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ALLIANCE CAPITAL ANNOUNCES FIRST QUARTER 2002 RESULTS

Alliance Capital Management Holding L.P. Declares \$0.59 per Unit Cash Distribution

Positive Net New Business in All Distribution Channels

New York, NY, May 2, 2002 -- Alliance Capital Management Holding L.P. ("Alliance Holding") (NYSE: AC), the publicly traded partnership, and Alliance Capital Management L.P. ("Alliance Capital"), the operating partnership, today reported results for the quarter ended March 31, 2002 as compared to the quarter ended March 31, 2001.

Alliance Holding:

- Net operating earnings (net income excluding amortization of intangibles and goodwill) were \$0.60 per Unit for the first quarter of 2002, a decrease of 13.0% from \$0.69 per Unit.
- Distribution per Alliance Holding Unit is \$0.59, compared to \$0.68 per Unit.

Alliance Capital:

- Assets Under Management (AUM) at March 31, 2002 were \$452 billion, up 5.4% from the prior year quarter.
- Average AUM were \$448 billion, a decrease of 0.7% as compared to \$451 billion.
- Net new business flows were \$5.1 billion in the quarter and \$29 billion for the twelve-month period -- positive across all distribution channels.
- Revenues were \$721 million, a decline of 3.0% from \$742 million.
- Operating expenses were flat at \$539 million.
- Net operating earnings were \$173 million for the first quarter of 2002, down 11.4% compared to \$195 million.

"First quarter results were broadly consistent with our expectations, in the context of a flat equity market and a modest decline in key growth stock indices. But, the environment remains challenging. Our investment performance during the quarter was mixed as we remain focused on longer-term opportunities in a very risk adverse environment. Nevertheless, we continue to win net new business in each of our distribution channels, with particular strength outside the U.S.

"The combination with Bernstein has helped to provide stability during a very challenging period for growth investing. Bernstein and Alliance have come together exceptionally well. The combined firm is well positioned in terms of product quality and diversity, and we have leading positions in retail, institutional and private client

distribution channels. Our institutional research business is performing very well. Overall, we remain confident about the future,” said Bruce W. Calvert, Chairman and CEO.

**SUMMARY FINANCIAL RESULTS OF ALLIANCE CAPITAL MANAGEMENT L.P.
THE OPERATING PARTNERSHIP**

(millions)

	Three Months Ended		%
	3/31/02	3/31/01	Change
Revenues	\$721	\$742	-3.0
Expenses:			
Operating Expenses	539	537	0.2
Amortization of Intangibles & Goodwill	5	43	-88.0
Income Taxes	9	10	-9.1
	<u>553</u>	<u>590</u>	-6.4
NET INCOME	\$168	\$152	10.3
Net Income As Adjusted	<u>\$168</u>	<u>\$190</u> ⁽¹⁾	-11.7
Net Income	\$168	\$152	10.3
Amortization of Intangibles & Goodwill	5	43	-88.0
NET OPERATING EARNINGS ⁽²⁾	\$173	\$195	-11.4
Base Fee Earnings	\$169	\$192	-12.0
Performance Fee Earnings	4	3	22.8
NET OPERATING EARNINGS ⁽²⁾	\$173	\$195	-11.4

(1) Net income as adjusted excludes the effect of amortization of goodwill for the three months ended March 31, 2001.

(2) Net Operating Earnings: Net Income excluding amortization of intangibles and goodwill.

- Total revenues for the first quarter decreased 3.0% to \$721 million from the first quarter of 2001. The year-over-year decline was primarily the result of lower average AUM due to negative returns in our growth portfolios and the modest mix shift, mainly in the retail channel, toward lower fee products.
- Operating expenses for the first quarter were \$539 million, an increase of 0.2% from the quarter ended March 31, 2001.
- Net income increased 10.3% to \$168 million as compared to the first quarter of 2001. The increase was the result of the adoption of SFAS 142 on January 1, 2002, which eliminated the recurring \$38 million quarterly charge for goodwill amortization. Net income for the first quarter of 2002, when compared to the first quarter of 2001 as adjusted for this required accounting change, declined 11.7%.
- Net operating earnings (excluding amortization of intangible assets and goodwill) were \$173 million for the first quarter of 2002, as compared to \$195 million in the same period one year ago, a decrease of 11.4% as revenues declined while expenses remained flat.
- Pre-tax operating margin of 30.8% decreased from 34.1% in the first quarter of 2001, reflecting lower average AUM, the shift in retail AUM to lower fee products, and moderately higher office space and compensation expenses from agreements related to the October 2000 acquisition of the business of Sanford C. Bernstein.

**SUMMARY OF PER UNIT 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.

	Three Months Ended		%
	3/31/02	3/31/01	Change
DILUTED NET INCOME	\$0.58	\$0.52	<i>11.5</i>
Amortization of Intangibles & Goodwill	0.02	0.17	-88.2
NET OPERATING EARNINGS ⁽¹⁾	\$0.60	\$0.69	<i>-13.0</i>
Base Fee Earnings	\$0.59	\$0.68	-13.2
Performance Fee Earnings	0.01	0.01	-
NET OPERATING EARNINGS ⁽¹⁾	\$0.60	\$0.69	<i>-13.0</i>
DISTRIBUTIONS, PER UNIT	\$0.59	\$0.68	<i>-13.2</i>

(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 goodwill.

- Net operating earnings (net income excluding amortization of intangibles and goodwill) were \$0.60 per Unit for the first quarter of 2002, a decrease of 13.0% from the same period last year.
- Distribution per Alliance Holding Unit is \$0.59 for the first quarter of 2002, a decrease of 13.2% as compared to \$0.68 for the quarter ended March 31, 2001.

**ALLIANCE CAPITAL
DISTRIBUTION CHANNEL HIGHLIGHTS**

Retail Channel: Luxembourg-Based Fund Net Sales Increased 20%

- \$169 Billion of AUM, down 1.5% from 1Q01
- \$372 Million of Revenue, down 10.8% from 1Q01
- Net new business of long-term funds: \$2.2 Billion vs. \$2.6 Billion in 1Q01
- Net cash management funds: \$1.5 Billion of outflows vs. \$5.0 Billion of inflows in 1Q01

The year-over-year decline in Retail AUM resulted from negative returns in our growth portfolios, offset by net new business. Revenues declined in the period ended March 31, 2002 as compared to the same period in 2001, mainly due to lower average AUM and the shift to lower fee value equity and fixed income products. However, for the March 31, 2002 quarter, net new business was \$683 million. Included in net new business are \$2.4 billion of net inflows in value equity products and \$804 million from three newly launched closed-end municipal funds, which were partially offset by net outflows in growth equity and cash management products.

"Non-U.S. sales picked up momentum as first quarter net sales of our Luxembourg-based funds increased 20% over the first quarter of 2001, offsetting difficult U.S. comparisons. We benefited from strength in several key markets including Asia and Germany and made progress in new markets including Scandinavia, Spain and France," said John D. Carifa, President and Chief Operating Officer.

"In the U.S., AUM in the CollegeBoundfundSM 529 savings program doubled in the past six months and now totals more than \$2 billion. Our success can be attributed to a number of factors differentiating our program from

competitors, including the large number of investment options offered, and the high maximum contribution limits,” said Carifa.

Institutional Investment Management: 63 New Client Account Wins with AUM of \$6.3 Billion Across a Broad Range of Investment Disciplines

- \$242 Billion of AUM, up 9.6% from 1Q01
- \$166 Million of Revenue, up 3.5% from 1Q01
- Net new business of \$3.5 billion, up from \$1.8 billion in 1Q01

Institutional investment management AUM for March 31, 2002 increased 9.6% from March 31, 2001, primarily as a result of net new business, which included a \$12.5 billion Vanguard sub-advisory growth mandate. During the quarter ended March 31, 2002, institutional separate account wins totaled 63 across a broad range of investment disciplines, representing \$6.3 billion of AUM.

Private Client: Strong Net New Business

- \$41 Billion of AUM, up 12.9% from 1Q01
- \$103 Million of Revenue, up 22.4% from 1Q01
- Net new business of \$949 million, up from \$704 million in 1Q01

Private Client AUM increased 12.9% to \$41 billion from March 31, 2001 due to positive net flows and investment performance. Gross flows increased to \$1.9 billion for the first quarter of 2002 as compared to \$1.1 billion for the same period a year ago. Net new business rose 34.8% to \$949 million for the quarter ended March 31, 2002 as compared to the same period last year. Revenue increased by 22.4% to \$103 million at March 31, 2002 from \$84 million in the first quarter of 2001, which was mainly attributable to higher average AUM and an increase in transaction charges.

Institutional Research Services: Launched Trading in London

- \$72 million of Revenue, up 11.5% from 1Q01

Institutional research services revenues increased 11.5% to \$72 million for the quarter ended March 31, 2002 from \$64 million in the first quarter of 2001. The increase was due to a 0.15% increase in market share and a 5% increase in average daily NYSE volume as compared to the same period in 2001. During the quarter, a new trading operation was established in London to complement the European sales and research teams to provide a broad array of global research services to U.S. and non-U.S. clients.

ABOUT ALLIANCE CAPITAL

Alliance Capital is a leading global investment management firm providing 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.

CONFERENCE CALL INFORMATION RELATING TO FIRST QUARTER 2002 RESULTS

Alliance Capital's management team will review first quarter 2002 financial and operating results on Thursday, May 2, 2002, during a live conference call and webcast at 3:00 p.m. (Eastern Time). The call will be hosted by Chairman and Chief Executive Officer, Bruce W. Calvert; President and Chief Operating Officer, John D. Carifa; and Vice Chairman and Chief Investment Officer, Lewis A. Sanders.

Parties interested in listening to the conference call may access it either by telephone or webcast.

1. To listen by telephone, please dial 800-230-1059 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 access code "Alliance" when dialing in.
2. To listen by webcast, please visit Alliance Capital's Investor Relations website at <http://ir.alliancecapital.com> at least fifteen minutes prior to the call to download and install any necessary audio software.

The presentation slides that will be reviewed during the conference call are expected to be available on the morning of May 2, 2002 on Alliance Capital's website, following the issuance of the earnings press release, at the above web address.

A replay of the conference call will be made available for one week beginning at 6:30 p.m. (Eastern Time) May 2, 2002. In the U.S., please call 800-475-6701, or outside the U.S., please dial 320-365-3844, and provide the access code 634492. The replay will also be available via webcast on Alliance Capital's website for one week.

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

	Three Months Ended	
	3/31/02	3/31/01
Equity in Earnings of Operating Partnership	\$50,216	\$44,863
Income Taxes	5,493	5,699
NET INCOME	\$44,723	\$39,164
Additional Equity in Earnings of Operating Partnership ⁽¹⁾	1,893	2,322
NET INCOME – Diluted ⁽²⁾	\$46,616	\$41,486
DILUTED NET INCOME PER UNIT	\$0.58	\$0.52
Amortization of Intangibles & Goodwill per Unit	0.02	0.17
NET OPERATING EARNINGS PER UNIT ⁽³⁾	\$0.60	\$0.69
Base Fee Earnings per Unit	\$0.59	\$0.68
Performance Fee Earnings per Unit	0.01	0.01
NET OPERATING EARNINGS PER UNIT ⁽³⁾	\$0.60	\$0.69
DISTRIBUTIONS PER UNIT	\$0.59	\$0.68

(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 goodwill.

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

	Three Months Ended	
	3/31/02	3/31/01
Revenues:		
Investment Advisory & Services Fees	\$486,283	\$497,807
Distribution Revenues	129,179	140,377
Institutional Research Services	71,810	64,406
Shareholder Servicing Fees	24,624	22,665
Other Revenues, Net	8,627	17,182
	<u>720,523</u>	<u>742,437</u>
Expenses:		
Employee Compensation & Benefits	236,112	220,133
Promotion & Servicing:		
Distribution Plan Payments	118,715	124,083
Amortization of Deferred Sales Commissions	57,002	58,308
Other	37,809	46,727
General & Administrative	80,603	75,469
Interest	8,382	12,589
	<u>538,623</u>	<u>537,309</u>
Operating Income	181,900	205,128
Amortization of Goodwill	--	37,959
Amortization of Intangible Assets	5,175	5,175
Income Before Income Taxes	<u>176,725</u>	<u>161,994</u>
Income Taxes	8,837	9,720
NET INCOME	<u>\$167,888</u>	<u>\$152,274</u>
Base Fee Earnings	169,150	192,221
Performance Fee Earnings	3,913	3,187
NET OPERATING EARNINGS ⁽¹⁾	<u>\$173,063</u>	<u>\$195,408</u>

(1) Net Operating Earnings: Net Income excluding amortization of intangibles and goodwill.

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

	Three Months Ended	
	3/31/02	3/31/01
Total Revenues	\$720,523	\$742,437
Less: Distribution Revenues	(129,179)	(140,377)
Net Revenues	591,344	602,060
Total Operating Expenses	538,623	537,309
Less: Distribution Revenues	(129,179)	(140,377)
Net Operating Expenses	409,444	396,932
Operating Income	\$181,900	\$205,128
Pre-tax Operating Margin	30.8%	34.1%

(1) Income before income taxes (excluding amortization of intangible assets and goodwill) as a percentage of revenues (excluding distribution revenues).

ALLIANCE CAPITAL AND ALLIANCE HOLDING
UNITS OUTSTANDING AND WEIGHTED AVERAGE UNITS
MARCH 31, 2002
(in thousands)

	Period End	Weighted Average	
		Three Months	
		Basic	Diluted
Alliance Capital	249,315	248,995	253,702
Alliance Holding	75,506	75,187	79,894

ALLIANCE CAPITAL MANAGEMENT L.P.
(THE OPERATING PARTNERSHIP)
ASSETS UNDER MANAGEMENT ⁽¹⁾
THREE MONTHS ENDED MARCH 31, 2002
(\$ millions)

	<u>Retail</u>	<u>Institutional Investment Management</u>	<u>Private Client</u>	<u>Total</u>
Beginning of Period	\$171,496	\$241,491	\$39,169	\$452,156
Sales/new accounts	9,274	6,318	1,885	17,477
Redemptions/terminations	(6,918)	(3,231)	(675)	(10,824)
Net cash management sales	(1,540)	-	-	(1,540)
Cash flow	77	433	(222)	288
Unreinvested dividends	(210)	(1)	(39)	(250)
Net new business	683	3,519	949	5,151
Appreciation (depreciation)	(2,724)	(2,913)	526	(5,111)
Net change	(2,041)	606	1,475	40
End of Period	\$169,455	\$242,097	\$40,644	\$452,196

(1) AUM previously reported as of each date prior to March 31, 2002, have been restated to conform to the March 31, 2002 presentation. AUM now reflects the reclassification of institutional cash management and sub-advised variable annuity accounts from Institutional Investment Management to Retail and certain Private Client accounts to Retail and Institutional Investment Management. AUM now also excludes AUM from unconsolidated affiliates.

ALLIANCE CAPITAL MANAGEMENT L.P.
(THE OPERATING PARTNERSHIP)
ASSETS UNDER MANAGEMENT ⁽¹⁾
TWELVE MONTHS ENDED MARCH 31, 2002
(\$ millions)

	<u>Retail</u>	<u>Institutional Investment Management</u>	<u>Private Client</u>	<u>Total</u>
Beginning of Period	\$172,087	\$220,892	\$35,989	\$428,968
Sales/new accounts	34,056	33,844	5,793	73,693
Redemptions/terminations	(28,467)	(13,057)	(2,175)	(43,699)
Net cash management sales	(2,600)	-	-	(2,600)
Cash flow	168	3,207	(632)	2,743
Unreinvested dividends	(896)	(12)	(213)	(1,121)
Net new business	2,261	23,982	2,773	29,016
Transfers	749	(749)	-	-
Appreciation (depreciation)	(5,642)	(2,028)	1,882	(5,788)
Net change	(2,632)	21,205	4,655	23,228
End of Period	\$169,455	\$242,097	\$40,644	\$452,196

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ALLIANCE CAPITAL MANAGEMENT L.P.
(THE OPERATING PARTNERSHIP)
ASSETS UNDER MANAGEMENT ⁽¹⁾
(\$ millions)

	Three Months Ended	
	3/31/02	3/31/01
Average Assets Under Management	\$447,999	\$451,056
Ending Assets Under Management	\$452,196	\$428,968

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ALLIANCE CAPITAL MANAGEMENT L.P.
(THE OPERATING PARTNERSHIP)
ASSETS UNDER MANAGEMENT ⁽¹⁾
BY INVESTMENT ORIENTATION
AT MARCH 31, 2002
(\$ millions)

	Retail	Institutional Investment Managemet	Private Client	Total
Equity				
Growth				
U.S. Growth	\$ 55,408	\$ 78,461	\$ 2,409	\$136,278
Global & International Growth	15,510	13,535	335	29,380
	70,918	91,996	2,744	165,658
Value				
U.S. Value	21,005	40,631	22,217	83,853
Global & International Value	3,059	15,337	5,958	24,354
	24,064	55,968	28,175	108,207
Total Equity	94,982	147,964	30,919	273,865
Fixed Income				
U.S.	57,933	47,893	9,647	115,473
Global & International	12,991	18,359	66	31,416
	70,924	66,252	9,713	146,889
Passive				
U.S.	3,540	21,397	12	24,949
Global & International	9	6,484	-	6,493
	3,549	27,881	12	31,442
Total				
U.S.	137,886	188,382	34,285	360,553
Global & International	31,569	53,715	6,359	91,643
	\$169,455	\$242,097	\$40,644	\$452,196

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ALLIANCE CAPITAL MANAGEMENT L.P.
(THE OPERATING PARTNERSHIP)
ASSETS UNDER MANAGEMENT ⁽¹⁾
BY INVESTMENT VEHICLE
AT MARCH 31, 2002
(\$ millions)

	<u>Retail</u>	<u>Institutional Investment Management</u>	<u>Private Client</u>	<u>Total</u>
Separately Managed Accounts				
Parent	\$ –	\$ 33,744	\$ –	\$ 33,744
Other ⁽²⁾	10,344	203,878	29,168	243,390
	<u>10,344</u>	<u>237,622</u>	<u>29,168</u>	<u>277,134</u>
Mutual Funds				
Parent ⁽³⁾	27,160	29	–	27,189
Other	131,951	4,446	11,476	147,873
	<u>159,111</u>	<u>4,475</u>	<u>11,476</u>	<u>175,062</u>
Total	<u>\$169,455</u>	<u>\$242,097</u>	<u>\$40,644</u>	<u>\$452,196</u>

(1) AUM previously reported as of each date prior to March 31, 2002, have been restated to conform to the March 31, 2002 presentation. AUM now reflects the reclassification of institutional cash management and sub-advised variable annuity accounts from Institutional Investment Management to Retail and certain Private Client accounts to Retail and Institutional Investment Management. AUM now also excludes AUM from unconsolidated affiliates.

(2) Retail separately managed accounts represent assets managed in managed account products.

(3) Parent includes certain mutual funds sponsored by Alliance Capital's parent which are sub-advised by Alliance Capital.

ALLIANCE CAPITAL MANAGEMENT L.P.
(THE OPERATING PARTNERSHIP)
ASSETS UNDER MANAGEMENT ⁽¹⁾
BY LOCATION ⁽²⁾
AT MARCH 31, 2002
(\$ millions)

	<u>Retail</u>	<u>Institutional Investment Management</u>	<u>Private Client</u>	<u>Total</u>
U.S.	\$149,313	\$201,074	\$39,301	\$389,688
Non-U.S.	20,142	41,023	1,343	62,508
	<u>\$169,455</u>	<u>\$242,097</u>	<u>\$40,644</u>	<u>\$452,196</u>

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(2) Categorized by country domicile of client.