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ALLIANCE CAPITAL ANNOUNCES SECOND QUARTER 2002 RESULTS

Alliance Capital Management Holding L.P. Declares \$0.58 per Unit Cash Distribution

New York, NY, July 23, 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 June 30, 2002.

Alliance Holding:

- Net operating earnings (net income excluding amortization of intangibles and goodwill) were \$0.59 per Unit for the second quarter of 2002, a year-over-year decrease of 18.1%.
- Distribution per Alliance Holding Unit is \$0.58, an 18.3% year-over-year decrease.

Alliance Capital:

- Assets Under Management (AUM) at June 30, 2002 were \$412 billion, down 10.7% from \$462 billion a year ago primarily due to market declines. In the same period, the S&P 500 declined 18.0%.
- Net new business for the twelve-month period ended June 30, 2002 was \$7.0 billion.
- Net outflows for the quarter were \$5.6 billion, of which \$2.9 billion was in cash management.
- Average AUM were \$434 billion for the quarter, a decrease of 4.0% compared to the second quarter of 2001.
- Revenues for the quarter were \$724 million, a decline of 4.7% from \$760 million in the year ago period.
- Net operating earnings were \$170 million, down 16.5% from \$204 million a year ago.

Bruce W. Calvert, Chairman and Chief Executive Officer, said, “Declining markets continued to pressure revenues and earnings in the second quarter. Growth stock indices suffered the most. For example, the Russell 1000 Growth Index declined 18.7% compared to an 8.5% decline for the corresponding value index. For the year ending June 30, the same indices declined 26.5% and 9.0%, respectively.

“Because Alliance's asset management revenues are largely the product of fee schedules applied to the market value of portfolios, these declines directly impact revenues. As growth portfolios constituted approximately 42% of AUM at June 30, 2001, the severe drop in growth equities had a substantial impact on Alliance's year versus year comparisons. This was particularly true in our retail business where growth equities constituted approximately 51% of AUM, and a substantially larger share of fees.

“Relative to beginning of period AUM, we experienced modest net outflows in our retail (primarily money market funds and the closure of a sub-advised portfolio in Italy) and institutional businesses during the quarter; but continued to have robust inflows in our private client business.

“For the quarter, relative performance exceeded benchmarks for most of our growth products and was mixed for our value equity products. With few exceptions, our longer-term equity results – both growth and value – remain competitive. Credit sensitive fixed income products experienced a difficult quarter. Longer-term fixed income performance is at or near benchmarks.

“While we cannot forecast when equity markets will stabilize, we are confident about the long-term outlook and Alliance Capital's competitive position.”

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

(\$ millions)

	Three Months Ended		% Change
	6/30/02	6/30/01	
Revenues	\$724	\$760	-4.7
Expenses:			
Operating Expenses	545	546	-0.2
Amortization of Intangibles & Goodwill	5	43	-88.0
Income Taxes	9	10	-15.3
	<u>559</u>	<u>599</u>	-6.7
NET INCOME	\$ 165	\$161	+2.7
Net Income As Adjusted	<u>\$ 165</u>	<u>\$199</u> ⁽¹⁾	-16.9
Net Income	\$165	\$161	+2.7
Amortization of Intangibles & Goodwill	5	43	-88.0
NET OPERATING EARNINGS ⁽²⁾	<u>\$170</u>	<u>\$204</u>	-16.5
Base Fee Earnings	\$164	\$192	-14.4
Performance Fee Earnings	6	12	-50.9
NET OPERATING EARNINGS ⁽²⁾	<u>\$170</u>	<u>\$204</u>	-16.5

(1) Net income as adjusted excludes the effect of amortization of goodwill for the three months ended June 30, 2001.

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

- Total revenues for the second quarter of 2002 decreased 4.7% from the year earlier period to \$724 million due to both lower base advisory fees and performance fees, partially offset by higher institutional research revenues.
- Operating expenses for the second quarter of 2002 were \$545 million, a year-over-year decrease of 0.2%. Decreases in base compensation and incentive compensation were offset by an increase in deferred compensation, primarily attributable to agreements put in place at the time of the Sanford C. Bernstein acquisition in October 2000.
- Net income increased 2.7% to \$165 million for the quarter. The increase was attributable to the adoption of SFAS 142 on January 1, 2002, which eliminated the recurring \$38 million quarterly charge for goodwill amortization. Adjusted for this required accounting change, net income declined 16.9%.
- Net operating earnings (excluding amortization of intangibles and goodwill) were \$170 million for the second quarter of 2002, compared to \$204 million in the same period one year ago.
- Pre-tax operating margin of 29.9% was lower than the 34.4% recorded in the second quarter of 2001.

**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		%
	6/30/02	6/30/01	Change
DILUTED NET INCOME	\$0.57	\$0.56	<i>+1.8</i>
Amortization of Intangibles & Goodwill	0.02	0.16	<i>-87.5</i>
NET OPERATING EARNINGS ⁽¹⁾	\$0.59	\$0.72	<i>-18.1</i>
Base Fee Earnings	0.57	0.68	<i>-16.2</i>
Performance Fee Earnings	0.02	0.04	<i>-50.0</i>
NET OPERATING EARNINGS ⁽¹⁾	\$0.59	\$0.72	<i>-18.1</i>
DISTRIBUTIONS	\$0.58	\$0.71	<i>-18.3</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 intangible assets and goodwill) were \$0.59 per Unit for the second quarter of 2002, a decrease of 18.1% from the same period last year.

- Distribution per Alliance Holding Unit is \$0.58 for the second quarter of 2002, a decrease of 18.3% compared to \$0.71 for the quarter ended June 30, 2001. The distribution is payable on August 13, 2002 to record holders of Alliance Holding Units at the close of business on August 2, 2002.

ALLIANCE CAPITAL DISTRIBUTION CHANNEL HIGHLIGHTS

Retail Channel

- \$150 billion of AUM, down 16.7% from 2Q01
- Average AUM of \$160 billion, down 10.7% from \$179 billion in 2Q01
- \$365 million of revenue, down 10.3% from 2Q01

Retail AUM was \$150 billion at June 30, 2002, a decline of 16.7% from June 30, 2001. The year-over-year decline resulted from market depreciation, particularly in growth stocks, and \$2.8 billion in net outflows. Retail revenues for the June 30, 2002 quarter declined to \$365 million from \$407 million for the quarter ended June 30, 2001 due to lower average AUM and a shift in retail AUM to lower fee products.

Net outflows of \$4.7 billion for the latest quarter included the loss of a large European portfolio and certain institutional cash management assets, and U.S. mutual fund redemptions, partially offset by continuing strong sales of Luxembourg non-U.S. mutual funds and variable annuity products.

“In the U.S., net outflows from growth products and net inflows to value funds mirrored an industry-wide phenomenon. Given the preponderance of growth funds in our asset mix at the start of the period, however, these trends resulted in net outflows for Alliance, compared to net inflows for the industry. Net sales of our Luxembourg-based non-U.S. mutual funds evidenced particular strength in Japan and Taiwan,” said John D. Carifa, President & Chief Operating Officer.

Institutional Investment Management

- \$222 billion of AUM, down 9.2% from 2Q01
- Average AUM of \$233 billion, down 1.1% from \$235 billion in 2Q01
- \$162 million of revenue, down 4.8% from 2Q01

Institutional Investment Management AUM decreased 9.2% to \$222 billion at June 30, 2002 from June 30, 2001. The loss of a large non-U.S. account and a large insurance portfolio where management was internalized contributed to net outflows of \$2.5 billion for the quarter. At the same time, Alliance won 55 institutional separate accounts across a broad range of investment disciplines, representing \$3.3 billion of AUM.

Private Client

- \$40 billion of AUM, up 7.4% from 2Q01
- Average AUM of \$41 billion, up 9.9% from \$37 billion in 2Q01
- \$111 million of revenue, up 19.8% from 2Q01

Strong relative investment performance supported Private Client net new business of \$1.6 billion.

Institutional Research Services

- \$78 million of revenue, up 9.6% from 2Q01

Revenues increased due to higher NYSE volume, increased market share and the initiation of European trading in the middle of the first quarter, partially offset by modest price per share declines in the U.S.

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 SECOND QUARTER 2002 RESULTS

Alliance Capital’s management will review second quarter 2002 financial and operating results on Tuesday, July 23, 2002, during a conference call at 3:00 p.m. (E.D.T.) 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.

1. To listen by telephone, please dial 800-553-5275 in the U.S. or 612-288-0337 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 July 23, 2002 on Alliance Capital’s website at the above web address.

A replay of the conference call will be made available for one week beginning at 6:00 p.m. (Eastern Time) July 23, 2002. In the U.S. please call 800-475-6701 or for callers outside the U.S. 320-365-3844, and provide the access code 644743. 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	
	6/30/02	6/30/01
Equity in Earnings of Operating Partnership	\$49,605	\$47,516
Income Taxes	5,786	5,422
NET INCOME	\$43,819	\$42,094
Additional Equity in Earnings of Operating Partnership ⁽¹⁾	1,577	2,322
NET INCOME – Diluted ⁽²⁾	\$45,396	\$44,416
DILUTED NET INCOME PER UNIT	\$ 0.57	\$ 0.56
Amortization of Intangibles & Goodwill per Unit	0.02	0.16
NET OPERATING EARNINGS PER UNIT ⁽³⁾	\$ 0.59	\$ 0.72
Base Fee Earnings per Unit	\$ 0.57	\$ 0.68
Performance Fee Earnings per Unit	0.02	0.04
NET OPERATING EARNINGS PER UNIT ⁽³⁾	\$ 0.59	\$ 0.72
DISTRIBUTIONS PER UNIT	\$ 0.58	\$ 0.71

(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	
	6/30/02	6/30/01
Revenues:		
Investment Advisory & Services Fees	\$486,137	\$506,826
Distribution Revenues	125,370	138,320
Institutional Research Services	78,048	71,205
Shareholder Servicing Fees	26,532	24,544
Other Revenues, Net	8,016	19,271
	<u>724,103</u>	<u>760,166</u>
Expenses:		
Employee Compensation & Benefits	236,075	227,182
Promotion & Servicing:		
Distribution Plan Payments	118,968	124,088
Amortization of Deferred Sales Commissions	60,749	57,896
Other	41,047	48,889
General & Administrative	82,281	79,424
Interest	6,098	8,576
	<u>545,218</u>	<u>546,055</u>
Operating Income	178,885	214,111
Amortization of Goodwill	-	37,958
Amortization of Intangibles	5,175	5,175
Income Before Income Taxes	<u>173,710</u>	<u>170,978</u>
Income Taxes	<u>8,685</u>	<u>10,259</u>
NET INCOME	<u>\$165,025</u>	<u>\$160,719</u>
Base Fee Earnings	164,429	192,097
Performance Fee Earnings	<u>5,771</u>	<u>11,755</u>
NET OPERATING EARNINGS ⁽¹⁾	<u>\$170,200</u>	<u>\$203,852</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	
	6/30/02	6/30/01
Total Revenues	\$724,103	\$760,166
Less: Distribution Revenues	(125,370)	(138,320)
Net Revenues	598,733	621,846
Total Operating Expenses	545,218	546,055
Less: Distribution Revenues	(125,370)	(138,320)
Net Operating Expenses	419,848	407,735
Operating Income	\$178,885	\$214,111
Pre-tax Operating Margin	29.9%	34.4%

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

ALLIANCE CAPITAL AND ALLIANCE HOLDING
UNITS OUTSTANDING AND WEIGHTED AVERAGE UNITS
JUNE 30, 2002
(in thousands)

	Weighted Average Units		
	Outstanding		
	Three Months Ended June 30, 2002		
	Period End	Basic	Diluted
Alliance Capital	249,809	249,644	253,571
Alliance Holding	76,001	75,836	79,763

ALLIANCE CAPITAL MANAGEMENT L.P.
(THE OPERATING PARTNERSHIP)
ASSETS UNDER MANAGEMENT
THREE MONTHS ENDED JUNE 30, 2002
(\$ millions)

	<u>Retail</u>	<u>Institutional Investment Management</u>	<u>Private Client</u>	<u>Total</u>
Beginning of Period	\$169,455	\$242,097	\$40,644	\$452,196
Sales/new accounts	7,021	3,343	1,836	12,200
Redemptions/terminations	(8,981)	(4,241)	(402)	(13,624)
Net cash management sales	(2,895)	-	-	(2,895)
Cash flow	370	(1,607)	199	(1,038)
Unreinvested dividends	(228)	1	(49)	(276)
Net new business	(4,713)	(2,504)	1,584	(5,633)
Market depreciation	(15,087)	(17,119)	(1,862)	(34,068)
Net change	(19,800)	(19,623)	(278)	(39,701)
End of Period	\$149,655	\$222,474	\$40,366	\$412,495

ALLIANCE CAPITAL MANAGEMENT L.P.
(THE OPERATING PARTNERSHIP)
ASSETS UNDER MANAGEMENT ⁽¹⁾
TWELVE MONTHS ENDED JUNE 30, 2002
(\$ millions)

	<u>Retail</u>	<u>Institutional Investment Management</u>	<u>Private Client</u>	<u>Total</u>
Beginning of Period	\$179,590	\$244,996	\$37,580	\$462,166
Sales/new accounts	31,739	19,968	6,273	57,980
Redemptions/terminations	(30,802)	(15,264)	(2,079)	(48,145)
Net cash management sales	(3,262)	-	-	(3,262)
Cash flow	440	1,209	(94)	1,555
Unreinvested dividends	(960)	(5)	(181)	(1,146)
Net new business	(2,845)	5,908	3,919	6,982
Market depreciation	(27,090)	(28,430)	(1,133)	(56,653)
Net change	(29,935)	(22,522)	2,786	(49,671)
End of Period	\$149,655	\$222,474	\$40,366	\$412,495

(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 assets managed by unconsolidated affiliates.

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

	Three Months Ended	
	6/30/02	6/30/01
Average Assets Under Management	<u>\$433,509</u>	<u>\$451,582</u>
Ending Assets Under Management	<u>\$412,495</u>	<u>\$462,166</u>

ALLIANCE CAPITAL MANAGEMENT L.P.
(THE OPERATING PARTNERSHIP)
ASSETS UNDER MANAGEMENT BY CLIENT
BY INVESTMENT ORIENTATION
AT JUNE 30, 2002
(\$ millions)

	Retail	Institutional Investment Management	Private Client	Total
	Equity			
U.S. Growth	\$ 40,985	\$ 65,887	\$ 2,969	\$109,841
Global & International Growth	12,335	10,924	286	23,545
	<u>53,320</u>	<u>76,811</u>	<u>3,255</u>	<u>133,386</u>
U.S. Value	21,261	39,150	20,670	81,081
Global & International Value	3,453	13,501	6,178	23,132
	<u>24,714</u>	<u>52,651</u>	<u>26,848</u>	<u>104,213</u>
Total Equity	<u>78,034</u>	<u>129,462</u>	<u>30,103</u>	<u>237,599</u>
Fixed Income				
U.S.	55,188	56,154	10,145	121,487
Global & International	13,396	14,099	86	27,581
	<u>68,584</u>	<u>70,253</u>	<u>10,231</u>	<u>149,068</u>
Passive				
U.S.	3,031	17,748	32	20,811
Global & International	6	5,011	-	5,017
	<u>3,037</u>	<u>22,759</u>	<u>32</u>	<u>25,828</u>
Total				
U.S.	120,465	178,939	33,816	333,220
Global & International	29,190	43,535	6,550	79,275
	<u>\$149,655</u>	<u>\$222,474</u>	<u>\$40,366</u>	<u>\$412,495</u>

ALLIANCE CAPITAL MANAGEMENT L.P.
(THE OPERATING PARTNERSHIP)
ASSETS UNDER MANAGEMENT
BY INVESTMENT VEHICLE
AT JUNE 30, 2002
(\$ millions)

	<u>Retail</u>	<u>Institutional Investment Management</u>	<u>Private Client</u>	<u>Total</u>
Separately Managed Accounts				
Parent	\$ –	\$ 34,320	\$ –	\$ 34,320
Other ⁽¹⁾	8,505	184,361	28,294	221,160
	<u>8,505</u>	<u>218,681</u>	<u>28,294</u>	<u>255,480</u>
Mutual Funds				
Parent ⁽²⁾	23,268	29	–	23,297
Other	117,882	3,764	12,072	133,718
	<u>141,150</u>	<u>3,793</u>	<u>12,072</u>	<u>157,015</u>
Total	<u>\$149,655</u>	<u>\$222,474</u>	<u>\$40,366</u>	<u>\$412,495</u>

(1) Retail separately managed accounts represent assets managed in managed account 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 JUNE 30, 2002
(\$ millions)

	<u>Retail</u>	<u>Institutional Investment Management</u>	<u>Private Client</u>	<u>Total</u>
U.S. Clients	\$131,951	\$183,058	\$39,097	\$354,106
International Clients (non-U.S.)	17,704	39,416	1,269	58,389
	<u>\$149,655</u>	<u>\$222,474</u>	<u>\$40,366</u>	<u>\$412,495</u>

(1) Categorized by country domicile of client.