

FOR IMMEDIATE RELEASE

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ALLIANCE CAPITAL ANNOUNCES THIRD QUARTER 2001 FINANCIAL RESULTS AND INTENTION TO PURCHASE UNITS FOR DEFERRED COMPENSATION PLANS

New York, NY, November 1, 2001 – Alliance Capital Management Holding L.P. (“Alliance Holding”) (NYSE: AC) today declared a \$0.67 per Unit cash distribution. The distribution is payable on November 21, 2001 to holders of Alliance Holding Units at the close of business on November 12, 2001. Alliance Holding also announced third quarter 2001 net operating earnings (net income excluding amortization of intangibles and non-recurring items) of \$0.68 per Unit. Alliance Holding’s principal sources of income and cash flow are attributable to its ownership interest in Alliance Capital Management L.P. (“Alliance Capital”), the operating partnership.

“Overall, we achieved creditable results in a very hostile operating environment,” said Bruce W. Calvert, Chairman and Chief Executive Officer. “In the main, we attained benchmark or better relative investment performance for our clients. And, we experienced positive net sales in each of our major investment management distribution channels – retail, institutional and private client. Nevertheless, assets under management and revenues declined on a sequential basis primarily due to a sharp drop in the equity markets. For example, the S&P 500 lost 14.7% during the quarter on a total return basis. We were also able to reduce expenses compared to the second quarter even as we continued to fund a limited number of strategic growth initiatives. But, in order to continue providing very high quality investment offerings and services to a growing clientele, we anticipate modest spending increases in future periods.”

**BUSINESS HIGHLIGHTS OF ALLIANCE CAPITAL
THE OPERATING PARTNERSHIP**

(Third quarter 2001 results are compared to second quarter 2001 because third quarter 2000 does not include the results of the business of Sanford C. Bernstein Inc., acquired by Alliance Capital on October 2, 2000.)

- **Average assets under management for third quarter of 2001 were \$449 billion**, a decrease of 1% from second quarter.
- **Assets under management were \$421 billion at September 30, 2001**, a decrease of 9% from June 30, 2001. Net new business of \$6 billion was more than offset by a \$50 billion decline in market values.
- **Investment results for third quarter generally met or exceeded client benchmarks** and long-term performance across our major equity and fixed income disciplines remains very competitive.
- **Retail channel long-term gross sales, which exclude cash management products, were \$9.5 billion, down 14% from second quarter 2001.** On a net basis, long-term mutual fund sales were \$1.5 billion and cash management mutual fund sales were \$1.8 billion. However, the wrap fee business experienced net redemptions of \$2.1 billion compared to \$0.6 billion of net sales in second quarter. Gross sales of non-U.S. products, including \$2.0 billion from joint venture relationships, totaled \$4.0 billion; net sales of these products were \$0.7 billion, of which \$0.6 billion was from joint venture relationships.

President and Chief Operating Officer, John D. Carifa, noted, “Alliance's market share of net sales in the non-proprietary retail channel has been increasing this year due to the breadth and quality of our product line. As investor interest in growth has waned, we have been able to shift sales to value equity, fixed income and money market funds in a timely manner. This quarter, we have seen record flows into our CollegeBound*fund* savings program. Assets under management have doubled since June and are now nearly \$1 billion.”

Retail Channel

	3Q 2001 Gross Sales (billions)	3Q 2001 Net Sales (billions)
Long-term Mutual Funds	\$7.6	\$1.5
Wrap Products	0.1	(2.1)
Variable Annuity Products	1.8	0.4
	<hr/> 9.5	<hr/> (0.2)
Cash Management Mutual Funds, Net	1.8	1.8
Total	<hr/> <hr/> \$11.3	<hr/> <hr/> \$1.6

- **Institutional investment management net sales totaled \$4.0 billion for third quarter 2001.**

Institutional Investment Management Channel		
	3Q 2001 Gross Sales (billions)	3Q 2001 Net Sales (billions)
Separate Accounts	\$4.2	\$2.5
Long-term Mutual Funds	—	(0.3)
	<u>4.2</u>	<u>2.2</u>
Cash Management Mutual Funds, Net	1.8	1.8
Total	<u>\$6.0</u>	<u>\$4.0</u>

- **Private client net inflows for third quarter 2001 reached \$846 million**, which marks the third consecutive quarter of positive net flows in this channel.
- **Institutional research services revenue decreased 11%** from second quarter 2001. Excluding a one-time syndication fee in second quarter, third quarter revenues were 1% lower. Nevertheless, NYSE market share increased for the third consecutive quarter.

**FINANCIAL RESULTS OF ALLIANCE CAPITAL
THE OPERATING PARTNERSHIP
SUMMARY OF FINANCIAL RESULTS
(millions)**

	Three Months Ended 9/30/01	Three Months Ended 6/30/01	Change
Ending Assets Under Management (billions)	<u>\$421</u>	<u>\$465</u>	-9%
Average Assets Under Management (billions)	<u>\$449</u>	<u>\$455</u>	-1%
Revenues	\$725	\$760	-5%
Expenses	<u>574</u>	<u>599</u>	-4
NET INCOME	\$151	\$161	-6%
Amortization of Intangibles	43	43	—
NET OPERATING EARNINGS ⁽¹⁾	<u>\$194</u>	<u>\$204</u>	-5%
Base Fee Earnings	\$187	\$192	-2%
Performance Fee Earnings	7	12	-43
NET OPERATING EARNINGS ⁽¹⁾	<u>\$194</u>	<u>\$204</u>	-5%

(1) Net Operating Earnings: Net Income excluding amortization of intangibles and non-recurring items.

- **Net operating earnings (net income excluding amortization of intangibles and non-recurring items) were \$194 million in third quarter 2001**, a decrease of 5% compared to second quarter 2001. Performance fee earnings contributed \$7 million for third quarter versus \$12 million in second quarter, while base fee earnings declined 2% from the previous quarter.

- **Pre-tax operating earnings margin was 34.5%** for third quarter 2001, compared to 34.4% for second quarter 2001.

**FINANCIAL RESULTS OF ALLIANCE HOLDING
THE PUBLICLY TRADED PARTNERSHIP**

Alliance Holding's principal sources of income and cash flow are attributable to its ownership interest in Alliance Capital, the operating partnership. Alliance Holding is required to distribute the cash distributions it receives from Alliance Capital, less taxes and other amounts its general partner determines should be retained.

SUMMARY PER UNIT FINANCIAL INFORMATION

	Three Months Ended 9/30/01	Three Months Ended 6/30/01	Change
DILUTED NET INCOME	\$0.51	\$0.56	-9%
Amortization of Intangibles	0.17	0.16	6
NET OPERATING EARNINGS ⁽¹⁾	\$0.68	\$0.72	-6%
Base Fee Earnings	\$0.66	\$0.68	-3%
Performance Fee Earnings	0.02	0.04	-50
NET OPERATING EARNINGS ⁽¹⁾	\$0.68	\$0.72	-6%
UNITHOLDER DISTRIBUTION	\$0.67	\$0.71	-6%

(1) Net Operating Earnings per Unit: Diluted Net Income per Unit excluding Alliance Holding's proportionate share of Alliance Capital's amortization of intangibles and non-recurring items.

- **Distribution per Alliance Holding Unit is \$0.67** for third quarter 2001, a 6% decrease from the \$0.71 per Unit distributed for second quarter 2001.

UNIT PURCHASE

Alliance Capital expects to engage in open-market purchases of up to approximately 1,000,000 Alliance Holding Units, from time-to-time at its discretion, to fund obligations under certain Alliance Capital deferred compensation plans.

ABOUT ALLIANCE CAPITAL

Alliance Capital is a leading global investment management firm with approximately \$421 billion in assets under management at September 30, 2001. Alliance Capital provides investment management services for many of the largest U.S. public and private employee benefit plans, foundations, public employee retirement funds, pension funds, endowments, banks, insurance companies and high-net-worth individuals worldwide. Alliance Capital is also one of the largest mutual fund sponsors, with a diverse family of globally distributed mutual fund portfolios. As one of the world's leading global investment management organizations, Alliance Capital is able to compete for virtually any portfolio assignment in any developed capital market in the world.

Alliance Holding owns approximately 30% of the units of limited partnership interest in Alliance Capital. AXA Financial, Inc. owns approximately 2% of the outstanding Alliance Holding Units and approximately 52% of the outstanding Alliance Capital Units, representing an approximate 53% economic interest in Alliance Capital. AXA Financial, Inc. is a wholly owned subsidiary of AXA, one of the largest global financial services organizations.

FORWARD-LOOKING STATEMENTS

Certain statements provided by Alliance Capital and Alliance Holding in this press release are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are subject to risks, uncertainties and other factors which could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. The most significant of such factors include, but are not limited to, the following: the performance of financial markets, the investment performance of Alliance Capital's sponsored investment products and separately managed accounts, general economic conditions, future acquisitions, competitive conditions, and government regulations, including changes in tax rates. Alliance Capital and Alliance Holding caution readers to carefully consider such factors. Further, such forward-looking statements speak only as of the date on which such statements are made; Alliance Capital and Alliance Holding undertake no obligation to update any forward-looking statements to reflect events or circumstances after the date of such statements.

MANAGEMENT CONFERENCE CALL RELATING TO THIRD QUARTER 2001 RESULTS

Alliance Capital's management will review third quarter 2001 financial and operating results during a live conference call today at 3:00 p.m. (Eastern Time) that will be hosted by Chief Executive Officer and Chairman, Bruce W. Calvert; President and Chief Operating Officer, John D. Carifa; and Chief Investment Officer and Vice Chairman, Lewis A. Sanders.

Parties interested in listening to the conference call may access it by either telephone or webcast. To listen by telephone, please dial 888-423-3271 in the U.S. or 612-288-0318 outside the U.S., ten minutes before the 3:00 p.m. (Eastern Time) scheduled start time. Please indicate "Alliance Capital" when dialing in. To listen by webcast and access the presentation slides that will be reviewed during the conference call, please visit Alliance Capital's website at **<http://ir.alliancecapital.com>** at least fifteen minutes prior to the call to download and install any necessary audio software.

A replay of the conference call will be made available for one week beginning at 6:30 p.m. (Eastern Time) November 1, 2001. In the U.S. please call 800-475-6701 or for international callers 320-365-3844, and provide the code 606512. The replay will also be available via webcast on Alliance Capital's website for one week. The presentation will also be available through a Form 8-K filing with the SEC within a few days after the presentation on November 1, 2001.

ALLIANCE CAPITAL MANAGEMENT L.P.
(THE OPERATING PARTNERSHIP)
SUMMARY CONSOLIDATED STATEMENTS OF INCOME
(unaudited, in thousands)

	Three Months Ended		
	<u>9/30/01</u>	<u>6/30/01</u>	<u>9/30/00</u>
Revenues:			
Investment Advisory & Services Fees	\$489,702	\$506,826	\$394,178
Distribution Revenues	133,941	138,320	167,023
Institutional Research Services	63,551	71,205	-
Shareholder Servicing Fees	24,719	24,544	21,462
Other Revenues, Net	12,933	19,271	32,923
	<u>724,846</u>	<u>760,166</u>	<u>615,586</u>
Expenses:			
Employee Compensation & Benefits	219,117	227,182	138,771
Promotion & Servicing:			
Distribution Plan Payments	120,948	124,088	121,769
Amortization of Deferred Sales Commissions	57,373	57,896	56,726
Other	42,064	48,889	33,634
General & Administrative	76,374	79,424	48,691
Interest	5,363	8,576	8,131
	<u>521,239</u>	<u>546,055</u>	<u>407,722</u>
Operating Income	203,607	214,111	207,864
Amortization of Intangibles	<u>43,140</u>	<u>43,133</u>	<u>981</u>
Income Before Income Taxes	160,467	170,978	206,883
Income Taxes	<u>9,629</u>	<u>10,259</u>	<u>11,377</u>
NET INCOME	<u>\$150,838</u>	<u>\$160,719</u>	<u>\$195,506</u>
Base Fee Earnings	187,327	192,097	191,524
Performance Fee Earnings	<u>6,651</u>	<u>11,755</u>	<u>4,963</u>
NET OPERATING EARNINGS⁽¹⁾	<u>\$193,978</u>	<u>\$203,852</u>	<u>\$196,487</u>

(1) Net Operating Earnings: Net Income excluding amortization of intangibles and non-recurring items.

ALLIANCE CAPITAL MANAGEMENT L.P.
(THE OPERATING PARTNERSHIP)
ASSETS UNDER MANAGEMENT
THREE MONTHS ENDED SEPTEMBER 30, 2001
(\$ millions)

	<u>Retail</u>	<u>Institutional Investment Management</u>	<u>Private Client</u>	<u>Total</u>
Beginning of Period	\$164,258	\$262,396	\$38,717	\$465,371
Sales/new accounts	9,471	4,267	1,288	15,026
Redemptions/terminations	(9,752)	(2,041)	(510)	(12,303)
Net cash management sales	1,856	1,755	91	3,702
Cash flow	(739)	650	20	(69)
Unreinvested dividends	(265)	(9)	(43)	(317)
Net new business	571	4,622	846	6,039
Market depreciation	(18,457)	(29,240)	(2,311)	(50,008)
End of Period	\$146,372	\$237,778	\$37,252	\$421,402

ALLIANCE CAPITAL MANAGEMENT L.P.
(THE OPERATING PARTNERSHIP)
ASSETS UNDER MANAGEMENT
(\$ millions)

	<u>Three Months Ended</u>			<u>Nine Months Ended</u>	
	<u>9/30/01</u>	<u>6/30/01</u>	<u>9/30/00</u>	<u>9/30/01</u>	<u>9/30/00</u>
Average Assets Under Management	<u>\$449,370</u>	<u>\$454,905</u>	<u>\$392,838</u>	<u>\$453,267</u>	<u>\$383,063</u>
Ending Assets Under Management	<u>\$421,402</u>	<u>\$465,371</u>	<u>\$388,394</u>	<u>\$421,402</u>	<u>\$388,394</u>

ALLIANCE CAPITAL MANAGEMENT L.P.
(THE OPERATING PARTNERSHIP)
ASSETS UNDER MANAGEMENT
BY INVESTMENT ORIENTATION
AT SEPTEMBER 30, 2001
(\$ millions)

	<u>Retail</u>	<u>Institutional Investment Management</u>	<u>Private Client</u>	<u>Total</u>
Equity				
<i>Growth</i>				
U.S.	\$49,362	\$68,019	\$3,484	\$120,865
Global & International	15,743	19,787	394	35,924
	<u>65,105</u>	<u>87,806</u>	<u>3,878</u>	<u>156,789</u>
<i>Value</i>				
U.S.	14,182	37,673	18,980	70,835
Global & International	2,092	10,790	4,673	17,555
	<u>16,274</u>	<u>48,463</u>	<u>23,653</u>	<u>88,390</u>
Total Equity	<u>81,379</u>	<u>136,269</u>	<u>27,531</u>	<u>245,179</u>
Fixed Income				
U.S.	47,649	61,195	8,902	117,746
Global & International	14,291	15,206	520	30,017
	<u>61,940</u>	<u>76,401</u>	<u>9,422</u>	<u>147,763</u>
Passive				
U.S.	3,042	19,547	154	22,743
Global & International	11	5,561	145	5,717
	<u>3,053</u>	<u>25,108</u>	<u>299</u>	<u>28,460</u>
Total				
U.S.	114,235	186,434	31,520	332,189
Global & International	32,137	51,344	5,732	89,213
	<u>\$146,372</u>	<u>\$237,778</u>	<u>\$37,252</u>	<u>\$421,402</u>

ALLIANCE CAPITAL MANAGEMENT L.P.
(THE OPERATING PARTNERSHIP)
ASSETS UNDER MANAGEMENT
BY INVESTMENT VEHICLE
AT SEPTEMBER 30, 2001
(\$ millions)

	<u>Retail</u>	<u>Institutional Investment Management</u>	<u>Private Client</u>	<u>Total</u>
Separately Managed Accounts				
Parent	\$0	\$33,659	\$0	\$33,659
Other ⁽¹⁾	10,698	188,312	26,146	225,156
	<u>10,698</u>	<u>221,971</u>	<u>26,146</u>	<u>258,815</u>
Mutual Funds				
Parent ⁽²⁾	25,192	54	0	25,246
Other	110,482	15,753	11,106	137,341
	<u>135,674</u>	<u>15,807</u>	<u>11,106</u>	<u>162,587</u>
Total	<u>\$146,372</u>	<u>\$237,778</u>	<u>\$37,252</u>	<u>\$421,402</u>

(1) Retail separately managed accounts represent assets managed in wrap products.

(2) Parent includes certain mutual funds sponsored by Alliance Capital's parent and sub-advised by Alliance Capital.

ALLIANCE CAPITAL MANAGEMENT L.P.
(THE OPERATING PARTNERSHIP)
ASSETS UNDER MANAGEMENT
BY LOCATION ⁽¹⁾
AT SEPTEMBER 30, 2001
(\$ millions)

	<u>Retail</u>	<u>Institutional Investment Management</u>	<u>Private Client</u>	<u>Total</u>
U.S. Clients	\$125,256	\$200,949	\$35,678	\$361,883
International Clients (non-U.S.)	21,116	36,829	1,574	59,519
	<u>\$146,372</u>	<u>\$237,778</u>	<u>\$37,252</u>	<u>\$421,402</u>

(1) Categorized by country domicile of client.

ALLIANCE CAPITAL MANAGEMENT L.P.
(THE OPERATING PARTNERSHIP)
ANALYSIS OF PRE-TAX OPERATING EARNINGS MARGIN ⁽¹⁾
(\$ thousands)

	Three Months Ended		
	9/30/01	6/30/01	9/30/00 ⁽²⁾
Total Revenues	\$724,846	\$760,166	\$588,969
Less: Distribution Revenues	(133,941)	(138,320)	(167,023)
Net Revenues	590,905	621,846	421,946
Total Operating Expenses	521,239	546,055	407,722
Less: Distribution Revenues	(133,941)	(138,320)	(167,023)
Net Operating Expenses	387,298	407,735	240,699
Operating Income	\$203,607	\$214,111	\$181,247
Pre-tax Operating Margin	34.5%	34.4%	43.0%

(1) Income before income taxes as a percentage of revenues (excluding distribution revenues).

(2) Revenues exclude interest income derived from the sale of units to AXA Financial, Inc. to finance the cash portion of the acquisition of the business of Sanford C. Bernstein.

ALLIANCE CAPITAL AND ALLIANCE HOLDING
UNITS OUTSTANDING AND WEIGHTED AVERAGE UNITS
(in thousands)

	Period Ending Units Outstanding	Weighted Average Units Outstanding as of September 30, 2001	
		Basic Three Months Ended	Diluted Three Months Ended
Alliance Capital	248,419	248,158	253,981
Alliance Holding	74,611	74,349	80,172

ALLIANCE CAPITAL MANAGEMENT HOLDING L.P.
(THE PUBLICLY TRADED PARTNERSHIP)
SUMMARY STATEMENTS OF INCOME
(unaudited, in thousands except per Unit amounts)

	Three Months Ended		
	9/30/01	6/30/01	9/30/00
Equity in Earnings of Operating Partnership	\$44,750	\$47,516	\$68,315
Income Taxes	5,760	5,422	4,537
NET INCOME	\$38,990	\$42,094	\$63,778
Additional Equity in Earnings of Operating Partnership ⁽¹⁾	2,081	2,322	3,862
NET INCOME – Diluted ⁽²⁾	\$41,071	\$44,416	\$67,640
DILUTED NET INCOME PER UNIT	\$0.51	\$0.56	\$0.85
Amortization of Intangibles per Unit	0.17	0.16	0.01
NET OPERATING EARNINGS PER UNIT⁽³⁾	\$0.68	\$0.72	\$0.86
Base Fee Earnings	0.66	0.68	0.84
Performance Fee Earnings	0.02	0.04	0.02
NET OPERATING EARNINGS PER UNIT⁽³⁾	\$0.68	\$0.72	\$0.86
DISTRIBUTION PER UNIT	\$0.67	\$0.71	\$0.84

(1) To reflect higher ownership in the Operating Partnership resulting from application of the treasury stock method to outstanding options.

(2) For calculation of Diluted Net Income per Unit.

(3) Net Operating Earnings per Unit: Diluted Net Income per Unit excluding Alliance Holding's proportionate share of Alliance Capital's amortization of intangibles and non-recurring items.