operating Income (Loss):					
2004:					
Corporate Costs	$(14.8)	$(14.6)	$(14.9)	$(13.9)	$ (58.2)
Restructuring Expense	(10.2)	(8.0)	(2.7)	(11.1)	(32.0)
Transition Costs (Costs to implement our Financial Flexibility Program)	(4.1)	(6.0)	(4.0)	(6.5)	(20.6)
Total	$(29.1)	$(28.6)	$(21.6)	$(31.5)	$(110.8)
2003:					
Corporate Costs	$ (9.7)	$(11.3)	$ (9.9)	$(13.6)	$ (44.5)
Restructuring Expense	(10.9)	(4.9)	(1.6)	—	(17.4)
Loss on High Wycombe, England, Building Sale	—	—	(13.8)	—	(13.8)
Transition Costs (Costs to implement our Financial Flexibility Program)	(5.4)	(7.5)	(6.7)	(2.7)	(22.3)
Total	$(26.0)	$(23.7)	$(32.0)	$(16.3)	$ (98.0)

(2) The number of weighted average shares outstanding changes as common shares are issued for employee benefit plans and other purposes or as shares are repurchased. For this reason, the sum of quarterly earnings per share may not be the same as earnings per share for the year.

Note 17. Subsequent Events

Share Repurchase Program

In February 2005, we announced that our Board of Directors authorized a new $400 million two-year share repurchase program. This program is in addition to our existing repurchase program to offset the dilutive effect of shares issued under employee benefit plans. We expect that the share repurchase program will be funded from cash on hand and executed evenly over the two-year period. Through February 28, 2005, we repurchased 168,000 shares at an aggregate cost of $10.0 million.

Financial Flexibility Program

On January 31, 2005, the Board of Directors of D&B approved our 2005 Financial Flexibility Program. The actions associated with this 2005 Financial Flexibility Program, which will be implemented throughout 2005, include:

- Improving operating efficiency with a focus on evaluating opportunities in our International segment, and
- Leveraging current outsourcing partners and vendors to drive quality and cost efficiencies primarily in the area of technology.

We expect to complete all actions under the 2005 initiative by December 2005. On an annualized basis, these actions are expected to create $70 million to $80 million of financial flexibility (approximately $50 million in 2005), before any restructuring charges and transition costs and before any reallocation of spending. To implement these measures and complete our 2004 Program, we expect to incur transition costs of approximately $20 million to $22 million. In addition, we expect to incur non-core restructuring charges totaling approximately $30 million to $35 million pre-tax, of which $28 million to $32 million relate to

severance and termination costs and $2 million to $3 million relate to lease termination obligations and other exit costs, in 2005. The $30 million to $35 million pre-tax charge includes approximately $10 million of restructuring charges to complete the IBM outsourcing. Approximately $60 million to $65 million of these transition costs and restructuring charges are expected to result in cash expenditures.

Medicare Prescription Drug, Improvement, and Modernization Act of 2003

On January 21, 2005, the Centers for Medicare and Medicaid Services (“CMS”) released final regulations implementing major provisions of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003. The regulations address key concepts, such as defining a plan, as well as the actuarial equivalence test for purposes of obtaining a government subsidy. Pursuant to the guidance in FSP No. FAS 106-2, we have assessed the financial impact of the regulations and estimated that our postretirement benefit plan will be qualified for the direct subsidies for an additional seven years and our APBO (as defined in notes to these consolidated financial statements) is expected to decrease by an approximately additional $10 million. We also expect this additional APBO reduction will result in a reduction of approximately $0.9 million in our 2005 postretirement benefit cost. Together with the impacts already included in our December 31, 2004 results, the APBO is expected to decrease by a total of $41 million and our plan will be actuarially equivalent beginning in 2006 until 2023. Our plan will be remeasured in the first quarter of 2005 and the financial impact will be recorded at that time.

Italy

On February 1, 2005, regulations implementing new tax legislation became effective in Italy that is expected to significantly increase the cost of conducting our Italian real estate information business in 2005. Specifically, the regulations increase data acquisition costs for Italian real estate information and require that we pay a fee each time we resell or license that data.

Our plan is to fully address these incremental costs through price increases to our customers to mitigate the impact to our operating income in Italy. Accordingly, we began implementing these price increases in February 2005.

At this time, we cannot predict with certainty the final impact that this tax legislation and related regulations will have on our 2005 reported results because we cannot forecast:

1. customer acceptance of the price increases,
2. the impact that such price increases may have on customers’ utilization of our real estate and other products during the year,
3. the full nature and impact of actions that we may take to mitigate the operating income impact of the legislation, and
4. the actions of our competitors.

Item 9. ***Changes in and Disagreements with Accountants on Auditing and Financial Disclosure***

Not Applicable.

Item 9a. ***Controls and Procedures***

Evaluation of Disclosure Controls

We evaluated the effectiveness of our disclosure controls and procedures ("Disclosure Controls") as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 ("Exchange Act") as of the end of the period covered by this report. This evaluation ("Controls Evaluation") was done with the participation of our Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO").

Disclosure Controls are controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our CEO and CFO, as appropriate, to allow timely decisions regarding required disclosure.

Our management also evaluated, with the participation of our CEO and CFO, any change in our Disclosure Controls and determined that there were no changes in our Disclosure Controls during the quarter ended December 31, 2004 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act.

Limitations on the Effectiveness of Controls

Our management, including our CEO and CFO, does not expect that our Disclosure Controls or our internal control over financial reporting ("Internal Control") will prevent all error and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, but not absolute, assurance that the objectives of a control system are met. Further, any control system reflects limitations on resources, and the benefits of a control system must be considered relative to its costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within D&B have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of a control. A design of a control system is also based upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and may not be detected.

Conclusions regarding Disclosure Controls

Based upon our Controls Evaluation, our CEO and CFO have concluded that as of the end of the fourth quarter of our fiscal year ended December 31, 2004, the Disclosure Controls are effective in providing reasonable assurance that material information relating to D&B is made known to management on a timely basis during the period when our periodic reports are being prepared.

Management's Report on Internal Control over Financial Reporting

Management's report on Internal Control for Financial Reporting is incorporated herein by reference to page 62 of this Form 10-K

Change in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the fourth quarter of 2004 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9b. ***Other Information***

Not applicable.

PART III

Item 10. ***Directors and Executive Officers of the Registrant****

Information concerning our executive officers is included in this report after Item 4, under the caption "Executive Officers of the Registrant."

Code of Ethics and Corporate Governance

Our Corporate Governance Principles, Code of Conduct and the charters of our Audit, Board Affairs and Compensation & Benefits committees are available on our Web site and are available in print, without charge, to any shareholder upon request by contacting our Corporate Secretary, c/o The Dun & Bradstreet Corporation 103 JFK Parkway, Short Hills, New Jersey 07078-2708. Our website address is http://www.dnb.com.

We have adopted a Code of Conduct that applies to all of our directors, officers and employees (including our chief executive officer, chief financial officer and corporate controller) and have posted the Code of Conduct on our Web site. We intend to satisfy the disclosure requirement under Item 5.05 of Form 8-K relating to amendments to or waivers from any provision of our Code of Conduct applicable to our chief executive officer, chief financial officer and corporate controller by posting this information on our Web site. Our Web site address is listed above.

The information on our Web site is not, and shall not be deemed to be, a part of this report or incorporated into any other filings we make with the SEC.

Because our common stock is listed on the New York Stock Exchange ("NYSE"), our chief executive officer is required to make, and he has made, an annual certification to the NYSE stating that he was not aware of any violation by us of the corporate governance listing standards of the NYSE. Mr. Allan Z. Loren who was our chief executive officer through December 31, 2004, made his annual certification to that effect to the NYSE as of May 25, 2004. In addition, we have filed, as exhibits to this Form 10-K, the certifications of our principal executive officer and principal financial officer required under Sections 906 and 302 of the Sarbanes Oxley Act of 2002 to be filed with the Securities and Exchange Commission regarding the quality of our public disclosure.

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

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

The following table provides information as of December 31, 2004 regarding shares of our common stock that may be issued under our existing equity compensation plans.

Equity Compensation Plan Information

	(A)	(B)	(C)
Plan Category	**Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights**	**Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights**	**Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (A))**
Equity compensation plans approved by security holders(1)	8,352,348(2)	$28.03	4,647,158(3)

(1) This table includes information for two equity compensation plans adopted in connection with our separation from Moody's. As of December 31, 2004, a total of 2,466,154 shares of D&B common stock were issuable upon exercise of outstanding options and other rights under those two plans. The weighted average exercise price of those outstanding options and other rights is $14.62 per share. No additional options or other rights may be granted under those two plans.

(2) Includes options for 8,300,473 shares of D&B common stock, restricted stock units for 45,129 shares of D&B common stock and deferred performance shares for 6,746 shares of D&B common stock. This amount does not include outstanding shares of restricted common stock of 122,150.

(3) Includes shares available for future purchases under our 2000 Employee Stock Purchase Plan (the "ESPP"). As of December 31, 2004, an aggregate of 1,000,275 shares of D&B common stock were available for purchase under the ESPP.

Item 13. ***Certain Relationships and Related Transactions****

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

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* Information regarding our Corporate Governance Principles, Code of Conduct and Committee Charters is set forth in Item 10 of this Form 10-K. Information regarding our equity compensation plans is set forth under Item 12. Information relating to our executive officers is set forth in Part I of this Form 10-K. All other information called for by Items 10-14 will be contained in our definitive proxy statement for use in connection with our annual meeting of shareholders scheduled to be held on May 3, 2005. Such information is incorporated into this Form 10-K by reference. Such incorporation by reference shall not be deemed to specifically incorporate by reference the information referred to in Item 402(a)(8) of Regulation S-K.

PART IV

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

(a) List of documents filed as part of this report.

(1) *Financial Statements.*

See Index to Financial Statements and Schedules in Part II, Item 8 of this Form 10-K.

(2) *Financial Statement Schedules.*

None.

(b) *Exhibits.*

See Index to Exhibits on pages 121 to 125 of this Form 10-K.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on March 11, 2005.

THE DUN & BRADSTREET CORPORATION
(Registrant)

By: /s/ Steven W. Alesio
Steven W. Alesio
President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on March 11, 2005.

Signature	Title
/s/ ALLAN Z. LOREN Allan Z. Loren	Director and Chairman of the Board
/s/ STEVEN W. ALESIO Steven W. Alesio	Director, President and Chief Executive Officer (principal executive officer)
/s/ MARY JANE RAYMOND Mary Jane Raymond	Corporate Controller (principal accounting officer)
/s/ SARA MATHEW Sara Mathew	Chief Financial Officer (principal financial officer)
/s/ JOHN W. ALDEN John W. Alden	Director
/s/ CHRISTOPHER J. COUGHLIN Christopher J. Coughlin	Director
/s/ JAMES N. FERNANDEZ James N. Fernandez	Director
/s/ RONALD L. KUEHN, JR. Ronald L. Kuehn, Jr.	Director
/s/ VICTOR A. PELSON Victor A. Pelson	Director
/s/ SANDRA E. PETERSON Sandra E. Peterson	Director
/s/ MICHAEL R. QUINLAN Michael R. Quinlan	Director
/s/ NAOMI O. SELIGMAN Naomi O. Seligman	Director

INDEX TO EXHIBITS

Regulation S-K Exhibit Number	
3.	**Articles of Incorporation and By-laws**
3.1	Restated Certificate of Incorporation of the Registrant, as amended effective October 1, 2000 (incorporated by reference to Exhibit 3.1 to Registrant's Report on Form 8-K, file number 1-15967, filed October 4, 2000).
3.2	Amended and Restated By-laws of the Registrant (incorporated by reference to Exhibit 3.2 to Registrant's Registration Statement on Form 10, file number 1-15967, filed June 27, 2000).
4.	**Instruments Defining the Rights of Security Holders, Including Indentures**
4.1	Specimen Common Stock Certificate (incorporated by reference to Exhibit 4.1 to the Registrant's Registration Statement on Form 10, file number 1-15967, filed September 11, 2000).
4.2	Rights Agreement, dated as of August 15, 2000, between the Registrant (f.k.a. The New D&B Corporation) and EquiServe Trust Company, N.A., as Rights Agent, which includes the Certificate of Designation for the Series A Junior Participating Preferred Stock as Exhibit A thereto, the Form of Right Certificate as Exhibit B thereto and the Summary of Rights to Purchase Preferred Shares as Exhibit C thereto (incorporated by reference to Exhibit 1 to the Registrant's Registration Statement on Form 8-A, file number 1-15967, filed September 15, 2000).
4.3	Five-Year Credit Agreement, dated September 1, 2004, among The Dun & Bradstreet Corporation, the Borrowing Subsidiaries Party thereto, JPMorgan Chase Bank, as Administrative Agent, Bank of Tokyo-Mitsubishi Trust Company and Citicorp USA, Inc., as Syndication Agents, The Bank of New York and Suntrust Bank, as Documentation Agents and the Lenders Party thereto (incorporated by reference to Exhibit 4.1 to Registrant's Report on Form 8-K, file number 1-15967, filed September 3, 2004).
4.4	Indenture dated as of March 22, 2001 by and between the Registrant and The Bank of New York, as Trustee (incorporated by reference to Exhibit 4.1 to Registrant's Quarterly Report on Form 10-Q, file number 1-15967, filed May 15, 2001).
4.5	Forms of 6.625% Senior Notes due 2006 (incorporated by reference to Exhibit 4.2 to Registrant's Quarterly Report on Form 10-Q, file number 1-15967, filed May 15, 2001).
10.	**Material Contracts**
10.1	Distribution Agreement, dated as of September 30, 2000, between Moody's Corporation (f.k.a. The Dun & Bradstreet Corporation) and the Registrant (f.k.a. The New D&B Corporation) (incorporated by reference to Exhibit 10.1 to the Registrant's Report on Form 8-K, file number 1-15967, filed October 4, 2000).
10.2	Tax Allocation Agreement, dated as of September 30, 2000, between Moody's Corporation (f.k.a. The Dun & Bradstreet Corporation) and the Registrant (f.k.a. The New D&B Corporation) (incorporated by reference to Exhibit 10.2 to the Registrant's Report on Form 8-K, file number 1-15967, filed October 4, 2000).
10.3	Employee Benefits Agreement, dated as of September 30, 2000, between Moody's Corporation (f.k.a. The Dun & Bradstreet Corporation) and the Registrant (f.k.a. The New D&B Corporation) (incorporated by reference to Exhibit 10.3 to the Registrant's Report on Form 8-K, file number 1-15967, filed October 4, 2000).
10.4	Undertaking of the Registrant (f.k.a. The New D&B Corporation), dated September 30, 2000, to Cognizant Corporation and ACNielsen Corporation (incorporated by reference to Exhibit 10.9 to the Registrant's Report on Form 8-K, file number 1-15967, filed October 4, 2000).

Regulation S-K Exhibit Number	
10.5	Undertaking of the Registrant (f.k.a. The New D&B Corporation), dated September 30, 2000, to R.H. Donnelley Corporation (incorporated by reference to Exhibit 10.10 to the Registrant's Report on Form 8-K, file number 1-15967, filed October 4, 2000).
10.6	Distribution Agreement, dated as of June 30, 1998, between R.H. Donnelley Corporation (f.k.a. The Dun & Bradstreet Corporation) and Moody's Corporation (f.k.a. The New Dun & Bradstreet Corporation) (incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q of Moody's Corporation, file number 1-14037, filed August 14, 1998).
10.7	Tax Allocation Agreement, dated as of June 30, 1998, between R.H. Donnelley Corporation (f.k.a. The Dun & Bradstreet Corporation) and Moody's Corporation (f.k.a. The New Dun & Bradstreet Corporation) (incorporated by reference to Exhibit 10.2 to the Quarterly Report on Form 10-Q of Moody's Corporation, file number 1-14037, filed August 14, 1998).
10.8	Employee Benefits Agreement, dated as of June 30, 1998, between R.H. Donnelley Corporation (f.k.a. The Dun & Bradstreet Corporation) and Moody's Corporation (f.k.a. The New Dun & Bradstreet Corporation) (incorporated by reference to Exhibit 10.3 to the Quarterly Report on Form 10-Q of Moody's Corporation, file number 1-14037, filed August 14, 1998).
10.9	Distribution Agreement, dated as of October 28, 1996, among R.H. Donnelley Corporation (f.k.a. The Dun & Bradstreet Corporation), Cognizant Corporation and ACNielsen Corporation (incorporated by reference to Exhibit 10(x) to the Annual Report on Form 10-K of R.H. Donnelley Corporation (f.k.a. The Dun & Bradstreet Corporation) for the year ended December 31, 1996, file number 1-7155, filed March 27, 1997).
10.10	Tax Allocation Agreement, dated as of October 28, 1996, among R.H. Donnelley Corporation (f.k.a. The Dun & Bradstreet Corporation), Cognizant Corporation and ACNielsen Corporation (incorporated by reference to Exhibit 10(y) to the Annual Report on Form 10-K of R.H. Donnelley Corporation (f.k.a. The Dun & Bradstreet Corporation) for the year ended December 31, 1996, file number 1-7155, filed March 27, 1997).
10.11	Employee Benefits Agreement, dated as of October 28, 1996, among R.H. Donnelley Corporation (f.k.a. The Dun & Bradstreet Corporation), Cognizant Corporation and ACNielsen Corporation (incorporated by reference to Exhibit 10(z) to the Annual Report on Form 10-K of R.H. Donnelley Corporation (f.k.a. The Dun & Bradstreet Corporation) for the year ended December 31, 1996, file number 1-7155, filed March 27, 1997).
10.12	Amended and Restated Indemnity and Joint Defense Agreement among the Registrant, VNU, N.V., VNU, Inc. ACNielsen Corporation, AC Nielsen (US), Inc., Nielsen Media Research, Inc., R.H. Donnelley Corporation, Moody's Corporation and IMS Health Incorporated (incorporated by reference to Exhibit 10.12 to the Registrant's Quarterly Report on Form 10-Q, file number 1-15967, filed August 4, 2004).
10.13	Amended and Restated Agreement of Limited Partnership of D&B Investors L.P., dated April 1, 1997 (incorporated by reference to Exhibit 10.14 to the Quarterly Report on Form 10-Q of Moody's Corporation, file number 1-14037, filed August 14, 1998).
10.14	D&B Guaranty, dated as of April 1, 1997, given by The Dun & Bradstreet Corporation in favor of Utrecht-America Finance Co. and Leiden Inc. (as assumed by the Registrant) (incorporated by reference to Exhibit 10.19 to the Registrant's Quarterly Report on Form 10-Q, file number 1-15967, filed November 14, 2000).
10.15†	The Dun & Bradstreet Executive Transition Plan (incorporated herein by reference to Exhibit 10.20 to the Registrant's Quarterly Report on Form 10-Q, file number 1-15967, filed November 14, 2000) (incorporated by reference to Exhibit 10.20 to the Registrant's Quarterly Report on Form 10-Q, file number 1-15967, filed November 14, 2000).

Regulation S-K Exhibit Number	
10.16†	Forms of Change in Control Severance Agreements (incorporated by reference to Exhibit 10.21 to the Registrant's Quarterly Report on Form 10-Q, file number 1-15967, filed November 14, 2000).
10.17†	Pension Benefit Equalization Plan of The Dun & Bradstreet Corporation (incorporated by reference to Exhibit 10.22 to the Registrant's Quarterly Report on Form l0-Q, file number 1-15967, filed November 14, 2000).
10.18†	Supplemental Executive Benefit Plan of The Dun & Bradstreet Corporation (incorporated by reference to Exhibit 10.23 to the Registrant's Quarterly Report on Form 10-Q, file number 1-15967, filed November 14, 2000).
10.19†	Profit Participation Benefit Equalization Plan of The Dun & Bradstreet Corporation (incorporated by reference to Exhibit 10.24 to the Registrant's Quarterly Report on Form 10-Q, file number 1-15967, filed November 14, 2000).
10.20†	Employment Agreement, dated May 15, 2000, by and between Moody's Corporation (f.k.a. The Dun & Bradstreet Corporation) and Allan Z. Loren (as assumed by the Registrant) (incorporated by reference to Exhibit 10.11 to the Registrant's Registration Statement on Form 10/A-3, file number 1-15967, filed September 14, 2000).
10.21†	The Dun & Bradstreet Career Transition Plan (incorporated by reference to Exhibit 10.26 to the Registrant's Annual Report on Form 10-K, file number 1-15967, filed March 4, 2002).
10.22†	2000 Dun & Bradstreet Corporation Replacement Plan for Certain Directors Holding Dun & Bradstreet Corporation Equity-Based Awards (incorporated by reference to Exhibit 10.27 to the Registrant's Quarterly Report on Form 10-Q, file number 1-15967, filed November 14, 2000).
10.23†	2000 Dun & Bradstreet Corporation Replacement Plan for Certain Employees Holding Dun & Bradstreet Corporation Equity-Based Awards (incorporated by reference to Exhibit 10.28 to the Registrant's Quarterly Report on Form 10-Q, file number 1-15967, filed November 14, 2000).
10.24†	The Dun & Bradstreet Corporation 2000 Stock Incentive Plan (as amended and restated June 20, 2001) (incorporated by reference to Exhibit 10.29 to the Registrant's Quarterly Report on Form 10-Q, file number 1-15967, filed August 1, 2001).
10.25†	2000 Dun & Bradstreet Corporation Non-Employee Directors' Stock Incentive Plan (incorporated by reference to Exhibit 10.29 to the Registrant's Annual Report on Form 10-K, file number 1-15967, filed February 21, 2001).
10.26†	The Dun & Bradstreet Corporation Nonfunded Deferred Compensation Plan for Non-Employee Directors (as assumed by the Registrant) (incorporated by reference to Exhibit 10.18 to Moody's Corporation Quarterly Report on Form 10-Q, file number 1-14037, filed October 20, 1999).
10.27†	Form of Limited Stock Appreciation Rights Agreement (incorporated by reference to Exhibit 10.25 to Moody's Corporation Quarterly Report on Form 10-Q, file number 1-14037, filed August 14, 1998).
10.28†	The Dun & Bradstreet Corporation Covered Employee Cash Incentive Plan (incorporated by reference to Exhibit 10.29 to the Registrant's Annual Report on Form 10-K, file number 1-15967, filed February 21, 2001).
10.29†	The Dun & Bradstreet Corporation Cash Incentive Plan (incorporated by reference to the Registrant's Annual Report on Form 10-K, file number 1-15967, filed February 21, 2001).
10.30†	Form of Detrimental Conduct Agreement (incorporated by reference to Exhibit 10.36 to the Registrant's Annual Report on Form 10-K, file number 1-15967, filed March 4, 2002).
10.31†	Amendment to Employment Agreement, dated December 31, 2004, between Allan Z. Loren and the Company (incorporated by reference to Exhibit 10.1 to the Registrant's Report on Form 8-K, file number 1-15967, filed January 4, 2005).

Regulation S-K Exhibit Number	
10.32†	Key Employees' Non-Qualified Deferred Compensation Plan (incorporated by reference to Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q, file number 1-15967, filed May 6, 2002).
10.33†	Employment Agreement, dated December 31, 2004, between Steven W. Alesio and the Company (incorporated by reference to Exhibit 10.2 to the Registrant's Report on Form 8-K, file number 1-15967, filed January 4, 2005).
10.34	Technology Services Agreement between the Registrant and Computer Sciences Corporation, dated June 27, 2002 (incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q, file number 1-15967, filed August 13, 2002).
10.35†	2005 and 2004 Non-Employee Director Compensation Program (incorporated by reference to Exhibit 10.1 to the Registrant's Report on Form 8-K, file number 1-15967, filed December 8, 2004).
10.36†	Form of Restricted Share Unit Award Agreement under the 2000 Non-employee Directors' Plan (incorporated by reference to Exhibit 10.2 to the Registrant's Report on Form 8-K, file number 1-15967, filed December 8, 2004).
10.37†	The Dun & Bradstreet Corporation 2000 Employee Stock Purchase Plan (incorporated by reference to Exhibit 10.36 to the Registrant's Annual Report on Form 10-K, file number 1-15967, filed March 28, 2003).
10.38†	Form of Restricted Stock Award Agreement under the 2000 Employee Stock Incentive Plan (incorporated by reference to Exhibit 10.1 to the Registrant's Report on Form 8-K, file number 1-15967, filed March 2, 2005).
10.39†	Form of Stock Option Award Agreement under the 2000 Employee Stock Incentive Plan (incorporated by reference to Exhibit 10.2 to the Registrant's Report on Form 8-K, file number 1-15967, filed March 2, 2005).
10.40†	Form of Restricted Stock Unit Award Agreement under the 2000 Employee Stock Incentive Plan (incorporated by reference to Exhibit 10.3 to the Registrant's Report on Form 8-K, file number 1-15967, filed March 2, 2005).
10.41†	Form of Stock Option Award Agreement under the 2000 Non-employee Directors' Plan (incorporated by reference to Exhibit 10.4 to the Registrant's Report on Form 8-K, file number 1-15967, filed March 2, 2005).
10.42†	Form of Restricted Stock Unit Award Agreement under the 2000 Non-employee Directors' Plan (incorporated by reference to Exhibit 10.5 to the Registrant's Report on Form 8-K, file number 1-15967, filed March 2, 2005).
10.43*	Business Process Services Agreement made and effective as of October 15, 2004 by and between the Company and International Business Machines Corporation. This Exhibit has been redacted pursuant to a confidentially request under Rule 24(b)-2 of the Securities Exchange Act of 1934, as amended.
21.	**Subsidiaries of the Registrant**
21.1*	List of Active Subsidiaries as of December 31, 2004.
23.	**Consents of Experts and Counsel**
23.1*	Consent of PricewaterhouseCoopers LLP.
31.	**Rule 13a-14(a)/ 15(d)-14(a) Certifications**

Regulation S-K Exhibit Number	
31.1*	Certification of Chief Executive Officer pursuant to Rule 13a-14(a)/15(d)-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Chief Financial Officer pursuant to Rule 13a-14(a)/15(d)-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.	**Section 1350 Certifications**
32.1*	Certification of Chief Executive Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	Certification of Chief Financial Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

* Filed herewith.

† Represents a management contract or compensatory plan.

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Directors

Allan Z. Loren
Chairman of the Board
The Dun & Bradstreet Corporation

Steven W. Alesio
Chief Executive Officer & President
The Dun & Bradstreet Corporation

John W. Alden (2,3)
Retired Vice Chairman
United Parcel Service, Inc.
(Express Package Carrier Company)

Christopher J. Coughlin (1)
Executive Vice President & Chief Financial Officer
Tyco International Ltd.
(Diversified Global Products and Services Company)

James N. Fernandez (1)
Executive Vice President & Chief Financial Officer
Tiffany & Co.
(Retail Jeweler)

Ronald L. Kuehn, Jr. (1,3)
Chairman of the Board
El Paso Corporation
(Diversified Energy Company)

Victor A. Pelson (1,3)
Senior Advisor
UBS Securities LLC
(Investment Banking Firm)

Sandra E. Peterson (2,3)
Former Group President, Government
Medco Health Solutions, Inc.
(Pharmacy Benefits Manager Company)

Michael R. Quinlan (2,3)
Chairman Emeritus
McDonald's Corporation
(Global Food Service Retailer)

Naomi O. Seligman (1,2)
Senior Partner
Ostriker von Simson, Inc.
(Consultants on Information Technology)

Michael J. Winkler (2)
Executive Vice President, Customer Solutions Group
& Chief Marketing Officer
Hewlett-Packard Company
(Global Technology Solutions Company)

Board Committees
1 Audit Committee
2 Board Affairs
3 Compensation & Benefits

Officers

Allan Z. Loren
Chairman of the Board

Steven W. Alesio
Chief Executive Officer & President
Designated Chairman of the Board, May 2005

James P. Burke
Leader, U.S. Risk Management Solutions

David T. Clarke
Leader, U.S. Sales & Marketing Solutions

Patricia A. Clifford
Leader, Human Resources, Winning Culture
& Team Member Communications

Charles E. Gottdiener
Leader, Strategy & Business Development

Kathleen M. Guinnessey
Leader, Tax, Treasury & Investor Relations

Cynthia B. Hamburger
Leader, U.S. DUNSRight™ Operations

Lawrence M. Kutscher
Leader, Small & Mid-Size Business Solutions

David J. Lewinter
General Counsel & Corporate Secretary

Sara Mathew
Chief Financial Officer & Leader, Strategy

Gary S. Michel
Leader, Reengineering

Gregory E. Nordal
Leader, International

Michael Pepe
Leader, U.S. Customers

Vicki P. Raeburn
Leader, DUNSRight™ Strategy

David M. Slade
Interim Chief Information Officer

Frederick A. Teague
Leader, U.S. Supply Management Solutions

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Independent Auditors
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Common Stock Information
The Company's common stock (symbol DNB)
is listed on the New York Stock Exchange.

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