

DUN & BRADSTREET CORP/NW
Form 10-Q
November 04, 2011
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2011

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 1-15967

The Dun & Bradstreet Corporation

(Exact name of registrant as specified in its charter)

Delaware
(State of incorporation)

22-3725387
(I.R.S. Employer Identification No.)

103 JFK Parkway, Short Hills, NJ
(Address of principal executive offices)

07078
(Zip Code)

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

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

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(Check one:)

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

Title of Class	Shares Outstanding at September 30, 2011
Common Stock,	48,609,432
par value \$0.01 per share	

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THE DUN & BRADSTREET CORPORATION

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Table of Contents**PART I. FINANCIAL INFORMATION****Item 1. Financial Statements****The Dun & Bradstreet Corporation****Consolidated Statements of Operations (Unaudited)**

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2011	2010	2011	2010
	(Amounts in millions, except per share data)			
Revenue	\$ 439.4	\$ 400.4	\$ 1,259.8	\$ 1,194.9
Operating Expenses	150.2	146.9	431.1	408.6
Selling and Administrative Expenses	162.6	157.5	470.4	469.1
Depreciation and Amortization	20.6	17.1	60.6	48.3
Restructuring Charge	5.3	3.9	18.0	10.1
Operating Costs	338.7	325.4	980.1	936.1
Operating Income	100.7	75.0	279.7	258.8
Interest Income	0.4	0.5	1.3	1.4
Interest Expense	(9.1)	(11.0)	(27.4)	(34.3)
Other Income (Expense) - Net	(8.9)	25.2	(20.5)	27.7
Non-Operating Income (Expense) - Net	(17.6)	14.7	(46.6)	(5.2)
Income Before Provision for Income Taxes and Equity in Net Income of Affiliates	83.1	89.7	233.1	253.6
Less: Provision for Income Taxes	24.7	33.4	68.4	95.3
Equity in Net Income of Affiliates	0.4	0.5	1.1	0.7
Net Income	58.8	56.8	165.8	159.0
Less: Net (Income) Loss Attributable to the Noncontrolling Interest	(0.4)	(0.3)	1.0	0.5
Net Income Attributable to D&B	\$ 58.4	\$ 56.5	\$ 166.8	\$ 159.5
Basic Earnings Per Share of Common Stock				
Attributable to D&B Common Shareholders	\$ 1.19	\$ 1.13	\$ 3.38	\$ 3.17
Diluted Earnings Per Share of Common Stock				
Attributable to D&B Common Shareholders	\$ 1.19	\$ 1.12	\$ 3.36	\$ 3.14
Weighted Average Number of Shares Outstanding - Basic	48.9	49.7	49.2	50.0
Weighted Average Number of Shares Outstanding - Diluted	49.1	50.1	49.6	50.5
Cash Dividend Paid Per Common Share	\$ 0.36	\$ 0.35	\$ 1.08	\$ 1.05
Comprehensive Income (Loss) Attributable to D&B	\$ 66.2	\$ 96.4	\$ 214.3	\$ 152.0

The accompanying notes are an integral part of the unaudited consolidated financial statements.

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The Dun & Bradstreet Corporation
Consolidated Balance Sheets (Unaudited)

	September 30, 2011	December 31, 2010
	(Amounts in millions, except per share data)	
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 89.5	\$ 78.5
Accounts Receivable, Net of Allowance of \$16.9 at September 30, 2011 and \$17.5 at December 31, 2010	394.2	504.3
Other Receivables	6.4	8.3
Prepaid Taxes	1.7	1.5
Deferred Income Tax	30.0	31.8
Other Prepays	11.1	20.6
Other Current Assets	35.6	23.3
Total Current Assets	568.5	668.3
Non-Current Assets		
Property, Plant and Equipment, Net of Accumulated Depreciation of \$82.1 at September 30, 2011 and \$81.5 at December 31, 2010	48.0	53.1
Computer Software, Net of Accumulated Amortization of \$410.5 at September 30, 2011 and \$372.0 at December 31, 2010	129.6	127.9
Goodwill	622.3	599.7
Deferred Income Tax	163.8	167.7
Other Receivables	54.2	66.3
Other Intangibles	135.9	139.8
Other Non-Current Assets	53.3	82.7
Total Non-Current Assets	1,207.1	1,237.2
Total Assets	\$ 1,775.6	\$ 1,905.5
LIABILITIES		
Current Liabilities		
Accounts Payable	\$ 32.1	\$ 34.8
Accrued Payroll	115.2	127.7
Accrued Income Tax	15.5	19.9
Short-Term Debt	188.6	1.5
Other Accrued and Current Liabilities (Note 6)	179.2	165.7
Deferred Revenue	516.2	578.1
Total Current Liabilities	1,046.8	927.7
Pension and Postretirement Benefits	384.4	436.9
Long-Term Debt	704.6	972.0
Liabilities for Unrecognized Tax Benefits	125.4	131.5
Other Non-Current Liabilities	72.4	83.0
Total Liabilities	2,333.6	2,551.1
Contingencies (Note 7)		
EQUITY		
D&B SHAREHOLDERS EQUITY (DEFICIT)		
Series A Junior Participating Preferred Stock, \$0.01 par value per share, authorized - 0.5 shares; outstanding - none	0.0	0.0
Preferred Stock, \$0.01 par value per share, authorized - 9.5 shares; outstanding - none	0.0	0.0

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Series Common Stock, \$0.01 par value per share, authorized - 10.0 shares; outstanding - none	0.0	0.0
Common Stock, \$0.01 par value per share, authorized - 200.0 shares; issued - 81.9 shares	0.8	0.8
Capital Surplus	236.3	227.3
Retained Earnings	2,126.3	2,012.7
Treasury Stock, at cost, 33.3 shares at September 30, 2011 and 32.3 shares at December 31, 2010	(2,296.9)	(2,214.1)
Accumulated Other Comprehensive Income (Loss)	(633.6)	(681.1)
Total D&B Shareholders' Equity (Deficit)	(567.1)	(654.4)
Noncontrolling Interest	9.1	8.8
Total Equity (Deficit)	(558.0)	(645.6)
Total Liabilities and Shareholders' Equity (Deficit)	\$ 1,775.6	\$ 1,905.5

The accompanying notes are an integral part of the unaudited consolidated financial statements.

Table of Contents**The Dun & Bradstreet Corporation****Consolidated Statements of Cash Flows (Unaudited)**

	For the Nine Months Ended September 30,	
	2011	2010
	(Amounts in millions)	
Cash Flows from Operating Activities:		
Net Income	\$ 165.8	\$ 159.0
Reconciliation of Net Income to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	60.6	48.3
Amortization of Unrecognized Pension Loss	11.2	9.7
Loss (Gain) from Sales of Businesses / Investments	11.7	(23.9)
Impairment of Intangible Assets	0.0	20.4
Income Tax Benefit from Stock-Based Awards	11.4	6.5
Excess Tax Benefit on Stock-Based Awards	(5.4)	(1.5)
Equity-Based Compensation	9.2	15.3
Restructuring Charge	18.0	10.1
Restructuring Payments	(15.2)	(15.2)
Deferred Income Taxes, Net	(3.4)	11.7
Accrued Income Taxes, Net	(7.8)	17.1
Changes in Current Assets and Liabilities:		
Decrease in Accounts Receivable	117.0	78.8
Decrease (Increase) in Other Current Assets	3.4	(8.4)
Decrease in Deferred Revenue	(67.8)	(11.3)
Decrease in Accounts Payable	(3.9)	(7.4)
(Decrease) Increase in Accrued Liabilities	(8.8)	9.7
Increase in Other Accrued and Current Liabilities	5.9	0.9
Changes in Non-Current Assets and Liabilities:		
Decrease (Increase) in Other Long-Term Assets	26.5	(6.1)
Decrease in Long-Term Liabilities	(58.3)	(34.1)
Net, Other Non-Cash Adjustments	1.1	(0.7)
Net Cash Provided by Operating Activities	271.2	278.9
Cash Flows from Investing Activities:		
Proceeds from Sales of Businesses, Net of Cash Divested	0.3	9.0
Payments for Acquisitions of Businesses, Net of Cash Acquired	(1.7)	(203.3)
Investment in Debt Security	(1.0)	0.0
Cash Settlements of Foreign Currency Contracts	3.9	2.0
Capital Expenditures	(3.0)	(7.6)
Additions to Computer Software and Other Intangibles	(29.7)	(41.3)
(Reimbursement) Receipt of Proceeds Related to a Divested Investment	(7.4)	8.4
Net, Other	0.2	(2.8)
Net Cash (Used in) Investing Activities	(38.4)	(235.6)
Cash Flows from Financing Activities:		
Payments for Purchases of Treasury Shares	(121.6)	(114.8)
Net Proceeds from Stock-Based Awards	26.9	3.0
Payment of Debt	0.0	(0.7)
Payment of Bond Issuance Costs	(0.3)	0.0
Payments of Dividends	(53.2)	(52.6)
Proceeds from Borrowings on Credit Facilities	132.2	112.6
Payments of Borrowings on Credit Facilities	(216.4)	(119.9)
Excess Tax Benefit on Stock-Based Awards	5.4	1.5
Capital Lease and Other Long-Term Financing Obligation Payment	(4.0)	(2.0)
Net, Other	(0.2)	(2.3)

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Net Cash (Used in) Financing Activities	(231.2)	(175.2)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	9.4	(13.8)
Increase (Decrease) in Cash and Cash Equivalents	11.0	(145.7)
Cash and Cash Equivalents, Beginning of Period	78.5	222.9
Cash and Cash Equivalents, End of Period	\$ 89.5	\$ 77.2
Supplemental Disclosure of Cash Flow Information:		
Cash Paid (Received) for:		
Income Taxes, Net of Refunds	\$ 68.2	\$ 60.0
Interest	\$ 17.3	\$ 31.0

The accompanying notes are an integral part of the unaudited consolidated financial statements.

Table of Contents**The Dun & Bradstreet Corporation****Consolidated Statements of Shareholders' Equity (Deficit) (Unaudited)**For the Nine Months Ended September 30, 2011 and 2010
Accumulated Other**Comprehensive
Income (Loss)**

	Common Stock (\$0.01 Par Value)		Capital Surplus	Retained Earnings	Treasury Stock	Cumulative Translation Adjustment	Minimum Pension Liability Adjustment	Derivative Financial Instrument	Total D&B Share- holders Equity (Deficit)	Noncontrolling Interest	Total Equity (Deficit)	Compre- hensive Income (Loss)
Balance, December 31, 2009	0.8	209.5		1,830.7	(2,097.7)	(161.4)	(524.6)	(3.0)	(745.7)	11.7	(734.0)	
Net Income				159.5					159.5	(0.5)	159.0	\$ 159.0
Purchase of Noncontrolling Interest			(0.3)						(0.3)	(0.2)	(0.5)	
Payment to Noncontrolling Interest									0.0	(1.9)	(1.9)	
Equity-Based Plans		11.9			9.0				20.9		20.9	
Treasury Shares Acquired					(114.8)				(114.8)		(114.8)	
Pension Adjustments, net of tax of \$5.0							32.6		32.6		32.6	23.5
Dividend Declared				(52.7)					(52.7)		(52.7)	
Adjustments to Legacy Tax Matters		4.9							4.9		4.9	
Change in Cumulative Translation Adjustment						(30.6)			(30.6)	0.1	(30.5)	(30.5)
Derivative Financial Instruments, no tax impact								(0.4)	(0.4)		(0.4)	(0.4)
Total Comprehensive Income (Loss)												\$ 151.6
Balance, September 30, 2010	\$ 0.8	\$ 226.0	\$ 1,937.5	\$ (2,203.5)	\$ (192.0)	\$ (492.0)	\$ (3.4)	\$ (726.6)	\$ 9.2	\$ (717.4)		
Comprehensive Income Attributable to the Noncontrolling Interest												0.4
Comprehensive Income Attributable to D&B												\$ 152.0
Balance, December 31, 2010	0.8	227.3	2,012.7	(2,214.1)	(162.1)	(516.0)	(3.0)	(654.4)	8.8	(645.6)		
Net Income				166.8					166.8	(1.0)	165.8	\$ 165.8
Payment to Noncontrolling Interest									0.0	(0.6)	(0.6)	
Sale of Noncontrolling Interest									0.0	1.7	1.7	
Equity-Based Plans		4.1			38.8				42.9		42.9	
Treasury Shares Acquired					(121.6)				(121.6)		(121.6)	
Pension Adjustments, net of tax of \$4.1							10.6		10.6		10.6	10.6
Dividend Declared				(53.2)					(53.2)		(53.2)	
Adjustments to Legacy Tax Matters		4.9							4.9		4.9	
						34.6			34.6	0.2	34.8	34.8

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Change in Cumulative Translation Adjustment											
Derivative Financial Instruments, no tax impact						2.3	2.3		2.3	2.3	

Total Comprehensive Income (Loss)											\$ 213.5
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Balance, September 30, 2011	\$ 0.8	\$ 236.3	\$ 2,126.3	\$ (2,296.9)	\$ (127.5)	\$ (505.4)	\$ (0.7)	\$ (567.1)	\$ 9.1	\$ (558.0)	
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Comprehensive Income Attributable to the Noncontrolling Interest											0.7
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Comprehensive Income Attributable to D&B											\$ 214.2
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The accompanying notes are an integral part of the unaudited consolidated financial statements.

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THE DUN & BRADSTREET CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

(Tabular dollar amounts in millions, except per share data)

Note 1 Basis of Presentation

These interim unaudited consolidated financial statements have been prepared in accordance with the instructions to the Quarterly Report on Form 10-Q. They should be read in conjunction with the consolidated financial statements and related notes, which appear in The Dun & Bradstreet Corporation's (D&B, we or our) Annual Report on Form 10-K for the year ended December 31, 2010. The unaudited consolidated results for interim periods do not include all disclosures required by accounting principles generally accepted in the United States of America (GAAP) for annual financial statements and are not necessarily indicative of results for the full year or any subsequent period. In the opinion of our management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair statement of the unaudited consolidated financial position, results of operations and cash flows at the dates and for the periods presented have been included.

All inter-company transactions have been eliminated in consolidation.

As of January 1, 2011, we began reporting our business through three segments:

North America (which consists of our operations in the United States (U.S.) and Canada);

Asia Pacific (which primarily consists of our operations in Australia, Japan, China and India); and

Europe and Other International Markets (which primarily consists of our operations in the United Kingdom (UK), Ireland, Netherlands, Belgium and Latin America).

The financial statements of the subsidiaries outside North America reflect results for the three month and nine month periods ended August 31 in order to facilitate the timely reporting of our unaudited consolidated financial results and unaudited consolidated financial position.

Where appropriate, we have reclassified certain prior year amounts to conform to the current year presentation due to the change in segment structure discussed above.

Significant Accounting Policies

With the exception of the adoption of an accounting pronouncement related to revenue recognition and an update to our goodwill accounting policy, discussed below, there have been no material changes to our significant accounting policies as described in Note 1 to our consolidated financial statements included in our Annual Report on Form 10-K and Critical Accounting Policies for the year ended December 31, 2010.

Revenue Recognition

Effective January 1, 2011, we adopted Accounting Standards Update (ASU) No. 2009-13, Revenue Recognition Multiple-Deliverable Revenue Arrangements, which amends guidance in Accounting Standards Codification (ASC) 605-25, Revenue Recognition: Multiple-Element Arrangements, on a prospective basis for all new or materially modified arrangements entered into on or after that date. The new standard:

Provides updated guidance on whether multiple deliverables exist, how the elements in an arrangement should be separated, and how the consideration should be allocated;

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Requires an entity to allocate revenue in an arrangement using the best estimated selling prices (**BESP**) of each element if a vendor does not have vendor-specific objective evidence of selling price (**VSOE**) or third-party evidence of selling price (**TPE**); and

Eliminates the use of the residual method and requires a vendor to allocate revenue using the relative selling price method.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)-continued

(Tabular dollar amounts in millions, except per share data)

Multiple Element Arrangements

We have certain solution offerings that are sold as multi-element arrangements. The multiple element arrangements or deliverables may include access to our business information database, information data files, periodic data refreshes, software and services. We evaluate each deliverable in an arrangement to determine whether it represents a separate unit of accounting. Most product and service deliverables qualify as separate units of accounting and can be sold standalone or in various combinations across our markets. A deliverable constitutes a separate unit of accounting when it has standalone value and there are no customer-negotiated refunds or return rights for the delivered items. If the arrangement includes a customer-negotiated refund or return right relative to the delivered items, and the delivery and performance of the undelivered item is considered probable and substantially in our control, the delivered item constitutes a separate unit of accounting. The new guidance allows for deliverables with standalone value in a multi-element arrangement for which revenue was previously deferred due to undelivered elements not having fair value of selling price to be separated and recognized as delivered, rather than over the longest service delivery period as a single unit with other elements in the arrangement.

If the deliverable or a group of deliverables meets the separation criteria, the total arrangement consideration is allocated to each unit of accounting based on its relative selling price. The amount of arrangement consideration that is allocated to a delivered unit of accounting is limited to the amount that is not contingent upon the delivery of another unit of accounting.

We determine the selling price for each deliverable using VSOE, if it exists, TPE if VSOE does not exist, or BESP if neither VSOE nor TPE exist. Revenue allocated to each element is then recognized when the basic revenue recognition criteria are met for each element.

Consistent with our methodology under the previous accounting guidance, we determine VSOE of a deliverable by monitoring the price at which we sell the deliverable on a standalone basis to third parties or from the stated renewal rate for the elements contained in the initial arrangement. In certain instances, we are not able to establish VSOE for all deliverables in an arrangement with multiple elements. This may be due to us infrequently selling each element separately, not pricing products or services within a set range, or only having a limited sales history. Where we are unable to establish VSOE, we may use the price at which we or a third party sell a similar product to similarly situated customers on a standalone basis. Generally, our offerings contain a level of differentiation such that comparable pricing of solutions with similar functionality or delivery cannot be obtained. Furthermore, we are rarely able to reliably determine what similar competitors' selling prices are on a standalone basis. Therefore, we typically are not able to determine TPE of selling price.

When we are unable to establish selling prices by using VSOE or TPE, we establish the BESP in our allocation of arrangement consideration. The objective of BESP is to determine the price at which we would transact a sale if the solution were sold on a standalone basis. The determination of BESP is based on our review of available data points and consideration of factors such as but not limited to pricing practices, our growth strategy, geographies, customer segment and market conditions. The determination of BESP is made through consultation with and formal approval of our management, taking into consideration our go-to-market strategy.

We regularly review VSOE and have a review process for TPE and BESP and maintain internal controls over the establishment and updates of these estimates.

The adoption of this new authoritative guidance did not have a material impact on our consolidated financial statements and is not expected to have a material impact on our revenue in periods after the initial adoption when applied to multiple element agreements based on the currently anticipated business volume and pricing.

Prior to January 1, 2011 and pursuant to the previous accounting standards, we allocated revenue in a multiple element arrangement to each deliverable based on its relative fair value. If we did not have fair value for the delivered items, the contract fee was allocated to the undelivered items based on their fair values and the remaining residual amount, if any, was allocated to the delivered items. After the arrangement consideration, we applied the appropriate revenue recognition method from those described above for each unit of accounting, assuming all other revenue recognition criteria were met. All deliverables that did not meet the separation criteria were combined with an undelivered unit of accounting. We generally recognized revenue for a combined unit of accounting based on the method most appropriate for the last delivered item.

Table of Contents**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)-continued****(Tabular dollar amounts in millions, except per share data)***Goodwill and Other Intangible Assets*

Goodwill represents the excess of costs over fair value of assets of businesses acquired. Goodwill and intangible assets with indefinite lives are not subject to amortization. Instead, the carrying amount of our goodwill and indefinite-lived intangibles is tested for impairment at least annually, in December, and between annual tests if events or significant changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss would be recognized if the carrying amount exceeded the fair value.

We assess recoverability of goodwill at the reporting unit level. A reporting unit is an operating segment or a component of an operating segment which is a business and for which discrete financial information is available and reviewed by a segment manager. Our nine reporting units are North America, United Kingdom, Benelux, Latin America, Partnerships, Japan, Greater China, Australia and India. The authoritative guidance for goodwill specifies a two-step process for goodwill impairment testing and measuring the magnitude of any impairment. In the first step, we compare the fair value of each reporting unit to its carrying value. We determine the fair value of our reporting units based on the market approach. Under the market approach, we estimate the fair value based on market multiples of current year earnings before interest, taxes, depreciation and amortization (EBITDA) for each individual reporting unit. For the market approach, we use judgment in identifying the relevant comparable-company market multiples (i.e., recent divestitures/acquisitions, facts and circumstances surrounding the market, dominance, growth rate, etc.). If the fair value of the reporting unit exceeds the carrying value of the net assets, including goodwill assigned to that reporting unit, goodwill is not impaired and no further testing is required. However, if the carrying value of the net assets assigned to the reporting unit exceeds the fair value of the reporting unit, the second step of the impairment test is performed to determine the magnitude of the impairment, which is the implied fair value of the reporting unit's goodwill compared to the carrying value. The implied fair value of goodwill is the difference between the fair value of the reporting unit and the fair value of its identifiable net assets. If the carrying value of goodwill exceeds the implied fair value of goodwill, the impaired goodwill is written down to its implied fair value and an impairment loss equal to this difference is recorded in the period the impairment is identified as operating expense.

Consistent with prior years, the fair values of reporting units in 2010 and 2009 were determined using a market approach. Under the market approach, the fair value of a reporting unit is based on multiples of current year EBITDA. Management assesses the relevance and reliability of the multiples by considering factors unique to its reporting units, including recent operating results, business plans, economic projections, anticipated future cash flows, and other data.

Note 2 Recent Accounting Pronouncements

In September 2011, the Financial Accounting Standards Board (FASB) issued ASU No. 2011-8, Intangibles—Goodwill and Other (Topic No. 350): Testing Goodwill for Impairment, which gives companies testing goodwill for impairment the option of performing a qualitative assessment before calculating the fair value of a reporting unit in step 1 of the goodwill impairment test. If companies determine, on the basis of qualitative factors, that the fair value of a reporting unit is more likely than not less than the carrying amount, the two-step impairment test would be required. Otherwise, further testing would not be needed. The authoritative guidance is effective for annual periods beginning after December 15, 2011 and early adoption is permitted. We are currently assessing the impact, if any, of the adoption of this authoritative guidance on our consolidated financial statements.

In June 2011, the FASB issued ASU No. 2011-5, Presentation of Comprehensive Income, which eliminates the option to present components of other comprehensive income (OCI) in the statement of stockholders' equity. The authoritative guidance requires entities to present all non-owner changes in stockholders' equity as either a single continuous statement of comprehensive income or as two separate but consecutive statements. The authoritative guidance did not change the components of OCI, when OCI items are reclassified to the income statement or disclosure of OCI items gross or net of the effect of income taxes, provided that the tax effects are presented on the face of the statement in which OCI is presented or disclosed in the notes to the financial statements. The authoritative guidance requires entities to present all reclassification adjustments from OCI to net income on the face of the statement of OCI. On October 21, 2011, the Financial Accounting Standards Board (FASB) decided to propose a deferral of the new requirement to present reclassifications of other comprehensive income on the face of the income statement. Companies would still be required to adopt the other requirements contained in the new accounting standard for the presentation of comprehensive income.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)-continued

(Tabular dollar amounts in millions, except per share data)

The authoritative guidance is effective for interim and annual periods beginning after December 15, 2011 and is applied retrospectively. Early adoption of the authoritative guidance is permitted. We are currently assessing the impact of the adoption of this authoritative guidance on our consolidated financial statements.

In May 2011, the FASB issued ASU No. 2011-4, Amendments to Achieve Common Fair Value Measurements and Disclosure Requirements in U.S. GAAP and IFRS, which converges fair value measurement and disclosure guidance in U.S. GAAP with fair value measurement and disclosure guidance issued by the International Accounting Standards Board (IASB). The amendments in the authoritative guidance do not modify the requirements for when fair value measurements apply. The amendments generally represent clarifications on how to measure and disclose fair value under ASC 820, Fair Value Measurement. The authoritative guidance is effective prospectively for interim and annual periods beginning after December 15, 2011. Early adoption of the authoritative guidance is not permitted. We are currently assessing the impact, if any, of the adoption of this authoritative guidance on our consolidated financial statements.

In December 2010, the FASB issued ASU No. 2010-29, Business Combinations (Topic 805): Disclosure of Supplementary Pro Forma Information for Business Combinations (a consensus of the FASB Emerging Issues Task Force), which amends authoritative guidance on business combinations regarding how public entities disclose supplemental pro forma information for business combinations that occur during the year. Entities that present comparative financial statements for business combinations must disclose the revenue and earnings of the combined entity as though the business combination that occurred during the current year had occurred as of the beginning of the prior annual reporting period. The authoritative guidance also expanded the disclosures for entities to provide the nature and amount of material, nonrecurring pro forma adjustments directly related to the business combination that is included in the reported pro forma revenue and earnings. The authoritative guidance is effective for business combinations completed in the periods beginning after December 15, 2010 and is applied prospectively as of the date of adoption. We adopted the authoritative guidance on January 1, 2011.

In December 2010, the FASB issued ASU No. 2010-28, Intangibles—Goodwill and Other (Topic 350): When to Perform Step 2 of the Goodwill Impairment Test for Reporting Units with Zero or Negative Carrying Amounts (a consensus of the FASB Emerging Issues Task Force), which requires entities with a zero or negative carrying value to assess, considering qualitative factors, whether it is more likely than not that a goodwill impairment exists, the entity must perform step 2 of the goodwill impairment test. The authoritative guidance does not prescribe a specific method of calculating the carrying value of a reporting unit in the performance of step 1 of the goodwill impairment test. The authoritative guidance is effective for impairment tests performed for fiscal years beginning after December 15, 2010. We adopted the authoritative guidance on January 1, 2011.

In October 2009, the FASB issued ASU No. 2009-14, Certain Revenue Arrangements that Include Software Elements, which amends guidance in ASC 985-605, Software, which focuses on determining which arrangements are included or excluded from the scope of existing software revenue guidance under ASC 985. This guidance removes non-software components of tangible products and certain software components of tangible products from the scope of the existing software revenue guidance, resulting in the recognition of revenue similar to that for other tangible products. The authoritative guidance may be applied prospectively to revenue arrangements entered into or materially modified in fiscal years beginning on or after June 15, 2010 or retrospectively for all arrangements in the period presented. We adopted the new authoritative guidance prospectively as of January 1, 2011. The adoption of this authoritative guidance did not have a material impact on our consolidated financial statements in the period of adoption and is also not expected to have a material impact on our revenue in periods after the initial adoption.

In October 2009, the FASB issued ASU No. 2009-13, Revenue Recognition—Multiple-Deliverable Revenue Arrangements, which amends guidance in ASC 605-25, Revenue Recognition: Multiple-Element Arrangements. The guidance allows companies to allocate arrangement consideration in multiple deliverable arrangements in a manner that better reflects the transaction's economics. It also provides principles and application guidance on whether multiple deliverables exist, how the arrangement should be separated, and the consideration allocated. It also requires an entity to allocate revenue in an arrangement using estimated selling prices of deliverables if a vendor does not have vendor-specific objective evidence or third-party evidence of selling price. The guidance eliminates the use of the residual method, requires entities to allocate revenue using the relative-selling-price method and significantly expands the disclosure requirements for multiple-deliverable revenue arrangements.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)-continued

(Tabular dollar amounts in millions, except per share data)

The authoritative guidance requires new and expanded disclosures and is applied prospectively to revenue arrangements entered into or materially modified in fiscal years beginning on or after June 15, 2010 or retrospectively for all periods presented. We adopted the new authoritative guidance prospectively as of January 1, 2011. The adoption of this authoritative guidance did not have a material impact on our consolidated financial statements and is not expected to have a material impact on our revenue in periods after the initial adoption when applied to multiple element agreements based on the currently anticipated business volume and pricing.

Note 3 Restructuring Charge

Financial Flexibility is an ongoing process by which we seek to reallocate our spending from low-growth or low-value activities to other activities that we believe will create greater value for shareholders through enhanced revenue growth, improved profitability and/or quality improvements. With most initiatives, we have incurred restructuring charges (which generally consist of employee severance and termination costs, contract terminations, asset write-offs, and/or costs to terminate lease obligations less assumed sublease income). These charges are incurred as a result of eliminating, consolidating, standardizing and/or automating our business functions. We have also incurred transition costs such as consulting fees, costs of temporary workers, relocation costs and stay bonuses to implement our Financial Flexibility initiatives.

Restructuring charges have been recorded in accordance with ASC 712-10, Nonretirement Postemployment Benefits, or ASC 712-10, and/or ASC 420-10, Exit or Disposal Cost Obligations, or ASC 420-10, as appropriate.

We record severance costs provided under an ongoing benefit arrangement once they are both probable and estimable in accordance with the provisions of ASC 712-10.

We account for one-time termination benefits, contract terminations, asset write-offs, and/or costs to terminate lease obligations less assumed sublease income in accordance with ASC 420-10, which addresses financial accounting and reporting for costs associated with restructuring activities. Under ASC 420-10, we establish a liability for a cost associated with an exit or disposal activity, including severance and lease termination obligations, and other related costs, when the liability is incurred, rather than at the date that we commit to an exit plan. 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.

The determination of when we accrue for severance costs and which standard applies depends on whether the termination benefits are provided under an ongoing arrangement as described in ASC 712-10 or under a one-time benefit arrangement as defined by ASC 420-10. Inherent in the estimation of the costs related to the restructurings are assessments related to the most likely expected outcome of the significant actions to accomplish the exit activities. In determining the charges related to the restructurings, we had to make estimates related to the expenses associated with the restructurings. These estimates may vary significantly from actual costs depending, in part, upon factors that may be beyond our control. We will continue to review the status of our restructuring obligations on a quarterly basis and, if appropriate, record changes to these obligations in current operations based on management's most current estimates.

Three Months Ended September 30, 2011 vs. Three Months Ended September 30, 2010

During the three months ended September 30, 2011, we recorded a \$5.3 million restructuring charge in connection with Financial Flexibility initiatives. The significant components of these charges included:

Severance and termination costs of \$4.6 million in accordance with the provisions of ASC 712-10. Approximately 100 employees were impacted. The cash payments for these employees will be substantially completed by the second quarter of 2012; and

Lease termination obligations, other costs to consolidate or close facilities and other exit costs of \$0.7 million.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)-continued

(Tabular dollar amounts in millions, except per share data)

During the three months ended September 30, 2010, we recorded a \$3.9 million restructuring charge in connection with Financial Flexibility initiatives. The significant components of these charges included:

Severance and termination costs of \$3.3 million in accordance with the provisions of ASC 712-10. Approximately 100 employees were impacted. The cash payments for these employees were substantially completed by the second quarter of 2011; and

Lease termination obligations, other costs to consolidate or close facilities and other exit costs of \$0.6 million.
Nine Months Ended September 30, 2011 vs. Nine Months Ended September 30, 2010

During the nine months ended September 30, 2011, we recorded a \$18.0 million restructuring charge in connection with Financial Flexibility initiatives. The significant components of these charges included:

Severance and termination costs of \$14.2 million in accordance with the provisions of ASC 712-10. Approximately 305 employees were impacted. The cash payments for these employees will be substantially completed by the second quarter of 2012; and

Lease termination obligations, other costs to consolidate or close facilities and other exit costs of \$3.8 million.
During the nine months ended September 30, 2010, we recorded a \$10.1 million restructuring charge in connection with Financial Flexibility initiatives. The significant components of these charges included:

Severance and termination costs of \$6.9 million in accordance with the provisions of ASC 712-10. Approximately 250 employees were impacted. The cash payments for these employees were substantially completed by the second quarter of 2011; and

Lease termination obligations, other costs to consolidate or close facilities and other exit costs of \$3.2 million.
The following tables set forth, in accordance with ASC 712-10 and/or ASC 420-10, the restructuring reserves and utilization related to our Financial Flexibility initiatives:

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(Tabular dollar amounts in millions, except per share data)

	Severance and Termination	Lease Termination Obligations and Other Exit Costs	Total
Restructuring Charges:			
Balance Remaining as of December 31, 2010	\$ 8.9	\$ 0.5	\$ 9.4
Charge Taken during First Quarter 2011	4.2	0.0	4.2
Payments/Pension Plan Settlement ⁽¹⁾ during First Quarter 2011	(5.1)	0.0	(5.1)
Balance Remaining as of March 31, 2011	\$ 8.0	\$ 0.5	\$ 8.5
Charge Taken during Second Quarter 2011	\$ 5.4	\$ 3.1	\$ 8.5
Payments during Second Quarter 2011	(3.9)	(0.3)	(4.2)
Balance Remaining as of June 30, 2011	\$ 9.5	\$ 3.3	\$ 12.8
Charge Taken during Third Quarter 2011	\$ 4.6	\$ 0.7	\$ 5.3
Payments during Third Quarter 2011	(5.5)	(1.4)	(6.9)
Balance Remaining as of September 30, 2011	\$ 8.6	\$ 2.6	\$ 11.2

(1) We incurred a settlement of \$1.0 million in the first quarter of 2011 related to our Canadian Pension Plan.

	Severance and Termination	Lease Termination Obligations and Other Exit Costs	Total
Restructuring Charges:			
Balance Remaining as of December 31, 2009	\$ 13.8	\$ 0.7	\$ 14.5
Charge Taken during First Quarter 2010	2.1	2.5	4.6
Payments during First Quarter 2010	(6.1)	(0.5)	(6.6)
Balance Remaining as of March 31, 2010	\$ 9.8	\$ 2.7	\$ 12.5
Charge Taken during Second Quarter 2010	\$ 1.5	\$ 0.1	\$ 1.6
Payments during Second Quarter 2010	(3.5)	(0.9)	(4.4)
Balance Remaining as of June 30, 2010	\$ 7.8	\$ 1.9	\$ 9.7
Charge Taken during Third Quarter 2010	\$ 3.3	\$ 0.6	\$ 3.9
Payments during Third Quarter 2010	(3.4)	(0.8)	(4.2)
Balance Remaining as of September 30, 2010	\$ 7.7	\$ 1.7	\$ 9.4

Table of Contents**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)-continued**

(Tabular dollar amounts in millions, except per share data)

Note 4 Notes Payable and Indebtedness

Our borrowings are summarized in the following table:

	At September 30, 2011	At December 31, 2010
Debt Maturing Within One Year:		
Credit Facility	\$ 187.8	\$ 0.0
Other	0.8	1.5
Total Debt Maturing Within One Year	\$ 188.6	\$ 1.5
Debt Maturing After One Year:		
Long-Term Fixed-Rate Notes (Net of a \$0.8 million and a \$1.0 million discount as of September 30, 2011 and December 31, 2010)	\$ 699.2	\$ 699.0
Fair Value Adjustment Related to Hedged Debt	4.5	(1.4)
Credit Facility	0.0	272.0
Other	0.9	2.4
Total Debt Maturing After One Year	\$ 704.6	\$ 972.0

Fixed-Rate Notes

In November 2010, we issued senior notes with a face value of \$300 million that mature on November 15, 2015 (the 2015 notes), bearing interest at a fixed annual rate of 2.875%, payable semi-annually. The proceeds were used in December 2010 to repay our then outstanding \$300 million senior notes, bearing interest at a fixed annual rate of 5.50% which had a maturity date of March 15, 2011 (the 2011 notes). In connection with the redemption of the 2011 notes, we recorded a premium payment of \$3.7 million to Other Income (Expense) Net in the consolidated statement of operations in the fourth quarter of 2010. The 2015 notes of \$299.2 million, net of \$0.8 million remaining discount, are recorded as Long-Term Debt in our unaudited consolidated balance sheet at September 30, 2011.

The 2015 notes were issued at a discount of \$1.1 million and, in connection with the issuance, we incurred underwriting and other fees of approximately \$2.5 million. These costs are being amortized over the life of the 2015 notes. The 2015 notes contain certain covenants that limit our ability to create liens, enter into sale and leaseback transactions and consolidate, merge or sell assets to another entity. The 2015 notes do not contain any financial covenants.

In November and December 2010, we entered into interest rate derivative transactions with aggregate notional amounts of \$125 million. The objective of these hedges is to offset the change in fair value of the fixed rate 2015 notes attributable to changes in LIBOR. These transactions are accounted for as fair value hedges. We recognize the gain or loss on the derivative instrument, as well as the offsetting loss or gain on the hedged item, in Other Income (Expense) Net in the consolidated statement of operations. Approximately \$4.0 million of derivative gains offset by a \$4.1 million loss on the fair value adjustment related to the hedged debt were recorded for the three months ended September 30, 2011. Approximately \$5.8 million of derivative gains offset by a \$5.9 million loss on the fair value adjustment related to the hedged debt were recorded for the nine months ended September 30, 2011.

In April 2008, we issued senior notes with a face value of \$400 million that mature on April 1, 2013 (the 2013 notes), bearing interest at a fixed annual rate of 6.00%, payable semi-annually. The interest rate applicable to the 2013 notes is subject to adjustment if our debt rating is decreased four levels below our A-credit rating we held on the date of issuance. After a rate adjustment, if our debt rating is subsequently upgraded, the adjustment(s) would reverse. The maximum adjustment is 2.00% above the initial interest rate and the rate cannot adjust below 6.00%. As of

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September 30, 2011, no such adjustments to the interest rate have been made. Proceeds from this issuance were used to repay indebtedness under our credit facility. The 2013 notes are recorded as Long-Term Debt in our unaudited consolidated balance sheet at September 30, 2011.

Table of Contents**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)-continued****(Tabular dollar amounts in millions, except per share data)**

The 2013 notes were issued at face value and, in connection with the issuance, we incurred underwriting and other fees of \$3.0 million. These costs are being amortized over the life of the 2013 notes. The 2013 notes contain certain covenants that limit our ability to create liens, enter into sale and leaseback transactions and consolidate, merge or sell assets to another entity. The 2013 notes do not contain any financial covenants.

On January 30, 2008, we entered into interest rate derivative transactions with an aggregate notional amount of \$400 million. The objective of these hedges was to mitigate the variability of future cash flows from market changes in Treasury rates in the anticipation of the issuance of the 2013 notes. These transactions were accounted for as cash flow hedges and, as such, changes in fair value of the hedges that took place through the date of the issuance of the 2013 notes were recorded in Accumulated Other Comprehensive Income (AOCI). In connection with the issuance of the 2013 notes, these interest rate derivative transactions were terminated, resulting in a loss and a payment of \$8.5 million on March 28, 2008, the date of termination. The payments are recorded in AOCI and are being amortized over the life of the 2013 notes.

Credit Facility

At September 30, 2011 and December 31, 2010, we had a \$650 million, five-year bank revolving credit facility, which expires in April 2012. Borrowings under the \$650 million credit facility were available at prevailing short-term interest rates. During the second quarter of 2011, the credit facility had been reclassified from long-term debt to short-term debt because it was set to expire in less than one year. The facility required the maintenance of interest coverage and total debt to EBITDA ratios which were defined in the credit agreement. We were in compliance with these covenants at September 30, 2011 and at December 31, 2010.

At September 30, 2011 and December 31, 2010, we had \$187.8 million and \$272.0 million, respectively, of borrowings outstanding under the \$650 million credit facility with weighted average interest rates of 0.85% and 0.68%, respectively. We borrowed under these facilities from time-to-time for the nine months ended September 30, 2011 to fund our working capital needs and share repurchases. The \$650 million credit facility also supported our commercial paper borrowings of up to \$300 million (limited by borrowed amounts outstanding under the facility). We did not borrow under our commercial paper program for the nine months ended September 30, 2011 or for the year ended December 31, 2010.

In January 2009 and December 2008, we entered into interest rate swap agreements with aggregate notional amounts of \$25 million and \$75 million, respectively, and designated these swaps as cash flow hedges against variability in cash flows related to our \$650 million credit facility. These transactions were accounted for as cash flow hedges and, as such, changes in fair value of the hedges are recorded in AOCI. Approximately \$0.4 million of net derivative losses associated with these swaps was included in AOCI at September 30, 2011.

Other

At September 30, 2011 and December 31, 2010, certain of our international operations had non-committed lines of credit of \$3.6 million and \$3.1 million, respectively. There were no borrowings outstanding under these lines of credit at September 30, 2011 and \$1.9 million borrowings outstanding at December 31, 2010. These arrangements have no material commitment fees and no compensating balance requirements.

At September 30, 2011 and December 31, 2010, we were contingently liable under open standby letters of credit issued by our bank in favor of third parties and guarantees with our banks totaling \$13.7 million and \$12.3 million, respectively.

Cash paid for interest for all outstanding debt totaled \$0.6 million and \$17.3 million during the three month and nine month periods ended September 30, 2011, respectively. During the three month and nine month periods ended September 30, 2010, interest paid totaled \$8.6 million and \$31.0 million, respectively.

Table of Contents**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)-continued**

(Tabular dollar amounts in millions, except per share data)

Note 5 Earnings Per Share

In accordance with the authoritative guidance in ASC 260-10, we are required to assess if any of our share-based payment transactions are deemed participating securities prior to vesting and therefore need to be included in the earnings allocation when computing EPS under the two-class method. The two-class method requires earnings to be allocated between common shareholders and holders of participating securities. All outstanding unvested share-based payment awards that contain non-forfeitable rights to dividends are considered to be a separate class of common stock and should be included in the calculation of basic and diluted EPS. Based on a review of our stock-based awards, we have determined that only our restricted stock awards are deemed participating securities. The weighted average restricted shares outstanding were 55,718 shares and 159,050 shares for the three months ended September 30, 2011 and 2010, respectively. The weighted average restricted shares outstanding were 74,908 shares and 215,513 shares for the nine months ended September 30, 2011 and 2010, respectively.

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2011	2010	2011	2010
Net Income Attributable to D&B	\$ 58.4	\$ 56.5	\$ 166.8	\$ 159.5
Less: Allocation to Participating Securities	(0.1)	(0.2)	(0.2)	(0.7)
Net Income Attributable to D&B Common Shareholders - Basic and Diluted	\$ 58.3	\$ 56.3	\$ 166.6	\$ 158.8
Weighted Average Number of Shares Outstanding - Basic	48.9	49.7	49.2	50.0
Dilutive Effect of Our Stock Incentive Plans	0.2	0.4	0.4	0.5
Weighted Average Number of Shares Outstanding - Diluted	49.1	50.1	49.6	50.5
Basic Earnings Per Share of Common Stock Attributable to D&B Common Shareholders	\$ 1.19	\$ 1.13	\$ 3.38	\$ 3.17
Diluted Earnings Per Share of Common Stock Attributable to D&B Common Shareholders	\$ 1.19	\$ 1.12	\$ 3.36	\$ 3.14

Stock-based awards to acquire 1,720,584 shares and 1,766,773 shares of common stock were outstanding at the three month period ended September 30, 2011 and 2010, respectively, but were not included in the computation of diluted earnings per share because the assumed proceeds, as calculated under the treasury stock method, resulted in these awards being anti-dilutive. Stock-based awards to acquire 1,451,235 shares and 1,476,248 shares of common stock were outstanding at the nine month period ended September 30, 2011 and 2010, respectively, but were not included in the computation of diluted earnings per share because the assumed proceeds, as calculated under the treasury stock method, resulted in these awards being anti-dilutive. Our options generally expire 10 years from the grant date.

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Our share repurchases were as follows:

Program	For the Three Months Ended September 30,				For the Nine Months Ended September 30,			
	2011		2010		2011		2010	
	Shares	\$ Amount	Shares	\$ Amount	Shares	\$ Amount	Shares	\$ Amount
Share Repurchase Programs	501,691(a)	\$ 33.1	264,287(a)	\$ 18.0	976,335(a)	\$ 71.5	869,174(a)	\$ 63.0
Repurchases to Mitigate the Dilutive Effect of the Shares Issued Under Our Stock Incentive Plans and Employee Stock Purchase Plan (ESPP)	308,809(b)	21.0	29,303(c)	2.0	666,365(b)	50.1	657,338(c)	51.8
Total Repurchases	810,500	\$ 54.1	293,590	\$ 20.0	1,642,700	\$ 121.6	1,526,512	\$ 114.8

- (a) In February 2009, our Board of Directors approved a \$200 million share repurchase program, which commenced in December 2009 upon completion of our then existing \$400 million, two-year repurchase program. We anticipate that this program will be completed by the end of fiscal year 2011.
- (b) In May 2010, our Board of Directors approved a new four-year, five million share repurchase program to mitigate the dilutive effect of the shares issued under our stock incentive plans and ESPP. This program commenced in October 2010 and expires in October 2014.
- (c) In August 2006, our Board of Directors approved a four-year, five million share repurchase program to mitigate the dilutive effect of the shares issued under our stock incentive plans and ESPP. This program expired in August 2010 with 4,842,543 of the authorized 5,000,000 shares being repurchased over the life of the program.

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(Tabular dollar amounts in millions, except per share data)

Note 6 Other Accrued and Current Liabilities

	At September 30, 2011	At December 31, 2010
Restructuring Accruals	\$ 11.2	\$ 9.4
Professional Fees	44.4	32.6
Operating Expenses	29.1	29.2
Spin-Off Obligation(1)	20.5	23.0
Bond Interest Payable	15.3	6.7
Other Accrued Liabilities	58.7	64.8
	\$ 179.2	\$ 165.7

- (1) In 2000, as part of a spin-off transaction under which Moody's Corporation (Moody's) and D&B became independent of one another, Moody's and D&B entered into a Tax Allocation Agreement (TAA). Under the TAA, Moody's and D&B agreed that Moody's would be entitled to deduct the compensation expense associated with the exercise of Moody's stock options (including Moody's stock 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 stock options exercised by employees of Moody's). Put simply, the tax deduction would go to the company that granted the stock options, rather than to the employer of the individual exercising the stock options. In 2002 and 2003, the Internal Revenue Service (IRS) issued rulings that clarified that, under the circumstances applicable to Moody's and D&B, the compensation expense deduction belongs to the employer of the option grantee and not to the issuer of the option (i.e., D&B would be entitled to deduct the compensation expense associated with D&B employees exercising Moody's options and Moody's would be entitled to deduct the compensation expense associated with Moody's employees exercising D&B options). We have filed tax returns for 2001 through 2010, and made estimated tax deposits for 2011 consistent with the IRS rulings. We may be required to reimburse Moody's for the loss of compensation expense deductions relating to tax years 2006 to 2010 of approximately \$20.5 million in the aggregate for such years. In 2005 and 2006, we paid Moody's approximately \$30.1 million in the aggregate, which represented the incremental tax benefits realized by D&B for tax years 2003-2005 from using the filing method consistent with the IRS rulings. In February 2011, we paid Moody's an additional sum of approximately \$2.5 million, for tax years 2003 - 2005. While not material, we may also be required to pay, in the future, amounts in addition to the approximately \$20.5 million referenced above based upon interpretations by the parties of the TAA and the IRS rulings.

Note 7 Contingencies

We are involved in tax and legal proceedings, claims and litigation arising in the ordinary course of business for which we believe that we have adequate reserves, and such reserves are not material to our consolidated financial statements. We record a liability when management believes that it is both probable that a liability has been incurred and we can reasonably estimate the amount of the loss. For such matters where management believes a liability is not probable but is reasonably possible, a liability is not recorded. Instead, an estimate of loss or range of loss, if material individually or in the aggregate, is disclosed if reasonably estimable, or a statement will be made that an estimate of loss cannot be made. Once we have disclosed a matter that we believe is or could be material to us, we continue to report on such matter until there is finality of outcome or until we determine that disclosure is no longer warranted. Further, we believe our estimate of the aggregate range of reasonably possible losses, in excess of established reserves, for our legal proceedings was not material at September 30, 2011.

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(Tabular dollar amounts in millions, except per share data)

Hoover's Initial Public Offering Litigation

On November 15, 2001, a putative shareholder class action lawsuit was filed against Hoover's Inc. (Hoover's), certain of its then current and former officers and directors (the Individual Defendants), and one of the underwriters of Hoover's July 1999 initial public offering (IPO). The lawsuit was filed in the U.S. District Court for the Southern District of New York on behalf of purchasers of Hoover's stock between July 20, 1999 and December 6, 2000. The operative complaint alleges violations of the Securities Act of 1933 and the Securities Exchange Act of 1934 against Hoover's and the Individual Defendants. Plaintiffs allege that the underwriter allocated stock in Hoover's IPO to certain investors in exchange for commissions and agreements by those investors to make additional purchases of stock in the aftermarket at prices above the IPO price. Plaintiffs allege that the prospectus for Hoover's IPO was false and misleading because it did not disclose these arrangements.

The defense of the action is being coordinated with more than 300 other nearly identical actions filed against other companies. The parties in the approximately 300 coordinated cases, including ours, reached a settlement. The insurers for the issuer defendants in the coordinated cases will make the settlement payment on behalf of the issuers, including Hoover's. Hoover's would not be required to incur a liability as a result of this settlement. On October 6, 2009, the Court granted final approval to the settlement. Objectors to the settlement appealed its approval to the United States Court of Appeals for the Second Circuit. One appeal was dismissed and the second appeal was remanded to the district court to determine if the appellant is a class member with standing to appeal. Although the district court ruled that the second appellant did not have standing, the second appellant thereafter filed a notice of appeal. No briefing schedule has yet been set for that appeal.

We believe that we do not have a probable or reasonably possible loss exposure given the approved settlement. However, given the appeals noted above and the uncertainty of their impact should they be granted, we currently cannot accurately predict the ultimate outcome of the matter.

Other Matters

In addition, in the normal course of business, and including without limitation, our merger and acquisition activities and financing transactions, 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 arising 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. 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.

Table of Contents**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)-continued****(Tabular dollar amounts in millions, except per share data)****Note 8 Income Taxes**

For the three months ended September 30, 2011, our effective tax rate was 29.7% as compared to 37.3% for the three months ended September 30, 2010. The effective tax rate for the three months ended September 30, 2011, as compared to the three months ended September 30, 2010, was positively impacted by a tax benefit on a loss on the tax basis of a legal entity and negatively impacted by the enactment of a change to United Kingdom (UK) tax laws and the tax impact of a loss on an investment. The effective tax rate for the three months ended September 30, 2010 was negatively impacted by reduced income in our foreign jurisdictions and the enactment of a change to UK tax laws.

For the nine months ended September 30, 2011, our effective tax rate was 29.3% as compared to 37.6% for the nine months ended September 30, 2010. The effective tax rate for the nine months ended September 30, 2011, as compared to the nine months ended September 30, 2010, was positively impacted by the release of reserves for uncertain tax positions due to the expiration of a statute of limitations and by a tax benefit on a loss on the tax basis of a legal entity partially offset by a reduction of our deferred tax assets resulting from an enacted change to the state of New Jersey's tax law during the second quarter of 2011 and the tax impact of a loss on an investment. The effective tax rate for the nine months ended September 30, 2010 was negatively impacted by reduced income in our foreign jurisdictions and the reduction of the deferred tax asset associated with our accrued liability for retiree drug subsidies related to the 2010 Patient Protection and Affordable Care Act which will make subsidy payments taxable in years beginning after December 31, 2012 and positively impacted by the release of reserves for uncertain tax positions following a favorable tax ruling in one of our international jurisdictions and a refund received with respect to a legacy tax matter. For the nine months ended September 30, 2011, there are no changes, other than those described above, in our effective tax rate that either have had or that we expect may reasonably have a material impact on our operations or future performance.

The total amount of gross unrecognized tax benefits as of September 30, 2011 was \$122.4 million. The amount of unrecognized tax benefits that, if recognized, would impact the effective tax rate is \$115.1 million, net of tax benefits. During the three months ended September 30, 2011, we increased our unrecognized tax benefits by \$2.9 million, net of decreases. The increase is primarily due to legacy tax matters.

We or one of our subsidiaries file income tax returns in the U.S. federal, and various state, local and foreign jurisdictions. In the U.S. federal jurisdiction, we are no longer subject to examination by the IRS for years prior to 2005. In state and local jurisdictions, with a few exceptions, we are no longer subject to examinations by tax authorities for years prior to 2007. In foreign jurisdictions, with a few exceptions, we are no longer subject to examinations by tax authorities for years prior to 2006.

The IRS has completed its examination of our 2004, 2005 and 2006 tax years. As reported in our Annual Report on Form 10-K for the year ended December 31, 2010 the IRS proposed certain adjustments to our Research Tax Credits and Domestic Production Deduction. We agreed with the proposed Research Tax Credit adjustments which were fully reserved under authoritative guidance. We disagreed with the proposed Domestic Production Deduction adjustments and are currently having this matter reviewed by the IRS Office of Appeals. We expect this dispute will be resolved within twelve to eighteen months. Should the IRS Office of Appeals decide in favor of the IRS, we do not expect the Domestic Production Deduction adjustment to have a material impact on our consolidated statement of operations or consolidated statement of cash flows.

The IRS is examining our 2007, 2008 and 2009 tax years. We expect the examination will be completed in the fourth quarter of 2013.

We recognize accrued interest expense related to unrecognized tax benefits in our income tax expense. The total amount of interest expense recognized in the three month and nine month periods ended September 30, 2011 was \$0.9 million and \$2.6 million, net of tax benefits, respectively, as compared to \$0.9 million and \$2.2 million, net of tax benefits in the three month and nine month periods ended September 30, 2010, respectively. The total amount of accrued interest as of September 30, 2011 was \$11.0 million, net of tax benefits, as compared to \$12.0 million, net of tax benefits, as of September 30, 2010.

Table of Contents**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)-continued**

(Tabular dollar amounts in millions, except per share data)

Note 9 Pension and Postretirement Benefits

The following table sets forth the components of the net periodic (income) cost associated with our pension plans and our postretirement benefit obligations.

Components of Net Periodic Cost (Income):	Pension Plans				Postretirement Benefit Obligations			
	For the Three Months Ended September 30,		For the Nine Months Ended September 30,		For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2011	2010	2011	2010	2011	2010	2011	2010
Service cost	\$ 1.1	\$ 1.4	\$ 4.5	\$ 4.7	\$ 0.0	\$ 0.1	\$ 0.2	\$ 0.4
Interest cost	21.2	22.5	63.9	67.9	0.2	0.3	0.7	1.7
Expected return on plan assets	(27.8)	(28.2)	(82.9)	(84.7)	0.0	0.0	0.0	0.0
Amortization of prior service cost (credit)	0.0	0.0	0.2	0.1	(2.4)	(2.6)	(7.4)	(4.9)
Recognized actuarial loss (gain)	6.5	5.6	20.1	16.1	(0.6)	(0.7)	(1.7)	(1.6)
Net Periodic Cost (Income)	\$ 1.0	\$ 1.3	\$ 5.8	\$ 4.1	\$ (2.8)	\$ (2.9)	\$ (8.2)	\$ (4.4)

We previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2010 that we expected to contribute \$39.0 million to our U.S. Non-Qualified plans and non-U.S. pension plans and \$6.0 million to our postretirement benefit plan for the year ended December 31, 2011. As of September 30, 2011, we have made contributions to our Non-Qualified U.S. and non-U.S. pension plans of \$33.7 million and postretirement benefit plan of \$4.2 million, respectively.

We also incurred a settlement of \$1.0 million in the first quarter of 2011 related to our Canadian Pension Plan. This settlement is associated with our Financial Flexibility initiatives.

Table of Contents**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)-continued**

(Tabular dollar amounts in millions, except per share data)

Note 10 Segment Information

The operating segments reported below are our segments for which separate financial information is available and upon which operating results are evaluated by management on a timely basis to assess performance and to allocate resources. As of January 1, 2011 we manage our operations through the following three segments: North America (which consists of the U.S. and Canada), Asia Pacific (which primarily consists of our operations in Australia, Japan, China and India), and Europe and Other International Markets (which primarily consists of our operations in the UK, Ireland, Netherlands, Belgium and Latin America). Our customer solution sets are D&B Risk Management Solutions, D&B Sales & Marketing Solutions and D&B Internet Solutions®. Inter-segment sales are immaterial and no single customer accounted for 10% or more of our total revenue. For management reporting purposes, we evaluate business segment performance before restructuring charges, intercompany transactions and our Strategic Technology Investment because these charges 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. 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 initiatives, are not allocated to our business segments.

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2011	2010	2011	2010
Revenue:				
North America	\$ 307.0	\$ 301.2	\$ 886.5	\$ 878.5
Asia Pacific	67.7	37.9	187.4	107.3
Europe and Other International Markets	64.7	56.9	185.9	176.2
Consolidated Core	439.4	396.0	1,259.8	1,162.0
Divested Business	0.0	4.4	0.0	32.9
Consolidated Total	\$ 439.4	\$ 400.4	\$ 1,259.8	\$ 1,194.9
Operating Income (Loss):				
North America	\$ 112.1	\$ 93.5	\$ 324.0	\$ 297.2
Asia Pacific	4.9	0.0	10.3	3.5
Europe and Other International Markets	15.5	14.4	36.6	43.6
Total Segments	132.5	107.9	370.9	344.3
Corporate and Other(1)	(31.8)	(32.9)	(91.2)	(85.5)
Consolidated Total	100.7	75.0	279.7	258.8
Non-Operating Income (Expense), Net(2)	(17.6)	14.7	(46.6)	(5.2)
Income Before Provision for Income Taxes and Equity in Net Income of Affiliates	\$ 83.1	\$ 89.7	\$ 233.1	\$ 253.6

(1) The following table summarizes Corporate and Other:

September 30,

September 30,

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	2011	2010	2011	2010
Corporate Costs	\$ (12.4)	\$ (16.1)	\$ (36.5)	\$ (45.8)
Transition Costs (costs to implement our Financial Flexibility initiatives)	(1.6)	(1.1)	(4.1)	(5.4)
Restructuring Expense	(5.3)	(3.9)	(18.0)	(10.1)
Strategic Technology Investment	(12.5)	(11.8)	(32.6)	(24.2)
Total Corporate and Other	\$ (31.8)	\$ (32.9)	\$ (91.2)	\$ (85.5)

(2) The following table summarizes Non-Operating Income (Expense):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
Interest Income	\$ 0.4	\$ 0.4	\$ 1.3	\$ 1.4
Interest Expense	(9.1)	(11.0)	(27.4)	(34.3)
Other Income (Expense) - Net (a)	(8.9)	25.2	(20.5)	27.7
Non-Operating Income (Expense) - Net	\$ (17.6)	\$ 14.7	\$ (46.6)	\$ (5.2)

(a) During the three months ended September 30, 2011, we recorded an impairment of approximately \$8 million related to a 2008 investment in a research and development data firm as a result of its financial condition and our focus on our strategic technology investment program (maximize customer value). We determined the basis to be zero.

Table of Contents**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)-continued**

(Tabular dollar amounts in millions, except per share data)

Supplemental Geographic and Customer Solution Set Information:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2011	2010	2011	2010
Customer Solution Set Revenue:				
North America:				
Risk Management Solutions	\$ 183.5	\$ 184.0	\$ 540.9	\$ 541.9
Sales & Marketing Solutions	92.9	88.9	256.1	253.0
Internet Solutions	30.6	28.3	89.5	83.6
North America Core Revenue	307.0	301.2	886.5	878.5
Divested Business(2)	0.0	4.4	0.0	32.9
Total North America Revenue	307.0	305.6	886.5	911.4
Asia Pacific:				
Risk Management Solutions	47.2	22.5	128.4	59.8
Sales & Marketing Solutions	20.3	15.1	58.3	46.6
Internet Solutions	0.2	0.3	0.7	0.9
Asia Pacific Core Revenue	67.7	37.9	187.4	107.3
Divested Business	0.0	0.0	0.0	0.0
Total Asia Pacific Revenue	67.7	37.9	187.4	107.3
Europe and Other International Markets:				
Risk Management Solutions	52.4	48.4	154.7	149.8
Sales & Marketing Solutions	11.6	7.9	29.4	24.8
Internet Solutions	0.7	0.6	1.8	1.6
Europe and Other International Markets Core Revenue	64.7	56.9	185.9	176.2
Divested Business	0.0	0.0	0.0	0.0
Total Europe and Other International Markets Revenue	64.7	56.9	185.9	176.2
Consolidated Total:				
Risk Management Solutions	283.1	254.9	824.0	751.5
Sales & Marketing Solutions	124.8	111.9	343.8	324.4
Internet Solutions	31.5	29.2	92.0	86.1
Core Revenue	439.4	396.0	1,259.8	1,162.0
Divested Business(2)	0.0	4.4	0.0	32.9
Consolidated Total Revenue	\$ 439.4	\$ 400.4	\$ 1,259.8	\$ 1,194.9

Table of Contents**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)-continued**

(Tabular dollar amounts in millions, except per share data)

- (2) On July 30, 2010, we completed the sale of substantially all of the assets and liabilities of our North American Self Awareness Solution business. This sale has been classified as a Divestiture. Our divested business contributed 1% and 3% of our total consolidated revenue for the three month and nine month periods ended September 30, 2010, respectively. The following table represents divested revenue by solution set:

	For the Three Months Ended September 30, 2010	For the Nine Months Ended September 30, 2010
Divested Business:		
Risk Management Solutions	\$ 4.3	\$ 32.0
Sales & Marketing Solutions	0.0	0.0
Internet Solutions	0.1	0.9
Total Divested Revenue	\$ 4.4	\$ 32.9

	At September 30, 2011	At December 31, 2010
Assets:		
North America	\$ 669.2	\$ 798.5
Asia Pacific	472.8	462.9
Europe and Other International Markets	320.4	348.2
Total Segments	1,462.4	1,609.6
Corporate and Other	313.2	295.9
Consolidated Total	\$ 1,775.6	\$ 1,905.5

Goodwill(3):		
North America	\$ 266.0	\$ 266.3
Asia Pacific	234.3	218.3
Europe and Other International Markets	122.0	115.1
Consolidated Total	\$ 622.3	\$ 599.7

- (3) The increase in goodwill in the Asia Pacific and Europe and Other International Markets operating segments to \$234.3 million and \$122.0 million, respectively, at September 30, 2011 from \$218.3 million and \$115.1 million, respectively, at December 31, 2010 was primarily due to the positive impact of foreign currency translation.

Table of Contents**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)-continued**

(Tabular dollar amounts in millions, except per share data)

Note 11 Acquisition*Dun & Bradstreet Australia Holdings Limited*

On August 31, 2010, we acquired a 100% equity interest in Dun & Bradstreet Australia Holdings Limited (D&B Australia) for a net cash outlay of \$204.5 million, subject to working capital adjustment, primarily with our international cash. Related to this acquisition, we entered into a hedge to protect the translation of the Australian dollar-denominated purchase price into U.S. Dollars and realized a net derivative gain of \$3.4 million in Other Income (Expense) - Net in our consolidated statement of operations. D&B Australia was a member of the D&B Worldwide Network and is the leading credit and information service provider in Australia and New Zealand.

The acquisition of D&B Australia represents a strong fit with our international strategy and allows us to participate directly in a geographic region that has increasing importance for our global customers. D&B Australia is a leader in commercial risk and receivables management and owns and operates an emerging high growth consumer credit service. Through these businesses, D&B Australia is able to efficiently collect high quality data on most businesses within Australia and New Zealand. The results of D&B Australia have been included in our consolidated financial statements since the date of acquisition.

The acquisition was valued at \$209.5 million, including a working capital adjustment of \$1.6 million. Transaction costs of \$3.2 million were included in operating expenses in the consolidated statement of operations. The acquisition was accounted for as a purchase transaction, and accordingly, the assets and liabilities of the acquired entity were recorded at their estimated fair values at the date of acquisition. The table below reflects the purchase price related to the acquisition, including the first quarter of 2011 adjustments to intangibles and deferred taxes, and the resulting purchase price allocations:

	Amortization Life (years)	Acquisition
Current Assets		\$ 21.8
Intangible Assets:		
Goodwill		150.3
Customer Relationships	10 - 14	29.0
Database	6	15.4
Technology	7.5	10.5
Reacquired Rights	12	11.5
Trade Name	Indefinite	0.8
Other		13.1
 Total Assets Acquired		 252.4
Current Liabilities		(21.9)
Noncurrent Liabilities		(21.0)
 Total Liabilities Assumed		 (42.9)
 Total Purchase Price		 \$ 209.5

The goodwill was assigned to our Australia reporting unit, which is a part of our Asia Pacific segment. The primary item that generated the goodwill is the value of revenue growth from D&B Australia's future customers and future technology development. The intangible assets, with useful lives from 6 to 14 years, are being amortized over a weighted-average useful life of 9.5 years. The intangibles have been recorded as Trademarks, Patents and Other within Other Non-Current Assets in our consolidated balance sheet since the date of acquisition. The impact that the acquisition would have had on our results had the acquisition occurred at the beginning of 2010 is not material, and, as such, pro forma

financial results have not been presented.

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(Tabular dollar amounts in millions, except per share data)

Note 12 Financial Instruments

We employ established policies and procedures to manage our exposure to changes in interest rates and foreign currencies. We use foreign exchange forward contracts to hedge short-term foreign currency denominated loans, investments and certain third-party and intercompany transactions. We may use foreign exchange option contracts to hedge investments and reduce our international earnings exposure to adverse changes in foreign exchange rates. In addition, we may use interest rate derivatives to hedge a portion of the interest rate exposure on our outstanding debt or in anticipation of future debt issuance, 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 September 30, 2011 and December 31, 2010, 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 September 30, 2011 and December 31, 2010, because 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 our 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 and limit volatility, we may use fixed-rate debt, floating-rate debt and/or interest rate swaps. We recognize all derivative instruments as either assets or liabilities at fair value in the statement of financial position.

Fair Value Hedges

For derivative instruments that are designated and qualify as a fair value hedge, we assess quarterly whether the swaps are highly effective in offsetting changes in the fair value of the hedged debt. Changes in fair values of interest rate swap agreements that are designated fair-value hedges are recognized in earnings as an adjustment of *Other Income (Expense) Net* in our consolidated statement of operations. The effectiveness of hedge accounting is monitored on an ongoing basis, and if considered ineffective, we discontinue hedge accounting prospectively.

In November 2010, we issued senior notes with a face value of \$300 million that mature on November 15, 2015. In November and December 2010, we entered into interest rate derivative transactions with aggregate notional amounts of \$125 million. The objective of these hedges is to offset the change in fair value of the fixed rate 2015 notes attributable to changes in LIBOR. These transactions are accounted for as fair value hedges. We recognize the gain or loss on the derivative instrument, as well as the offsetting loss or gain on the hedged item, in *Other Income (Expense) Net* in our consolidated statement of operations. Approximately \$4.0 million of derivative gains offset by a \$4.1 million loss on the fair value adjustment related to the hedged debt were recorded for the three months ended September 30, 2011. Approximately \$5.8 million of derivative gains offset by a \$5.9 million loss on the fair value adjustment related to the hedged debt were recorded for the nine months ended September 30, 2011.

Cash Flow Hedges

For derivative instruments that are designated and qualify as a cash flow hedge, the effective portion of the gain or loss on the derivative is reported as a component of other comprehensive income and reclassified to earnings in the same period or periods during which the hedged transaction affects earnings. Gains and losses on the derivative representing either hedge ineffectiveness or hedge components excluded from the assessment of effectiveness are recognized in current earnings.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)-continued

(Tabular dollar amounts in millions, except per share data)

In January 2009 and December 2008, we entered into interest rate swap agreements with an aggregate notional amount of \$25 million and \$75 million, respectively, and designated these swaps as cash flow hedges against variability in cash flows related to our bank revolving credit facility. These transactions are accounted for as cash flow hedges and, as such, changes in fair value of the hedges are recorded in AOCI. At September 30, 2011, the balance of net derivative losses associated with these swaps included in AOCI was \$0.4 million.

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 denominated primarily in the British pound sterling, the Euro and Canadian dollar. 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 statement of operations and are essentially offset by the gains and losses on the underlying foreign currency transactions.

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 may use foreign exchange option contracts to hedge certain foreign earnings and foreign exchange forward contracts to hedge certain net investment positions. 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.

As of September 30, 2011 and 2010, the notional amounts of our foreign exchange contracts were \$379.0 million and \$326.9 million, respectively.

Table of Contents**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)-continued**

(Tabular dollar amounts in millions, except per share data)

Fair Values of Derivative Instruments in the Consolidated Balance Sheet

	Asset Derivatives				Liability Derivatives			
	September 30, 2011		December 31, 2010		September 30, 2011		December 31, 2010	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Derivatives designated as hedging instruments								
Interest rate contracts	Other Current Assets	\$ 4.2	Other Current Assets	\$ 0.0	Other Accrued & Current Liabilities	\$ 0.4	Other Accrued & Current Liabilities	\$ 2.9
Total derivatives designated as hedging instruments		\$ 4.2		\$ 0.0		\$ 0.4		\$ 2.9
Derivatives not designated as hedging instruments								
Foreign exchange forward contracts	Other Current Assets	\$ 0.2	Other Current Assets	\$ 0.4	Other Accrued & Current Liabilities	\$ 0.8	Other Accrued & Current Liabilities	\$ 0.9
Foreign exchange option contracts	Other Current Assets	0.1	Other Current Assets	0.1	Other Accrued & Current Liabilities	0.0	Other Accrued & Current Liabilities	0.0
Total derivatives not designated as hedging instruments		\$ 0.3		\$ 0.5		\$ 0.8		\$ 0.9
Total Derivatives		\$ 4.5		\$ 0.5		\$ 1.2		\$ 3.8

Table of Contents**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)-continued**

(Tabular dollar amounts in millions, except per share data)

The Effect of Derivative Instruments on the Consolidated Statement of Operations

Derivatives in	Amount of Gain or (Loss) Recognized in OCI on Derivative (Effective Portion)				Location of Gain or (Loss) Reclassified from Accumulated OCI Into Income (Effective Portion)	Amount of Gain or (Loss) Reclassified from Accumulated OCI Into Income (Effective Portion)				Location of Gain or (Loss) Recognized in Income on Derivative (Ineffective Portion and Amount Excluded from Effectiveness Testing)	Amount of Gain or (Loss) Recognized in Income on Derivative (Ineffective Portion and Amount Excluded from Effectiveness Testing)			
	For the Three Months Ended September 30, 2011		For the Nine Months Ended September 30, 2010			For the Three Months Ended September 30, 2011		For the Nine Months Ended September 30, 2010			For the Three Months Ended September 30, 2011		For the Nine Months Ended September 30, 2010	
Cash Flow														
Hedging Relationships														
Interest rate contracts	\$ 0.4	\$ (0.1)	\$ 1.0	\$ (0.9)	- Net	\$ (0.4)	\$ (0.4)	\$ (1.2)	\$ (1.1)	- Net	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0

Gain or (Loss) Recognized in Income on Derivative

Derivatives in Fair Value	Location	For the Three Months Ended September 30, 2011	For the Nine Months Ended September 30, 2011	Hedged Item	Location	For the Three Months Ended September 30, 2010	For the Nine Months Ended September 30, 2010
		Hedging Relationships					
Interest rate contracts	Non-Operating Income (Expenses) - Net	\$ 4.0	\$ 5.8	Fixed-rate debt	Non-Operating Income (Expenses) - Net	\$ (4.1)	\$ (5.9)

Our forward exchange contracts and foreign exchange options are not designated as hedging instruments under authoritative guidance.

Table of Contents**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)-continued**

(Tabular dollar amounts in millions, except per share data)

The Effect of Derivative Instruments on the Consolidated Statement of Operations

Derivatives not Designated as Hedging Instruments	Location of Gain or (Loss)	Amount of Gain or (Loss)		Amount of Gain or (Loss)	
	Recognized in Income on Derivative	Recognized in Income On Derivative		Recognized in Income On Derivative	
		For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
		2011	2010	2011	2010
Forward exchange contracts	Non-Operating Income (Expenses) - Net	\$ (1.9)	\$ 8.4	\$ 3.2	\$ 0.6

Fair Value of Financial Instruments

Our financial assets and liabilities that are reflected in the consolidated financial statements include derivative financial instruments, cash and cash equivalents, accounts receivable, other receivables, accounts payable, short-term and long-term borrowings. 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 foreign currency exchange rates. Fair value for derivative financial instruments is determined utilizing a market approach.

We have an established and well-documented process for determining fair values. Fair value is based upon quoted market prices, where available. If listed prices or quotes are not available, we use quotes from independent pricing vendors based on recent trading activity and other relevant information including market interest rate curves and referenced credit spreads.

In addition to utilizing external valuations, we conduct our own internal assessment of the reasonableness of the external valuations by utilizing a variety of valuation techniques including Black-Scholes option pricing and discounted cash flow models that are consistently applied. Inputs to these models include observable market data such as yield curves, and foreign exchange rates where applicable. Our assessments are designed to identify prices that appear stale, those that have changed significantly from prior valuations and other anomalies that may indicate that a price may not be accurate. We also follow established routines for reviewing and reconfirming valuations with the pricing provider, if deemed appropriate. In addition, the pricing provider has an established challenge process in place for all valuations, which facilitates identification and resolution of potentially erroneous prices. Valuation adjustments may be made to ensure that financial instruments are recorded at fair value. These adjustments include amounts to reflect counterparty credit quality, and our own creditworthiness and constraints on liquidity. For non-active markets that do not have observable pricing or sufficient trading volumes, or for positions that are subject to transfer restrictions, valuations are adjusted to reflect illiquidity and/or non-transferability. Such adjustments are generally based on available market evidence. In the absence of such evidence, management's best estimate will be used.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while we believe our valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

Table of Contents**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)-continued****(Tabular dollar amounts in millions, except per share data)**

The following table presents information about our assets and liabilities measured at fair value on a recurring basis as of September 30, 2011 and December 31, 2010, and indicates the fair value hierarchy of the valuation techniques utilized by us to determine such fair value. Level inputs, as defined by authoritative guidance, are as follows:

Level Input:	Input Definition:
Level I	Observable inputs utilizing quoted prices (unadjusted) for identical assets or liabilities in active markets at the measurement date.
Level II	Inputs other than quoted prices included in Level I that are either directly or indirectly observable for the asset or liability through corroboration with market data at the measurement date.
Level III	Unobservable inputs for the asset or liability in which little or no market data exists therefore requiring management's best estimate of what market participants would use in pricing the asset or liability at the measurement date.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the fair value measurement in its entirety falls has been determined based on the lowest level input that is significant to the fair value measurement in its entirety. Our assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the asset or liability.

The following table summarizes fair value measurements by level at September 30, 2011 for assets and liabilities measured at fair value on a recurring basis:

	Quoted Prices in Active Markets for Identical Assets (Level I)	Significant Other Observable Inputs (Level II)	Significant Unobservable Inputs (Level III)	Balance at September 30, 2011
Assets:				
Cash Equivalents(1)	\$ 26.9	\$ 0.0	\$ 0.0	\$ 26.9
Other Current Assets:				
Foreign Exchange Forwards(2)	\$ 0.0	\$ 0.2	\$ 0.0	\$ 0.2
Foreign Exchange Option Contracts(2)	\$ 0.0	\$ 0.1	\$ 0.0	\$ 0.1
Swap Arrangement(3)	\$ 0.0	\$ 4.2	\$ 0.0	\$ 4.2
Liabilities:				
Other Accrued and Current Liabilities:				
Foreign Exchange Forwards(2)	\$ 0.0	\$ 0.8	\$ 0.0	\$ 0.8
Swap Arrangement(3)	\$ 0.0	\$ 0.4	\$ 0.0	\$ 0.4

- (1) Cash equivalents represent fair value as it consists of highly liquid investments with an original maturity of three months or less.
- (2) Primarily represents foreign currency forward and option contracts. Fair value is determined utilizing a market approach and considers a factor for nonperformance in the valuation.
- (3) Primarily represents our interest rate swap agreements including \$0.4 million related to cash flow hedges and \$4.2 million related to fair value hedges. Fair value is determined utilizing a market approach and considers a factor for nonperformance in the valuation.

Table of Contents**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)-continued**

(Tabular dollar amounts in millions, except per share data)

The following table summarizes fair value measurements by level at December 31, 2010 for assets and liabilities measured at fair value on a recurring basis:

	Quoted Prices in Active Markets for Identical Assets (Level I)	Significant Other Observable Inputs (Level II)	Significant Unobservable Inputs (Level III)	Balance at December 31, 2010
Assets:				
Cash Equivalents(1)	\$ 32.3	\$ 0.0	\$ 0.0	\$ 32.3
Other Current Assets:				
Foreign Exchange Forwards(2)	\$ 0.0	\$ 0.4	\$ 0.0	\$ 0.4
Foreign Exchange Option Contracts(2)	\$ 0.0	\$ 0.1	\$ 0.0	\$ 0.1
Liabilities:				
Other Accrued and Current Liabilities:				
Foreign Exchange Forwards(2)	\$ 0.0	\$ 0.9	\$ 0.0	\$ 0.9
Swap Arrangement(3)	\$ 0.0	\$ 2.9	\$ 0.0	\$ 2.9

- (1) Cash equivalents represent fair value as it consists of highly liquid investments with an original maturity of three months or less.
- (2) Primarily represents foreign currency forward contracts. Fair value is determined utilizing a market approach and considers a factor for nonperformance in the valuation.
- (3) Primarily represents our interest rate swap agreements including \$1.4 million related to cash flow hedges and \$1.5 million related to fair value hedges. Fair value is determined utilizing a market approach and considers a factor for nonperformance in the valuation.

At September 30, 2011 and December 31, 2010, the fair value of cash and cash equivalents, accounts receivable, other receivables and accounts 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 valuation models using discounted cash flow methodologies with market data inputs from globally recognized data providers and third-party quotes from major financial institutions are as follows:

	September 30, 2011		Balance at December 31, 2010	
	Carrying Amount (Asset) Liability	Fair Value (Asset) Liability	Carrying Amount (Asset) Liability	Fair Value (Asset) Liability
Long-term Debt	\$ 699.2	\$ 730.4	\$ 699.0	\$ 730.3
Credit Facilities	\$ 187.8	\$ 186.4	\$ 272.0	\$ 267.8

Table of Contents**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)-continued****(Tabular dollar amounts in millions, except per share data)****Items Measured at Fair Value on a Nonrecurring Basis**

In addition to assets and liabilities that are recorded at fair value on a recurring basis, we are required to record assets and liabilities at fair value on a nonrecurring basis as required by GAAP. Generally, assets are recorded at fair value on a nonrecurring basis as a result of impairment charges. During the three month and nine month periods ended September 30, 2011 and 2010, we did not measure any assets or liabilities at fair value on a nonrecurring basis.

During the second quarter of 2010, we recorded an impairment charge of \$6.8 million of intangible assets related to database, technology, tradename and customer relationships which related to the 2009 Quality Education Data acquisition, resulting from an examination of such assets initiated in connection with a settlement with the Federal Trade Commission. We determined that the new cost basis of these intangible assets based on internally developed cash flow projections (Level III inputs) to measure fair value, as market data of these assets are not readily available. The impairment charge is included in Selling and Administrative Expenses in our North America segment.

During the third quarter of 2010, we recorded a \$13.6 million impairment charge related to software and intangible assets which related to the 2007 Purisma acquisition, resulting from our decision to restructure this business. After analyzing various options, we decided to focus mostly on providing maintenance and customer support to our existing customer base. We determined the new cost basis of these assets is zero based on internally developed cash flow projections (Level III inputs) to measure fair value, as market data of these assets are not readily available. The impairment charge is included in Operating Expenses in our North America segment.

Note 13 Divestiture*North American Self Awareness Solution Business*

On July 30, 2010, we sold substantially all of the assets and liabilities of our North American Self Awareness Solution business. The sale was part of a strategic relationship whereby the buyer operates the acquired business under the name of Dun & Bradstreet Credibility Corp. and distributes certain D&B-branded products primarily to the micro customer segment. Under the terms of the agreement, we received \$10 million in cash at closing and we are entitled to annual royalty payments from the buyer for data and brand licensing.

During the nine months ended September 30, 2010, we recorded a pre-tax gain of \$23.1 million from the sale in Other Income (Expense) Net in the consolidated statement of operations.

Our North American Self Awareness Solutions business provided credit on self products for small and micro businesses. The sale of this business provided us with the ability to better focus our resources on our core customer segments and maximize shareholder value.

Note 14 Comprehensive Income (Loss)

	Three Months Ended September 30,	
	2011	2010
Net Income	\$ 58.8	\$ 56.8
Change in Cumulative Translation Adjustment	4.6	21.3
Pension Adjustments, net of tax expense of \$3.4 million and tax expense of \$11.3 million for the three months ended September 30, 2011 and 2010, respectively	2.5	18.9
Derivative Financial Instruments, no tax impact	0.9	0.0
Net Income Attributable to Noncontrolling Interest	(0.6)	(0.6)
Comprehensive Income Attributable to D&B	\$ 66.2	\$ 96.4

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)-continued

(Tabular dollar amounts in millions, except per share data)

Note 15 Subsequent Events

Dividend Declaration

In October 2011, our Board of Directors approved the declaration of a dividend of \$0.36 per share for the fourth quarter of 2011. This cash dividend will be payable on December 13, 2011 to shareholders of record at the close of business on November 28, 2011.

Credit Facility

On October 25, 2011, we terminated our \$650 million, five-year bank revolving credit facility and entered into a new \$800 million five-year revolving credit facility which matures in October 2016. The facility was renewed at commercial terms substantially similar to the former facility, the same financial covenants, and with borrowing rates that reflect the prevailing market for companies of similar credit quality.

Share Repurchases

In October 2011, our Board of Directors approved a new \$500 million share repurchase program. This program will commence at the completion of our existing \$200 million share repurchase program.

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Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Business Overview

The Dun & Bradstreet Corporation (D&B or we or our) is the world's leading source of commercial information and insight on businesses, enabling customers to Decide with Confidence[®] for 170 years. Our global commercial database contains more than 200 million business records. The database is enhanced by our proprietary DUNSRight[®] Quality Process, which provides our customers with quality business information. This quality information is the foundation of our global solutions that customers rely on to make critical business decisions.

We provide solution sets that meet a diverse set of customer needs globally. Customers use our D&B Risk Management Solutions to mitigate credit and supplier risk, increase cash flow and drive increased profitability; our D&B Sales & Marketing Solutions to increase revenue from new and existing customers; and our D&B Internet Solutions[®] to convert prospects into clients faster by enabling business professionals to research companies, executives and industries.

As of January 1, 2011, we began reporting our business through three segments:

North America (which consists of our operations in the United States (U.S.) and Canada);

Asia Pacific (which primarily consists of our operations in Australia, Japan, China and India); and

Europe and Other International Markets (which primarily consists of our operations in the United Kingdom (UK), Ireland, Netherlands, Belgium and Latin America).

How We Manage Our Business

For internal management purposes, we refer to core revenue, which we calculate as total operating revenue less the revenue of divested businesses. Core revenue is used to manage and evaluate the performance of our segments and to allocate resources because this measure provides an indication of the underlying changes in revenue in a single performance measure. Core revenue does not include reported revenue of divested businesses since they are not included in future revenue.

On July 30, 2010, we completed the sale of substantially all of the assets and liabilities of our North American Self Awareness Solution business. This business has been classified as a Divested Business. This divested business contributed 1% and 3% of our North America total revenue for the three month and nine month periods ended September 30, 2010, respectively. See Note 10 and Note 13 to our unaudited consolidated financial statements included in Item 1. of this Quarterly Report on Form 10-Q for further detail.

We also isolate the effects of changes in foreign exchange rates on our revenue growth because 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. The change in our revenue growth attributable to foreign currency rates is determined by converting both our prior and current periods by a constant rate. 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 core revenue growth before the effects of foreign exchange.

From time-to-time we have analyzed and we may continue to further 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, charges and intercompany transactions 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 because such charges 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. A recurring component of non-core gains and charges are our restructuring charges, which result from a

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foundational element of our growth strategy that we refer to as Financial Flexibility. Through Financial Flexibility, management identifies opportunities to improve the performance of the business in terms of reallocating our spending from low-growth or low-value activities to activities that we believe will create greater value for shareholders through enhanced revenue growth, improved profitability and/or quality improvements. Management is committed through this process to examining our spending, and optimizing between variable and fixed costs to ensure flexibility in changes to our operating expense base as we make strategic choices. This enables us to continually and systematically identify improvement opportunities in terms of quality, cost and customer experience. Such charges are variable from period-to-period based upon actions identified and taken during each period. Management reviews operating results before such non-core gains and charges on a monthly basis and establishes internal budgets and forecasts based upon such measures. Management further establishes annual and long-term compensation such as salaries, target cash bonuses and target equity compensation amounts based on performance before non-core gains and charges and a significant percentage weight is placed upon performance before non-core gains and charges in determining whether performance objectives have been achieved. Management believes that by eliminating non-core gains and charges from such financial measures, and by being overt to shareholders about the results of our operations excluding such charges, business leaders are provided incentives to recommend and execute actions that are in the best long-term interests of our shareholders, rather than being influenced by the potential impact a charge in a particular period could have on their compensation. 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

Corporate and Other expenses and are not allocated to our business segments. See Note 10 to our unaudited consolidated financial statements included in Item 1. of this Quarterly Report on Form 10-Q 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 such non-core gains and charges 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 and may drive behavior that does not ultimately maximize shareholder value. It may be concluded from our presentation of non-core gains and charges that the items that result in non-core gains and charges may occur in the future.

We monitor free cash flow as a measure of our business. We define free cash flow as net cash provided by operating activities minus capital expenditures and additions to computer software and other intangibles. Free cash flow measures our available cash flow for potential debt repayment, acquisitions, stock repurchases, dividend payments 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 for, or superior to, net cash flows provided by operating activities, investing activities or financing activities. Therefore, we believe it is important to view free cash flow as a complement to our consolidated statements of cash flows.

In addition, we evaluate our North America Risk Management Solutions based on two metrics: (1) subscription, and non-subscription, and (2) DNBI[®] and non-DNBI. We define subscription as contracts that allow customers unlimited use. In these instances, we recognize revenue ratably over the term of the contract, which is generally one year and non-subscription as all other revenue streams. We define DNBI as our interactive, customizable online solution that offers our customers real time access to our most complete and up-to-date global DUNSRight information, comprehensive monitoring and portfolio analysis and non-DNBI as all other revenue streams. Management believes these measures provide further insight into our performance and growth of our North America Risk Management Solutions revenue.

The adjustments discussed herein to our results as determined under generally accepted accounting principles in the United States of America (GAAP) 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, as noted above, for compensation purposes. However, these financial measures (e.g., 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, investing activities and financing 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.

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

Overview

As of January 1, 2011, we began reporting our business through three segments:

North America (which consists of our operations in the U.S. and Canada);

Asia Pacific (which primarily consists of our operations in Australia, Japan, China and India); and

Europe and Other International Markets (which primarily consists of our operations in the UK, Ireland, Netherlands, Belgium and Latin America).

The financial statements of our subsidiaries outside North America reflect a fiscal quarter ended August 31 to facilitate the timely reporting of our unaudited consolidated financial results and unaudited consolidated financial position.

The following table presents the contribution by segment to total revenue and core revenue:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2011	2010	2011	2010
Total Revenue:				
North America	70%	76%	70%	76%
Asia Pacific	15%	10%	15%	9%
Europe and Other International Markets	15%	14%	15%	15%
Core Revenue:				
North America	70%	76%	70%	76%
Asia Pacific	15%	10%	15%	9%
Europe and Other International Markets	15%	14%	15%	15%

The following table presents contributions by customer solution set to total revenue and core revenue:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2011	2010	2011	2010
Total Revenue by Customer Solution Set(1):				
Risk Management Solutions	65%	64%	66%	63%
Sales & Marketing Solutions	28%	28%	27%	27%
Internet Solutions	7%	7%	7%	7%
Core Revenue by Customer Solution Set:				
Risk Management Solutions	65%	65%	66%	65%
Sales & Marketing Solutions	28%	28%	27%	28%
Internet Solutions	7%	7%	7%	7%

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(1) Our divested business contributed 1% and 3% of our total consolidated revenue for the three month and nine month periods ended September 30, 2010, respectively. See Note 10 and Note 13 to our unaudited consolidated financial statements included in Item 1. of this Quarterly Report on Form 10-Q for further detail.

Our customer solution sets are discussed in greater detail in Item 1. Business in our Annual Report on Form 10-K for the year ended December 31, 2010.

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

Table of Contents**Risk Management Solutions**

Our Traditional Risk Management Solutions include our DNBI Solution and also consist of reports from our database used primarily for making decisions about new credit applications. Our Traditional Risk Management Solutions constituted the following percentages of total Risk Management Solutions Revenue, Total Revenue and Core Revenue:

	For the Three Months Ended		For the Nine Months	
	September 30,		Ended	
	2011	2010	2011	2010
Risk Management Solutions Revenue	75%	74%	75%	74%
Total Revenue	49%	47%	50%	47%
Core Revenue	49%	48%	50%	48%

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 the following percentages of total Risk Management Solutions Revenue, Total Revenue and Core Revenue:

	For the Three Months Ended		For the Nine Months	
	September 30,		Ended	
	2011	2010	2011	2010
Risk Management Solutions Revenue	19%	19%	19%	20%
Total Revenue	12%	13%	12%	12%
Core Revenue	12%	13%	12%	13%

Our Supply Management Solutions can help companies better understand the financial risks of their supply chains. Our Supply Management Solutions constituted the following percentages of total Risk Management Solutions Revenue, Total Revenue and Core Revenue:

	For the Three Months Ended		For the Nine Months	
	September 30,		Ended	
	2011	2010	2011	2010
Risk Management Solutions Revenue	6%	7%	6%	6%
Total Revenue	4%	4%	4%	4%
Core Revenue	4%	4%	4%	4%

Sales & Marketing Solutions

Our Traditional Sales & Marketing Solutions generally consist of marketing lists, labels and customized data files used by our customers in their direct mail and marketing activities. Our Traditional Sales & Marketing Solutions constituted the following percentages of total Sales & Marketing Solutions Revenue, Total Revenue and Core Revenue:

	For the Three Months Ended		For the Nine Months	
	September 30,		Ended	
	2011	2010	2011	2010
Sales & Marketing Solutions Revenue	39%	44%	37%	41%
Total Revenue	11%	12%	10%	11%
Core Revenue	11%	12%	10%	11%

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Our Value-Added Sales & Marketing Solutions generally include decision-making and customer information management solutions. Our Value-Added Sales & Marketing Solutions constituted the following percentages of total Sales & Marketing Solutions Revenue, Total Revenue and Core Revenue:

	For the Three Months Ended		For the Nine Months	
	September 30,		Ended	
	2011	2010	2011	2010
Sales & Marketing Solutions Revenue	61%	56%	63%	59%
Total Revenue	17%	16%	17%	16%
Core Revenue	17%	16%	17%	17%

Critical Accounting Policies and Estimates

In preparing our unaudited consolidated financial statements and accounting for the underlying transactions and balances reflected therein, we have applied the critical accounting policies described in Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K for the year ended December 31, 2010.

With the exception of the adoption of an accounting pronouncement related to revenue recognition and an update to our goodwill accounting policy, discussed below, there have been no material changes to our significant accounting policies as described in Note 1 to our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2010.

Revenue Recognition

Effective January 1, 2011, we adopted Accounting Standards Update (ASU) No. 2009-13, Revenue Recognition Multiple-Deliverable Revenue Arrangements, which amends guidance in Accounting Standards Codification (ASC) 605-25, Revenue Recognition: Multiple-Element Arrangements, on a prospective basis for all new or materially modified arrangements entered into on or after that date. The new standard:

Provides updated guidance on whether multiple deliverables exist, how the elements in an arrangement should be separated, and how the consideration should be allocated;

Requires an entity to allocate revenue in an arrangement using the best estimated selling prices (BESP) of each element if a vendor does not have vendor-specific objective evidence of selling price (VSOE) or third-party evidence of selling price (TPE); and

Eliminates the use of the residual method and requires a vendor to allocate revenue using the relative selling price method.

Multiple Element Arrangements

We have certain solution offerings that are sold as multi-element arrangements. The multiple element arrangements or deliverables may include access to our business information database, information data files, periodic data refreshes, software and services. We evaluate each deliverable in an arrangement to determine whether it represents a separate unit of accounting. Most product and service deliverables qualify as separate units of accounting and can be sold standalone or in various combinations across our markets. A deliverable constitutes a separate unit of accounting when it has standalone value and there are no customer-negotiated refunds or return rights for the delivered items. If the arrangement includes a customer-negotiated refund or return right relative to the delivered items, and the delivery and performance of the undelivered item is considered probable and substantially in our control, the delivered item constitutes a separate unit of accounting. The new guidance allows for deliverables with standalone value in a multi-element arrangement for which revenue was previously deferred due to undelivered elements not having fair value of selling price to be separated and recognized as delivered, rather than over the longest service delivery period as a single unit with other elements in the arrangement.

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If the deliverable or a group of deliverables meets the separation criteria, the total arrangement consideration is allocated to each unit of accounting based on its relative selling price. The amount of arrangement consideration that is allocated to a delivered unit of accounting is limited to the amount that is not contingent upon the delivery of another unit of accounting.

We determine the selling price for each deliverable using VSOE, if it exists, TPE if VSOE does not exist, or BESP if neither VSOE nor TPE exist. Revenue allocated to each element is then recognized when the basic revenue recognition criteria are met for each element.

Consistent with our methodology under the previous accounting guidance, we determine VSOE of a deliverable by monitoring the price at which we sell the deliverable on a standalone basis to third parties or from the stated renewal rate for the elements contained in the initial arrangement. In certain instances, we are not able to establish VSOE for all deliverables in an arrangement with multiple elements. This may be due to us infrequently selling each element separately, not pricing products or services within a set range, or only having a limited sales history. Where we are unable to establish VSOE, we may use the price at which we or a third party sell a similar product to similarly situated customers on a standalone basis. Generally, our offerings contain a level of differentiation such that comparable pricing of solutions with similar functionality or delivery cannot be obtained. Furthermore, we are rarely able to reliably determine what similar competitors' selling prices are on a standalone basis. Therefore, we typically are not able to determine TPE of selling price.

When we are unable to establish selling prices by using VSOE or TPE, we establish the BESP in our allocation of arrangement consideration. The objective of BESP is to determine the price at which we would transact a sale if the solution were sold on a standalone basis. The determination of BESP is based on our review of available data points and consideration of factors such as but not limited to pricing practices, our growth strategy, geographies, customer segment and market conditions. The determination of BESP is made through consultation with and formal approval of our management, taking into consideration our go-to-market strategy.

We regularly review VSOE and have a review process for TPE and BESP and maintain internal controls over the establishment and updates of these estimates.

The adoption of this new authoritative guidance did not have a material impact on our consolidated financial statements and is not expected to have a material impact on our revenue in periods after the initial adoption when applied to multiple element agreements based on the currently anticipated business volume and pricing.

Prior to January 1, 2011 and pursuant to the previous accounting standards, we allocated revenue in a multiple element arrangement to each deliverable based on its relative fair value. If we did not have fair value for the delivered items, the contract fee was allocated to the undelivered items based on their fair values and the remaining residual amount, if any, was allocated to the delivered items. After the arrangement consideration, we applied the appropriate revenue recognition method from those described above for each unit of accounting, assuming all other revenue recognition criteria were met. All deliverables that did not meet the separation criteria were combined with an undelivered unit of accounting. We generally recognized revenue for a combined unit of accounting based on the method most appropriate for the last delivered item.

Goodwill and Other Intangible Assets

Goodwill represents the excess of costs over fair value of assets of businesses acquired. Goodwill and intangible assets with indefinite lives are not subject to amortization. Instead, the carrying amount of our goodwill and indefinite-lived intangibles is tested for impairment at least annually, in December, and between annual tests if events or significant changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss would be recognized if the carrying amount exceeded the fair value.

We assess recoverability of goodwill at the reporting unit level. A reporting unit is an operating segment or a component of an operating segment which is a business and for which discrete financial information is available and reviewed by a segment manager. Our nine reporting units are North America, United Kingdom, Benelux, Latin America, Partnerships, Japan, Greater China, Australia and India. The authoritative guidance for goodwill specifies a two-step process for goodwill impairment testing and measuring the magnitude of any impairment. In the first step, we compare the fair value of each reporting unit to its carrying value. We determine the fair value of our reporting units based on the market approach. Under the market approach, we estimate the fair value based on market multiples of current year earnings before interest, taxes, depreciation and amortization (EBITDA) for each individual reporting unit. For the market approach, we use judgment in identifying the relevant

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comparable-company market multiples (i.e., recent divestitures/acquisitions, facts and circumstances surrounding the market, dominance, growth rate, etc.). If the fair value of the reporting unit exceeds the carrying value of the net assets, including goodwill assigned to that reporting unit, goodwill is not impaired and no further testing is required. However, if the carrying value of the net assets assigned to the reporting unit exceeds the fair value of the reporting unit, the second step of the impairment test is performed to determine the magnitude of the impairment, which is the implied fair value of the reporting unit's goodwill compared to the carrying value. The implied fair value of goodwill is the difference between the fair value of the reporting unit and the fair value of its identifiable net assets. If the carrying value of goodwill exceeds the implied fair value of goodwill, the impaired goodwill is written down to its implied fair value and an impairment loss equal to this difference is recorded, in the period the impairment is identified as operating expense.

Consistent with prior years, the fair values of reporting units in 2010 and 2009 were determined using a method based on a market approach. Under the market approach, the fair value of a reporting unit is based on multiples of current year EBITDA. As of the Company's most recent impairment analysis, the current year EBITDA multiples used to determine the individual reporting unit's fair value ranged from 8 to 12.

The Company's determination of current year EBITDA multiples are sensitive to the risk of future variances due to market conditions as well as business unit execution risks. Management assesses the relevance and reliability of the multiples by considering factors unique to its reporting units, including recent operating results, business plans, economic projections, anticipated future cash flows, and other data. EBITDA multiples can also be significantly impacted by a Company's future growth opportunities for the reporting unit as well as for the Company itself, general market and geographic sentiment, and pending or recently completed merger transactions.

Consequently, if future results fall below our forward looking projections for an extended period of time, the results of future impairment tests could indicate impairment exists. Although we believe the multiples of current year EBITDA in our market approach make reasonable assumptions about our business, a significant increase in competition or reduction in our competitive capabilities could have a significant adverse impact on our ability to retain market share and thus on the projected values included in the market approach used to value our reporting units.

As a reasonableness check, the Company reconciles the estimated fair values derived in its valuations for the total Company based on the individual reporting units to the Company's enterprise value (calculated by multiplying the closing price of the Company's stock on December 30, 2010 by the number of shares outstanding at that time, adjusted for the value of the Company's debt).

In order to evaluate the sensitivity of the fair value calculations relating to our goodwill impairment assessment, we applied hypothetical decreases to the estimated fair values of each of our reporting units. We determined that a decrease in fair value of at least 20% would be required before any reporting unit would have a carrying value in excess of its fair value.

Therefore, we believe that none of our reporting units with significant goodwill are at risk of failing step one of the goodwill impairment test. The allocated goodwill by reportable segment is as follows:

	Number of Reporting Units	As of September 30, 2011	As of December 31, 2010
North America	1	\$ 266.0	\$ 266.3
Asia Pacific(1)	4	234.3	218.3
Europe and Other International	4	122.0	115.1
		\$ 622.3	\$ 599.7

(1) On August 31, 2010, we acquired a 100% equity interest in Dun & Bradstreet Australia Holdings Limited which is part of our Asia Pacific segment and generated approximately \$152 million of additional goodwill.

For indefinite-lived intangibles, other than goodwill, an impairment loss is recognized if the carrying value exceeds the fair value. The estimated fair value is determined by utilizing the expected present value of the future cash flows of the assets. No impairment charges related to goodwill and indefinite-lived intangible assets have been recognized for the fiscal years ended December 31, 2010, 2009 and 2008.

Table of Contents**Recently Issued Accounting Standards**

See Note 2 to our unaudited consolidated financial statements included in Item 1. of this Quarterly Report on Form 10-Q for disclosure of the impact that recent accounting pronouncements may have on our unaudited consolidated financial statements.

Results of Operations

The following discussion and analysis of our financial condition and results of operations are based upon our unaudited consolidated financial statements and should be read in conjunction with the unaudited consolidated financial statements and related notes set forth in Item 1. of this Quarterly Report on Form 10-Q, and our Annual Report on Form 10-K for the year ended December 31, 2010, all of which have been prepared in accordance with GAAP.

Consolidated Revenue

The following table presents our core and total revenue by segment:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2011 (Amounts in millions)	2010 (Amounts in millions)	2011 (Amounts in millions)	2010 (Amounts in millions)
Revenue:				
North America	\$ 307.0	\$ 301.2	\$ 886.5	\$ 878.5
Asia Pacific	67.7	37.9	187.4	107.3
Europe and Other International Markets	64.7	56.9	185.9	176.2
Core Revenue	439.4	396.0	1,259.8	1,162.0
Divested Businesses	0.0	4.4	0.0	32.9
Total Revenue	\$ 439.4	\$ 400.4	\$ 1,259.8	\$ 1,194.9

The following table presents our core and total revenue by customer solution set:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2011 (Amounts in millions)	2010 (Amounts in millions)	2011 (Amounts in millions)	2010 (Amounts in millions)
Revenue:				
Risk Management Solutions	\$ 283.1	\$ 254.9	\$ 824.0	\$ 751.5
Sales & Marketing Solutions	124.8	111.9	343.8	324.4
Internet Solutions	31.5	29.2	92.0	86.1
Core Revenue	439.4	396.0	1,259.8	1,162.0
Divested Businesses	0.0	4.4	0.0	32.9
Total Revenue	\$ 439.4	\$ 400.4	\$ 1,259.8	\$ 1,194.9

Three Months Ended September 30, 2011 vs. Three Months Ended September 30, 2010

Total revenue increased \$39.0 million, or 10% (7% increase before the effect of foreign exchange), for the three months ended September 30, 2011 as compared to the three months ended September 30, 2010. The increase in total revenue was primarily driven by an increase in Asia Pacific total revenue of \$29.8 million, or 79% (65% increase before the effect of foreign exchange), an increase in Europe and Other

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International Markets total revenue of \$7.8 million, or 14% (5% increase before the effect of foreign exchange), and an increase in North America total revenue of \$1.4 million, or less than 1% (both before and after the effect of foreign exchange). North America total revenue was negatively impacted by the divested North American Self Awareness Solutions business in the third quarter of 2010, which we reclassified as a divested business and which accounted for \$4.4 million of revenue for the three months ended September 30, 2010.

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Core revenue, which reflects total revenue less revenue from a divested business, increased \$43.4 million, or 11% (8% increase before the effect of foreign exchange), for the three months ended September 30, 2011 as compared to the three months ended September 30, 2010. The primary drivers of this change are:

Increased revenue as a result of the acquisition of D&B Australia which we consolidated in the fourth quarter of 2010, which contributed six percentage points of the growth; and

The positive impact of foreign exchange.

Customer Solution Sets

On a customer solution set basis, core revenue reflects:

A \$28.2 million, or 11% increase (8% increase before the effect of foreign exchange), in Risk Management Solutions. The increase was driven by an increase in revenue in Asia Pacific of \$24.7 million, or 110% (93% increase before the effect of foreign exchange), and an increase in revenue in Europe and Other International Markets of \$4.0 million, or 8% (1% decrease before the effect of foreign exchange), partially offset by a decrease in revenue in North America of \$0.5 million, or less than 1% (1% decrease before the effect of foreign exchange);

A \$12.9 million, or 11% increase (10% increase before the effect of foreign exchange), in Sales & Marketing Solutions. The increase was driven by an increase in revenue in Asia Pacific of \$5.2 million, or 34% (26% increase before the effect of foreign exchange), an increase in revenue in North America of \$4.0 million, or 5% (4% increase before the effect of foreign exchange), and an increase in revenue in Europe and Other International Markets of \$3.7 million, or 46% (35% increase before the effect of foreign exchange); and

A \$2.3 million, or 8% increase (both before and after the effect of foreign exchange), in Internet Solutions. The increase was driven by an increase in revenue in North America of \$2.3 million, or 9% (8% increase before the effect of foreign exchange).

Nine Months Ended September 30, 2011 vs. Nine Months Ended September 30, 2010

Total revenue increased \$64.9 million, or 5% (4% increase before the effect of foreign exchange), for the nine months ended September 30, 2011 as compared to the nine months ended September 30, 2010. The increase in total revenue was primarily driven by an increase in Asia Pacific total revenue of \$80.1 million, or 75% (63% increase before the effect of foreign exchange) and an increase in Europe and Other International Markets total revenue of \$9.7 million, or 5% (1% increase before the effect of foreign exchange), partially offset by a decrease in North America total revenue of \$24.9 million, or 3% both before and after the effect of foreign exchange. North America total revenue was negatively impacted by the divested North American Self Awareness Solutions business in the third quarter of 2010, which we reclassified as a divested business and accounted for \$32.9 million of revenue for the nine months ended September 30, 2010.

Core revenue, which reflects total revenue less revenue from a divested business, increased \$97.8 million, or 8% (7% increase before the effect of foreign exchange), for the nine months ended September 30, 2011 as compared to the nine months ended September 30, 2010. The primary drivers of this change are:

Increased revenue as a result of the acquisition of D&B Australia which we consolidated in the fourth quarter of 2010, which contributed six percentage points of the growth; and

The positive impact of foreign exchange.

Customer Solution Sets

On a customer solution set basis, core revenue reflects:

A \$72.5 million, or 10% increase (7% increase before the effect of foreign exchange), in Risk Management Solutions. The increase was driven by an increase in revenue in Asia Pacific of \$68.6 million, or 115% (100% increase before the effect of foreign exchange), and an increase in revenue in Europe and Other International Markets of \$4.9 million, or 3% (1% decrease before the effect of foreign exchange), partially offset by a decrease in revenue in North America of \$1.0 million, or less than 1% (1% decrease before the effect of foreign exchange);

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A \$19.4 million, or 6% increase (5% increase before the effect of foreign exchange), in Sales & Marketing Solutions. The increase was driven by an increase in revenue in Asia Pacific of \$11.7 million, or 25% (18% increase before the effect of foreign exchange), an increase in revenue in Europe and Other International Markets of \$4.6 million, or 18% (13% increase before the effect of foreign exchange), and an increase in revenue in North America of \$3.1 million, or 1% (both before and after the effect of foreign exchange).

A \$5.9 million, or 7% increase (both before and after the effect of foreign exchange), in Internet Solutions. The increase was driven by an increase in revenue in North America of \$5.9 million, or 7% (both before and after the effect of foreign exchange), and an increase in revenue in Europe and Other International Markets of \$0.2 million, or 8% (4% increase before the effect of foreign exchange), partially offset by a decrease in revenue in Asia Pacific of \$0.2 million, or 13% (16% decrease before the effect of foreign exchange).

Consolidated Operating Costs

The following table presents our consolidated operating costs and operating income for the three month and nine month periods ended September 30, 2011 and 2010:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2011 (Amounts in millions)	2010 (Amounts in millions)	2011 (Amounts in millions)	2010 (Amounts in millions)
Operating Expenses	\$ 150.2	\$ 146.9	\$ 431.1	\$ 408.6
Selling and Administrative Expenses	162.6	157.5	470.4	469.1
Depreciation and Amortization	20.6	17.1	60.6	48.3
Restructuring Charge	5.3	3.9	18.0	10.1
Operating Costs	\$ 338.7	\$ 325.4	\$ 980.1	\$ 936.1
Operating Income	\$ 100.7	\$ 75.0	\$ 279.7	\$ 258.8

Operating Expenses**Three Months Ended September 30, 2011 vs. Three Months Ended September 30, 2010**

Operating expenses increased \$3.3 million, or 2%, for the three months ended September 30, 2011, compared to the three months ended September 30, 2010. The increase was primarily due to the following:

Increased data acquisition costs and fulfillment costs primarily associated with our acquisition of D&B Australia which we consolidated in the fourth quarter of 2010;

partially offset by:

Impairment of certain intangible assets reflected in the three months ended September 30, 2010 related to our 2007 Purisma acquisition.

Nine Months Ended September 30, 2011 vs. Nine Months Ended September 30, 2010

Operating expenses increased \$22.5 million, or 6%, for the nine months ended September 30, 2011, compared to the nine months ended September 30, 2010. The increase was primarily due to the following:

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Increased data acquisition costs and fulfillment costs primarily associated with our acquisition of D&B Australia which we consolidated in the fourth quarter of 2010;

The negative impact of foreign exchange; and

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Increased costs associated with our Strategic Technology Investment designed to strengthen our leading position in commercial data and improve our current technology platform to meet emerging needs of customers;

partially offset by:

Impairment of certain intangible assets reflected in the three months ended September 30, 2010 related to our 2007 Purisma acquisition; and

Lower technology expenses related to reduced data center costs and lower costs on enhancements of existing systems.

Selling and Administrative Expenses

Three Months Ended September 30, 2011 vs. Three Months Ended September 30, 2010

Selling and administrative expenses increased \$5.1 million, or 3%, for the three months ended September 30, 2011, compared to the three months ended September 30, 2010. The increase was primarily due to the following:

Increased selling expenses primarily associated with our acquisition of D&B Australia which we consolidated in the fourth quarter of 2010; and

The negative impact of foreign exchange;

partially offset by:

Decreased compensation costs.

Nine Months Ended September 30, 2011 vs. Nine Months Ended September 30, 2010

Selling and administrative expenses increased \$1.3 million, or less than 1%, for the nine months ended September 30, 2011, compared to the nine months ended September 30, 2010. The increase was primarily due to the following:

Increased selling expenses primarily associated with our acquisition of D&B Australia which we consolidated in the fourth quarter of 2010; and

The negative impact of foreign exchange;

partially offset by:

Lower expenses as a result of our divestiture of our North American Self Awareness Solution business.

Table of Contents***Matters Impacting Both Operating Expenses and Selling and Administrative Expenses****Pension, Postretirement and 401(k) Plan*

We had net pension costs of \$1.0 million and \$5.8 million for the three month and nine month periods ended September 30, 2011, respectively, compared with \$1.3 million and \$4.1 million for the three month and nine month periods ended September 30, 2010, respectively. Higher pension costs for the year-to-date period in 2011 was primarily driven by lower than expected returns from our U.S. Qualified plan assets, resulting from lower market-related value of plan assets, partially offset by lower pension costs in 2011 for our international plan primarily due to a statutory change in the inflation assumption which results in lower interest cost and lower actuarial loss amortization.

We had postretirement benefit income of \$2.8 million and \$8.2 million for the three month and nine month periods ended September 30, 2011, respectively, compared with \$2.9 million and \$4.4 million for the three month and nine month periods ended September 30, 2010, respectively. The increase in income for the year-to-date period in 2011 was primarily due to higher amortization of prior service credits. Effective July 1, 2010, in connection with the Health Care and Education Reconciliation Act of 2010, we converted the current prescription drug program for retirees over 65 to a group-based company sponsored Medicare Part D program, or Employer Group Waiver Plan (EGWP). Beginning in 2013, we will use the Part D subsidies delivered through the EGWP each year to reduce net company retiree medical costs until net company costs are completely eliminated. At that time, the Part D subsidies will be shared with retirees going forward to reduce retiree contributions. As a result, we reduced our accumulated postretirement obligation by \$21 million in the third quarter of 2010, which will be amortized over approximately four years.

We had expense associated with our 401(k) Plan of \$1.7 million and \$6.8 million for the three month and nine month periods ended September 30, 2011, respectively, compared with \$1.9 million and \$5.2 million for the three month and nine month periods ended September 30, 2010, respectively. The increase in expense for the nine months ended September 30, 2011 was due to the amendment of our employer matching provision in the 401(k) Plan effective in April 2010, to increase the employer maximum match from 50% of three percent (3%) to 50% of seven percent (7%) of a team member s eligible compensation, subject to certain 401(k) Plan limitations.

Stock-Based Compensation

For the three month and nine month periods ended September 30, 2011, we recognized total stock-based compensation expense of \$3.2 million and \$9.2 million, respectively, compared to \$3.7 million and \$15.3 million for the three month and nine month periods ended September 30, 2010, respectively.

Expense associated with our stock option programs was \$1.0 million and \$3.0 million for the three month and nine month periods ended September 30, 2011, respectively, compared to \$1.2 million and \$5.7 million for the three month and nine month periods ended September 30, 2010, respectively. The decrease, in both the three and nine month periods ended September 30, 2011, was primarily due to a decrease in the fair value of the stock options issued over the past several years.

Expense associated with restricted stock, restricted stock unit and restricted stock opportunity awards was \$2.0 million and \$5.5 million for the three month and nine month periods ended September 30, 2011, respectively, compared to \$2.3 million and \$9.0 million for the three month and nine month periods ended September 30, 2010, respectively. The decrease, in both the three and nine month periods ended September 30, 2011, was primarily due to a decrease in the fair value of the awards issued over the past several years as well as lower expense as a result of higher forfeitures associated with terminated employees.

Expense associated with our Employee Stock Purchase Plan (ESPP) was \$0.2 million and \$0.7 million for the three month and nine month periods ended September 30, 2011, respectively, compared to \$0.2 million and \$0.6 million for the three month and nine month periods ended September 30, 2010, respectively.

We expect total equity-based compensation of approximately \$13.2 million for full year 2011. We consider these 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.

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Depreciation and Amortization

Depreciation and amortization increased \$3.5 million, or 21%, from \$20.6 million for the three months ended September 30, 2011, compared to \$17.1 million for the three months ended September 30, 2010. This increase was primarily driven by an increase in amortization of acquired intangible assets resulting from our acquisitions and increased capital costs for investments (e.g. Strategic Technology Investment, Hoover's technology replatform).

Depreciation and amortization increased \$12.3 million, or 25%, from \$60.6 million for the nine months ended September 30, 2011, compared to \$48.3 million for the nine months ended September 30, 2010. This increase was primarily driven by an increase in amortization of acquired intangible assets resulting from our acquisitions and increased capital costs for investments (e.g. Strategic Technology Investment, Hoover's technology replatform).

Restructuring Charge

Financial Flexibility is an ongoing process by which we seek to reallocate our spending from low-growth or low-value activities to other activities that we believe will create greater value for shareholders through enhanced revenue growth, improved profitability and/or quality improvements. With most initiatives, we have incurred restructuring charges (which generally consist of employee severance and termination costs, contract terminations, asset write-offs, and/or costs to terminate lease obligations less assumed sublease income). These charges are incurred as a result of eliminating, consolidating, standardizing and/or automating our business functions. We have also incurred transition costs such as consulting fees, costs of temporary workers, relocation costs and stay bonuses to implement our Financial Flexibility initiatives.

Restructuring charges have been recorded in accordance with ASC 712-10, Nonretirement Postemployment Benefits, or ASC 712-10, and/or ASC 420-10, Exit or Disposal Cost Obligations, or ASC 420-10, as appropriate.

We record severance costs provided under an ongoing benefit arrangement once they are both probable and estimable in accordance with the provisions of ASC 712-10.

We account for one-time termination benefits, contract terminations, asset write-offs, and/or costs to terminate lease obligations less assumed sublease income in accordance with ASC 420-10, which addresses financial accounting and reporting for costs associated with restructuring activities. Under ASC 420-10, we establish a liability for a cost associated with an exit or disposal activity, including severance and lease termination obligations, and other related costs, when the liability is incurred, rather than at the date that we commit to an exit plan. 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.

The determination of when we accrue for severance costs and which standard applies depends on whether the termination benefits are provided under an ongoing arrangement as described in ASC 712-10 or under a one-time benefit arrangement as defined by ASC 420-10. Inherent in the estimation of the costs related to the restructurings are assessments related to the most likely expected outcome of the significant actions to accomplish the exit activities. In determining the charges related to the restructurings, we had to make estimates related to the expenses associated with the restructurings. These estimates may vary significantly from actual costs depending, in part, upon factors that may be beyond our control. We will continue to review the status of our restructuring obligations on a quarterly basis and, if appropriate, record changes to these obligations in current operations based on management's most current estimates.

Three Months Ended September 30, 2011 vs. Three Months Ended September 30, 2010

During the three months ended September 30, 2011, we recorded a \$5.3 million restructuring charge in connection with Financial Flexibility initiatives. The significant components of these charges included:

Severance and termination costs of \$4.6 million in accordance with the provisions of ASC 712-10. Approximately 100 employees were impacted. The cash payments for these employees will be substantially completed by the second quarter of 2012; and

Lease termination obligations, other costs to consolidate or close facilities and other exit costs of \$0.7 million.

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During the three months ended September 30, 2010, we recorded a \$3.9 million restructuring charge in connection with Financial Flexibility initiatives. The significant components of these charges included:

Severance and termination costs of \$3.3 million in accordance with the provisions of ASC 712-10. Approximately 100 employees were impacted. The cash payments for these employees were substantially completed by the second quarter of 2011; and

Lease termination obligations, other costs to consolidate or close facilities and other exit costs of \$0.6 million.

Nine Months Ended September 30, 2011 vs. Nine Months Ended September 30, 2010

During the nine months ended September 30, 2011, we recorded a \$18.0 million restructuring charge in connection with Financial Flexibility initiatives. The significant components of these charges included:

Severance and termination costs of \$14.2 million in accordance with the provisions of ASC 712-10. Approximately 305 employees were impacted. The cash payments for these employees will be substantially completed by the second quarter of 2012; and

Lease termination obligations, other costs to consolidate or close facilities and other exit costs of \$3.8 million.

During the nine months ended September 30, 2010, we recorded a \$10.1 million restructuring charge in connection with Financial Flexibility initiatives. The significant components of these charges included:

Severance and termination costs of \$6.9 million in accordance with the provisions of ASC 712-10. Approximately 250 employees were impacted. The cash payments for these employees were substantially completed by the second quarter of 2011; and

Lease termination obligations, other costs to consolidate or close facilities and other exit costs of \$3.2 million.

Interest Income (Expense) Net

The following table presents our Interest Income (Expense) Net for the three month and nine month periods ended September 30, 2011 and 2010:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2011 (Amounts in millions)	2010 (Amounts in millions)	2011 (Amounts in millions)	2010 (Amounts in millions)
Interest Income	\$ 0.4	\$ 0.5	\$ 1.3	\$ 1.4
Interest Expense	(9.1)	(11.0)	(27.4)	(34.3)
Interest Income (Expense) - Net	\$ (8.7)	\$ (10.5)	\$ (26.1)	\$ (32.9)

For the three months ended September 30, 2011, interest income decreased \$0.1 million and interest expense decreased \$1.9 million as compared to the three months ended September 30, 2010. The decrease in interest income is primarily attributable to lower amounts of invested balances. The decrease in interest expense is primarily attributable to lower average interest rates on outstanding debt and lower amounts of average debt outstanding.

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For the nine months ended September 30, 2011, interest income decreased \$0.1 million and interest expense decreased \$6.9 million as compared to the nine months ended September 30, 2010. The decrease in interest income is primarily attributable to lower amounts of invested balances. The decrease in interest expense is primarily attributable to lower interest rates and lower amounts of average debt outstanding.

Table of Contents**Other Income (Expense) Net**

The following table presents our Other Income (Expense) Net for the three month and nine month periods ended September 30, 2011 and 2010:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2011 (Amounts in millions)	2010 (Amounts in millions)	2011 (Amounts in millions)	2010 (Amounts in millions)
Effect of Legacy Tax Matters(a)	\$ 0.3	\$ 0.3	\$ (7.4)	\$ 0.8
Gain on Disposal of North American Self Awareness Solutions Business (b)	0.0	\$ 23.1	0.0	\$ 23.1
One-Time Gain on Hedge of Purchase Price on the Australia Acquisition (c)	0.0	3.4	0.0	3.4
Loss on Investment (d)	(8.3)	0.0	(11.4)	0.0
Miscellaneous Other Income (Expense) - Net	(0.9)	(1.6)	(1.7)	0.4
Other Income (Expense) - Net	\$ (8.9)	\$ 25.2	\$ (20.5)	\$ 27.7

- (a) During the nine months ended September 30, 2011, we recognized the reduction of a contractual receipt under the Tax Allocation Agreement between Moody's Corporation and D&B as it relates to the expiration of the statute of limitations. See Provision for Income Taxes below.
- (b) During the nine months ended September 30, 2010, we recognized a gain from the divestiture of our North American Self Awareness Solution business. See Note 13 to our unaudited consolidated financial statement in Item 1. of this Quarterly Report on Form 10-Q.
- (c) During the nine months ended September 30, 2010, we recognized a gain on a hedge on the purchase of D&B Australia during the third quarter of 2010. See Note 11 to our unaudited consolidated financial statements in Item 1. of this Quarterly Report on Form 10-Q.
- (d) During the three and nine months ended September 30, 2011, we recorded an impairment charge related to a 2008 investment in a research and development data firm as a result of its financial condition and our focus on our strategic technology investment program (maximize customer value strategy).

Provision for Income Taxes

For the three months ended September 30, 2011, our effective tax rate was 29.7% as compared to 37.3% for the three months ended September 30, 2010. The effective tax rate for the three months ended September 30, 2011, as compared to the three months ended September 30, 2010, was positively impacted by a tax benefit on a loss on the tax basis of a legal entity and negatively impacted by the enactment of a change to UK tax laws and the tax impact of a loss on an investment. The effective tax rate for the three months ended September 30, 2010 was negatively impacted by reduced income in our foreign jurisdictions and the enactment of a change to UK tax laws.

For the nine months ended September 30, 2011, our effective tax rate was 29.3% as compared to 37.6% for the nine months ended September 30, 2010. The effective tax rate for the nine months ended September 30, 2011, as compared to the nine months ended September 30, 2010, was positively impacted by the release of reserves for uncertain tax positions due to the expiration of a statute of limitations and by a tax benefit on a loss on the tax basis of a legal entity partially offset by a reduction of our deferred tax assets resulting from an enacted change to the state of New Jersey's tax law during the second quarter of 2011 and the tax impact of a loss on an investment. The effective tax rate for the nine months ended September 30, 2010 was negatively impacted by reduced income in our foreign jurisdictions and the reduction of the deferred tax asset associated with our accrued liability for retiree drug subsidies related to the 2010 Patient Protection and Affordable Care Act which will make subsidy payments taxable in years beginning after December 31, 2012 and positively impacted by the release of reserves for uncertain tax positions following a favorable tax ruling in one of our international jurisdictions and a refund received with respect to a legacy tax matter. For the nine months ended September 30, 2011, there are no changes, other than those described above, in our effective tax rate that either have had or that we expect may reasonably have a material impact on our operations or future performance.

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The total amount of gross unrecognized tax benefits as of September 30, 2011 was \$122.4 million. The amount of unrecognized tax benefits that, if recognized, would impact the effective tax rate is \$115.1 million, net of tax benefits. During the three months ended September 30, 2011, we increased our unrecognized tax benefits by \$2.9 million, net of decreases. The increase is primarily due to legacy tax matters.

We or one of our subsidiaries file income tax returns in the U.S. federal, and various state, local and foreign jurisdictions. In the U.S. federal jurisdiction, we are no longer subject to examination by the IRS for years prior to 2005. In state and local jurisdictions, with a few exceptions, we are no longer subject to examinations by tax authorities for years prior to 2007. In foreign jurisdictions, with a few exceptions, we are no longer subject to examinations by tax authorities for years prior to 2006.

The IRS has completed its examination of our 2004, 2005 and 2006 tax years. As reported in our Annual Report on Form 10-K for the year ended December 31, 2010 the IRS proposed certain adjustments to our Research Tax Credits and Domestic Production Deduction. We agreed with the proposed Research Tax Credit adjustments which were fully reserved under authoritative guidance. We disagreed with the proposed Domestic Production Deduction adjustments and are currently having this matter reviewed by the IRS Office of Appeals. We expect this dispute will be resolved within twelve to eighteen months. Should the IRS Office of Appeals decide in favor of the IRS, we do not expect the Domestic Production Deduction adjustment to have a material impact on our consolidated statement of operations or consolidated statement of cash flows.

The IRS is examining our 2007, 2008 and 2009 tax years. We expect the examination will be completed in the fourth quarter of 2013.

We recognize accrued interest expense related to unrecognized tax benefits in our income tax expense. The total amount of interest expense recognized in the three month and nine month periods ended September 30, 2011 was \$0.9 million and \$2.6 million, net of tax benefits, respectively, as compared to \$0.9 million and \$2.2 million, net of tax benefits in the three month and nine month periods ended September 30, 2010, respectively. The total amount of accrued interest as of September 30, 2011 was \$11.0 million, net of tax benefits, as compared to \$12.0 million, net of tax benefits, as of September 30, 2010.

Earnings per Share

In accordance with the authoritative guidance in ASC 260-10, we are required to assess if any of our share-based payment transactions are deemed participating securities prior to vesting and therefore need to be included in the earnings allocation when computing EPS under the two-class method. The two-class method requires earnings to be allocated between common shareholders and holders of participating securities. All outstanding unvested share-based payment awards that contain non-forfeitable rights to dividends are considered to be a separate class of common stock and should be included in the calculation of basic and diluted EPS. Based on a review of our stock-based awards, we have determined that only our restricted stock awards are deemed participating securities. The weighted average restricted shares outstanding were 55,718 shares and 159,050 shares for the three months ended September 30, 2011 and 2010, respectively. The weighted average restricted shares outstanding were 74,908 shares and 215,513 shares for the nine months ended September 30, 2011 and 2010, respectively.

The following table sets forth our EPS for the three month and nine month periods ended September 30, 2011 and 2010:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2011	2010	2011	2010
Basic Earnings Per Share of Common Stock Attributable to D&B Common Shareholders	\$ 1.19	\$ 1.13	\$ 3.38	\$ 3.17
Diluted Earnings Per Share of Common Stock Attributable to D&B Common Shareholders	\$ 1.19	\$ 1.12	\$ 3.36	\$ 3.14

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For the three months ended September 30, 2011, basic EPS attributable to D&B common shareholders increased 5%, compared with the three months ended September 30, 2010, due to an increase of 4% in Net Income Attributable to D&B common shareholders and a 2% reduction in the weighted average number of basic shares outstanding resulting from our total share repurchases.

For the three months ended September 30, 2011, diluted EPS attributable to D&B common shareholders increased 6%, compared with the three months ended September 30, 2010, due to an increase of 4% in Net Income Attributable to D&B common shareholders and a 2% reduction in the weighted average number of diluted shares outstanding resulting from our total share repurchases.

For the nine months ended September 30, 2011, basic EPS attributable to D&B common shareholders increased 7%, compared with the nine months ended September 30, 2010, due to an increase of 5% in Net Income Attributable to D&B common shareholders and a 2% reduction in the weighted average number of basic shares outstanding resulting from our total share repurchases.

For the nine months ended September 30, 2011, diluted EPS attributable to D&B common shareholders increased 7%, compared with the nine months ended September 30, 2010, due to an increase of 5% in Net Income Attributable to D&B common shareholders and a 2% reduction in the weighted average number of diluted shares outstanding resulting from our total share repurchases.

Segment Results

As of January 1, 2011, we began reporting our business through three segments:

North America (which consists of our operations in the U.S. and Canada);

Asia Pacific (which primarily consists of our operations in Australia, Japan, China and India); and

Europe and Other International Markets (which primarily consists of our operations in the United Kingdom (UK), Ireland, Netherlands, Belgium and Latin America).

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.

North America

North America is our largest segment representing 70% of our total revenue for each of the three month and nine month periods ended September 30, 2011 compared to 75% and 74% of our total revenue for the three month and nine month periods ended September 30, 2010 respectively. The decline in percentage of total revenue was driven by two primary factors; the sale of our North American Self Awareness Solution business and the growth internationally arising from the acquisition of D&B Australia in the third quarter of 2010.

On July 30, 2010, we completed the sale of substantially all of the assets and liabilities of our North American Self Awareness Solution business. This business has been classified as a Divested Business. See Note 17 to our consolidated financial statements included in Item 8. of our Annual Report on Form 10-K for the year ended December 31, 2010 for further detail. Also, see Note 10 and Note 13 to our unaudited consolidated financial statements included in Item 1. of this Quarterly Report on Form 10-Q for further detail. This divested business contributed 1% and 4% of our North America total revenue for each of the three month and nine month periods ended September 30, 2010, respectively.

North America represented 70% of our core revenue for each of the three month and nine month periods ended September 30, 2011 compared to 76% of our core revenue for each of the three month and nine month periods ended September 30, 2010.

The following table presents our North America revenue by customer solution set and North America operating income for the three month and nine month periods ended September 30, 2011 and 2010.

Additionally, this table reconciles the non-GAAP measure of core revenue to the GAAP measure of total revenue by customer solution set.

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2011 (Amounts in millions)	2010 (Amounts in millions)	2011 (Amounts in millions)	2010 (Amounts in millions)
Revenue:				
Risk Management Solutions	\$ 183.5	\$ 184.0	\$ 540.9	\$ 541.9
Sales & Marketing Solutions	92.9	88.9	256.1	253.0
Internet Solutions	30.6	28.3	89.5	83.6
North America Core Revenue	307.0	301.2	886.5	878.5
Divested Business	0.0	4.4	0.0	32.9
North America Total Revenue	\$ 307.0	\$ 305.6	\$ 886.5	\$ 911.4
Operating Income	\$ 112.1	\$ 93.5	\$ 324.0	\$ 297.2

Three Months Ended September 30, 2011 vs. Three Months Ended September 30, 2010

North America Overview

North America total revenue increased \$1.4 million, or less than 1% (both before and after the effect of foreign exchange), for the three months ended September 30, 2011 as compared to the three months ended September 30, 2010. North America total revenue was negatively impacted by the divestiture of our North American Self Awareness Solution business in the third quarter of 2010, which we reclassified as a divested business and accounted for \$4.4 million of revenue for the three months ended September 30, 2010. Excluding the impact of the divestiture, core revenue increased \$5.8 million, or 2% (both before and after the effect of foreign exchange).

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North America Customer Solution Sets

On a customer solution set basis, the \$5.8 million increase in core revenue for the three months ended September 30, 2011, as compared to the three months ended September 30, 2010, reflects:

Risk Management Solutions

A decrease in Risk Management Solutions of \$0.5 million, or less than 1% (1% decrease before the effect of foreign exchange), reflects:

Traditional Risk Management Solutions, which accounted for 68% of total North America Risk Management Solutions, decreased 1% (both before and after the effect of foreign exchange). The decrease was primarily due to lower revenue from non-subscription products, partially offset by year-over-year growth in our DNBI subscription plans. The increase in DNBI was driven by continued high retention and increased dollar spend for our existing customers. We continue to see mid single digit price increases with these customers when they renew these subscription plans.

Value-Added Risk Management Solutions, which accounted for 23% of total North America Risk Management Solutions, remained flat (both before and after the effect of foreign exchange). This was primarily due to lower project revenue primarily related to prior year contracts with longer commitment periods that have not yet come up for renewal, continued softness in project revenue as customers remain cautious with spend in the current economic environment, partially offset by more upfront revenue recognition on the existing product set.

Supply Management Solutions, which accounted for 9% of total North America Risk Management Solutions, increased 4% (both before and after the effect of foreign exchange), on a small base.

Sales & Marketing Solutions

An increase in Sales & Marketing Solutions of \$4.0 million, or 5% (4% before the effect of foreign exchange), reflects:

Traditional Sales & Marketing Solutions, which accounted for 29% of total North America Sales & Marketing Solutions, decreased 23% (both before and after the effect of foreign exchange). The decrease was primarily due to our decision to stop selling certain legacy products and convert the existing customer base as well as new prospects to Hoover's solutions, a prior year contract with a longer commitment period that has not yet come up for renewal and lower purchases from our customers due to a slow economic recovery and continued budgetary pressures.

Value-Added Sales & Marketing Solutions, which accounted for 71% of total North America Sales & Marketing Solutions, increased 22% (both before and after the effect of foreign exchange). The increase was primarily due to broad growth in our products as a result of increased commitments primarily related to our Optimizer product, as well as more upfront revenue recognition on the existing product set.

Internet Solutions

An increase in Internet Solutions of \$2.3 million, or 9% (8% before the effect of foreign exchange), as a result of increased customer acquisition driven by our innovation at Hoover's, continued growth in our subscription revenue at Hoover's as customer's see our improved value proposition and migration by certain customers from Traditional Sales & Marketing Solutions. Partially offsetting the increase were lower purchases of our internet advertising solutions.

North America Operating Income

North America operating income for the three months ended September 30, 2011 was \$112.1 million, compared to \$93.5 million for the three months ended September 30, 2010, an increase of \$18.6 million, or 20%. The increase in operating income was primarily attributable to a charge for the impairment of certain intangible assets, reflected in the three

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months ended September 30, 2010, related to our 2007 Purisma acquisition, lower costs as a result of our reengineering efforts and an increase in North America total revenue. Partially offsetting the increase were increased costs associated with our investments (e.g. D&B360).

Nine Months Ended September 30, 2011 vs. Nine Months Ended September 30, 2010

North America Overview

North America total revenue decreased \$24.9 million, or 3% (both before and after the effect of foreign exchange), for the nine months ended September 30, 2011 as compared to the nine months ended September 30, 2010. North America total revenue was negatively impacted by the divestiture of our North American Self Awareness Solution business in the third quarter of 2010, which we reclassified as a divested business and accounted for \$32.9 million of revenue for the nine months ended September 30, 2010. Excluding the impact of the divestiture, core revenue increased \$8.0 million, or 1% (both before and after the effect of foreign exchange).

North America Customer Solution Sets

On a customer solution set basis, the \$8.0 million increase in core revenue for the nine months ended September 30, 2011, as compared to the nine months ended September 30, 2010, reflects:

Risk Management Solutions

A decrease in Risk Management Solutions of \$1.0 million, or less than 1% (1% decrease before the effect of foreign exchange), reflects:

Traditional Risk Management Solutions, which accounted for 69% of total North America Risk Management Solutions, decreased less than 1% (1% decrease before the effect of foreign exchange). The decrease was primarily due to lower revenue for our non-subscription transactional products, partially offset by year-over-year growth in our DNBi subscription plans due to continued high retention and increased dollar spend per customer resulting from an increased emphasis on our value proposition; and higher purchases from our existing customers as they converted from our legacy products to subscription plans for DNBi, including the customers who previously purchased value-added solutions. We continue to see mid single digit price increases when existing customers renew these subscription plans.

Value-Added Risk Management Solutions, which accounted for 23% of total North America Risk Management Solutions, decreased 1% (both before and after the effect of foreign exchange). The decrease was primarily due to lower project revenue primarily related to prior year contracts with longer commitment periods that have not yet come up for renewal, lower demand as we continue to see softness in project revenue as customers remain cautious with spend in the current economic environment and a shift in product mix from a large customer to Sales & Marketing Solutions. Partially offsetting the decrease was year-over-year growth in our DNBi subscription plans and more upfront revenue recognition on the existing customer set.

Supply Management Solutions, which accounted for 8% of total North America Risk Management Solutions, increased 3% (both before and after the effect of foreign exchange), on a small base.

Sales & Marketing Solutions

An increase in Sales & Marketing Solutions of \$3.1 million, or 1% (both before and after the effect of foreign exchange), reflects: Traditional Sales & Marketing Solutions, which accounted for 28% of total North America Sales & Marketing Solutions, decreased 20% (both before and after the effect of foreign exchange). The decrease was primarily due to lower purchases from our customers due to a slow economic recovery and continued budgetary pressures, a prior year contract

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with a longer commitment period that has not yet come up for renewal and our decision to stop selling certain legacy products and convert the existing customer base as well as new prospects to Hoover's solutions.

Value-Added Sales & Marketing Solutions, which accounted for 72% of total North America Sales & Marketing Solutions, increased 13% (both before and after the effect of foreign exchange). The increase was primarily due to broad growth in our products as a result of increased commitments primarily related to our Optimizer product, more upfront revenue recognition on the existing product set and prior year contracts with longer commitment periods that have not yet come up for renewal.

Internet Solutions

An increase in Internet Solutions of \$5.9 million, or 7% (both before and after the effect of foreign exchange), as a result of increased customer acquisitions driven by our innovation at Hoover's, continued growth in our subscription revenue at Hoover's as customers see our improved value proposition and migration by certain customers from Traditional Sales & Marketing Solutions. Partially offsetting the increase were lower purchases of our internet advertising solutions.

North America Operating Income

North America operating income for the nine months ended September 30, 2011 was \$324.0 million, compared to \$297.2 million for the nine months ended September 30, 2010, an increase of \$26.8 million, or 9%. The increase in operating income was primarily attributable to lower costs as a result of the divestiture of our North American Self Awareness Solution business and costs in the prior year for the impairment of intangible assets related to our 2007 Purisma and 2009 Quality Education Data acquisitions. Partially offsetting the increase was a decrease in North America total revenue and an increase in compensation expenses (primarily related to bonus and commission expenses).

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Asia Pacific represented 15% of our total revenue for each of the three month and nine month periods ended September 30, 2011, as compared to 10% and 9% of our total revenue for the three month and nine month periods ended September 30, 2010, respectively.

Asia Pacific represented 15% of our core revenue for the three month and nine month periods ended September 30, 2011, as compared to 10% and 9% of our core revenue for the three month and nine month periods ended September 30, 2010.

The percentage change in our Asia Pacific revenue from the three month and nine month periods ended September 30, 2010 to the three month and nine month periods ended September 30, 2011 was impacted by the acquisition of D&B Australia in the fourth quarter of 2010.

There were no divestitures within this segment during the three month and nine month periods ended September 30, 2011 and 2010. The following table presents our Asia Pacific revenue by customer solution set and Asia Pacific operating income for the three month and nine month periods ended September 30, 2011 and 2010.

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2011	2010	2011	2010
	(Amounts in millions)		(Amounts in millions)	
Revenue:				
Risk Management Solutions	\$ 47.2	\$ 22.5	\$ 128.4	\$ 59.8
Sales & Marketing Solutions	20.3	15.1	58.3	46.6
Internet Solutions	0.2	0.3	0.7	0.9
Asia Pacific Total and Core Revenue	\$ 67.7	\$ 37.9	\$ 187.4	\$ 107.3
Operating Income	\$ 4.9	\$ 0.0	\$ 10.3	\$ 3.5

Asia Pacific Overview**Three Months Ended September 30, 2011 vs. Three Months Ended September 30, 2010**

Asia Pacific total and core revenue increased \$29.8 million, or 79% (65% increase before the effect of foreign exchange), for the three months ended September 30, 2011 as compared to the three months ended September 30, 2010. The acquisition of D&B Australia contributed 59 percentage points of growth before the impact of foreign exchange to total Asia Pacific revenue growth during the three months ended September 30, 2011.

Asia Pacific Customer Solution Sets

On a customer solution set basis, the \$29.8 million increase in Asia Pacific total and core revenue for the three months ended September 30, 2011, as compared to the three months ended September 30, 2010, reflects:

Risk Management Solutions

An increase in Risk Management Solutions of \$24.7 million, or 110% (93% increase before the effect of foreign exchange) primarily due to the acquisition of D&B Australia in the third quarter of 2010.

Traditional Risk Management Solutions, which accounted for 97% of Asia Pacific Risk Management Solutions, increased 101% (85% increase before the effect of foreign exchange). The increase in Traditional Risk Management solutions was primarily due to increased revenue as a result of the acquisition of D&B Australia, which we consolidated in the fourth quarter of 2010, and the positive impact of foreign exchange. Partially offsetting the increase was lower usage from our customers in Japan as a result of the continued economic pressures as well as the impact of the natural disasters to their business.

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Value-Added Risk Management Solutions, which accounted for 3% of Asia Pacific Risk Management Solutions, increased 722% (671% increase before the effect of foreign exchange), on a small base.

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Sales & Marketing Solutions

An increase in Sales & Marketing Solutions of \$5.2 million, or 34% (26% increase before the effect of foreign exchange), reflects: Traditional Sales & Marketing Solutions, which accounted for 67% of Asia Pacific Sales & Marketing Solutions, increased 48% (40% increase before the effect of foreign exchange). This increase was primarily due to increased purchases by new and existing customers in certain of our markets and increased revenue as a result of the acquisition of D&B Australia which we consolidated in the fourth quarter of 2010.

Value-Added Sales & Marketing Solutions, which accounted for 33% of Asia Pacific Sales & Marketing Solutions, increased 14% (3% increase before the effect of foreign exchange). This was primarily due to increased revenue as a result of the acquisition of D&B Australia, which we consolidated in the fourth quarter of 2010, partially offset by a previous loss of a customer in our Japanese market.

Internet Solutions

A decrease in our Internet Solutions of \$0.1 million, or 11% (15% decrease before the effect of foreign exchange), on a small base.

Asia Pacific Operating Income

Asia Pacific operating income for the three months ended September 30, 2011 was \$4.9 million, compared to flat operating income for the three months ended September 30, 2010, an increase of \$4.9 million primarily due to increased revenue as a result of the acquisition of D&B Australia which we consolidated in the fourth quarter of 2010 and related transaction costs partially offset by an increase in data costs in certain of our Asia Pacific markets.

Nine Months Ended September 30, 2011 vs. Nine Months Ended September 30, 2010

Asia Pacific total and core revenue increased \$80.1 million, or 75% (63% increase before the effect of foreign exchange), for the nine months ended September 30, 2011 as compared to the nine months ended September 30, 2010. The acquisition of D&B Australia contributed 60 points of growth before the impact of foreign exchange to total revenue growth during the nine months ended September 30, 2011.

Asia Pacific Customer Solution Sets

On a customer solution set basis, the \$80.1 million increase in Asia Pacific total and core revenue for the nine months ended September 30, 2011, as compared to the nine months ended September 30, 2010, reflects:

Risk Management Solutions

An increase in Risk Management Solutions of \$68.6 million, or 115% (100% increase before the effect of foreign exchange) primarily due to the acquisition of D&B Australia in the third quarter of 2010.

Traditional Risk Management Solutions, which accounted for 96% of Asia Pacific Risk Management Solutions, increased 117% (101% increase before the effect of foreign exchange). The increase in Traditional Risk Management solutions was primarily due to increased revenue as a result of the acquisition of D&B Australia, which we consolidated in the fourth quarter of 2010 and the positive impact of foreign exchange. Partially offsetting the increase was lower usage from our customers in Japan as a result of the continued economic pressures as well as the impact of the natural disasters to their business.

Value-Added Risk Management Solutions, which accounted for 4% of Asia Pacific Risk Management Solutions, increased 82% (73% increase before the effect of foreign exchange) primarily due to increased revenue as a result of the acquisition of D&B Australia which we consolidated in the fourth quarter of 2010.

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An increase in Sales & Marketing Solutions of \$11.7 million, or 25% (18% increase before the effect of foreign exchange), reflects: Traditional Sales & Marketing Solutions, which accounted for 64% of Asia Pacific Sales & Marketing Solutions, increased 37% (32% increase before the effect of foreign exchange). This increase was primarily due to increased purchases by new and existing customers in certain of our markets, increased revenue as a result of the acquisition of D&B Australia, which we consolidated in the fourth quarter of 2010, and the positive impact of foreign exchange.

Value-Added Sales & Marketing Solutions, which accounted for 36% of Asia Pacific Sales & Marketing Solutions, increased 9% (1% decrease before the effect of foreign exchange). This was primarily due to increased revenue as a result of the acquisition of D&B Australia which we consolidated in the fourth quarter of 2010 and the positive impact of foreign exchange, partially offset by a loss of a customer earlier in the year in our Japanese market.

Internet Solutions

A decrease in our Internet Solutions of \$0.2 million, or 13% (16% decrease before the effect of foreign exchange), on a small base.

Asia Pacific Operating Income

Asia Pacific operating income for the nine months ended September 30, 2011 was \$10.3 million, compared to operating income of \$3.5 million for the nine months ended September 30, 2010, an increase of \$6.8 million primarily due to increased revenue as a result of the acquisition of D&B Australia which we consolidated in the fourth quarter of 2010 and related transaction costs partially offset by an increase in data and compensation costs.

Europe and Other International Markets

Europe and Other International Markets represented 15% of our total revenue for each of the three month and nine month periods ended September 30, 2011, as compared to 14% and 15% of our total revenue for the three month and nine month periods ended September 30, 2010.

Europe and Other International Markets represented 15% of our core revenue for the three month and nine month periods ended September 30, 2011, as compared to 14% and 15% of our core revenue for the three month and nine month periods ended September 30, 2010.

There were no divestitures within this segment during the three month and nine month periods ended September 30, 2011 and 2010. The following table presents our Europe and Other International Markets revenue by customer solution set and Europe and Other International Markets operating income for the three month and nine month periods ended September 30, 2011 and 2010.

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2011	2010	2011	2010
	(Amounts in millions)		(Amounts in millions)	
Revenue:				
Risk Management Solutions	\$ 52.4	\$ 48.4	\$ 154.7	\$ 149.8
Sales & Marketing Solutions	11.6	7.9	29.4	24.8
Internet Solutions	0.7	0.6	1.8	1.6
Europe and Other International Markets Total and Core Revenue	\$ 64.7	\$ 56.9	\$ 185.9	\$ 176.2
Operating Income	\$ 15.5	\$ 14.4	\$ 36.6	\$ 43.6

Europe and Other International Markets Overview

Three Months Ended September 30, 2011 vs. Three Months Ended September 30, 2010

Europe and Other International Markets total and core revenue increased \$7.8 million, or 14% (5% increase before the effect of foreign exchange), for the three months ended September 30, 2011 as compared to the three months ended September 30, 2010.

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Europe and Other International Markets Customer Solution Sets

On a customer solution set basis, the \$7.8 million increase in Europe and Other International Markets total and core revenue for the three months ended September 30, 2011, as compared to the three months ended September 30, 2010, reflects:

Risk Management Solutions

An increase in Risk Management Solutions of \$4 million, or 8% (1% decrease before the effect of foreign exchange), reflects: Traditional Risk Management Solutions, which accounted for 82% of Europe and Other International Markets Risk Management Solutions, increased 5% (3% decrease before the effect of foreign exchange); primarily due to the positive impact of foreign exchange partially offset by lower transactional volumes as well as lower demand in earlier periods for our ratable subscription products in certain of our markets, primarily driven by our UK market.

Value-Added Risk Management Solutions, which accounted for 16% of Europe and Other International Markets Risk Management Solutions, increased 26% (16% increase before the effect of foreign exchange) primarily due to increased purchases as a result of new project-oriented business.

Supply Management Solutions, which accounted for 2% of Europe and Other International Markets Risk Management Solutions, increased 22% (9% increase before the effect of foreign exchange) on a small base.

Sales & Marketing Solutions

An increase in Sales & Marketing Solutions of \$3.7 million, or 46% (35% increase before the effect of foreign exchange), reflects: Traditional Sales & Marketing Solutions, which accounted for 72% of Europe and Other International Markets Sales & Marketing Solutions, increased 64% (53% increase before the effect of foreign exchange). This increase was primarily due to increased purchases in our UK market to our existing customer base.

Value-Added Sales & Marketing Solutions, which accounted for 28% of Europe and Other International Markets Sales & Marketing Solutions, increased 14% (4% increase before the effect of foreign exchange) on a small base.

Internet Solutions

Internet Solutions of \$0.1 million, or 7% increase (1% increase before the effect of foreign exchange) on a small base.

Europe and Other International Markets Operating Income

Europe and Other International Markets operating income for the three months ended September 30, 2011 was \$15.5 million, compared to \$14.4 million for the three months ended September 30, 2010, an increase of \$1.1 million, or 8%, primarily due to an increase in revenue partially offset by increased operating expenses (e.g. professional fees, data costs, investments) and higher year-over-year amortization related to the roll-out of DNBI.

Nine Months Ended September 30, 2011 vs. Nine Months Ended September 30, 2010

Europe and Other International Markets total and core revenue increased \$9.7 million, or 5% (1% increase before the effect of foreign exchange), for the nine months ended September 30, 2011 as compared to the nine months ended September 30, 2010.

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Europe and Other International Markets Customer Solution Sets

On a customer solution set basis, the \$9.7 million increase in Europe and Other International Markets total and core revenue for the nine months ended September 30, 2011, as compared to the nine months ended September 30, 2010, reflects:

Risk Management Solutions

An increase in Risk Management Solutions of \$4.9 million, or 3% (1% decrease before the effect of foreign exchange), reflects: Traditional Risk Management Solutions, which accounted for 80% of Europe and Other International Markets Risk Management Solutions, increased 1% (3% decrease before the effect of foreign exchange) reflecting lower transactional volumes as well as lower demand in earlier periods for our ratable subscription products in certain of our markets, primarily driven by our UK market.

Value-Added Risk Management Solutions, which accounted for 18% of Europe and Other International Markets Risk Management Solutions, increased 16% (11% increase before the effect of foreign exchange) primarily due to increased project based business.

Supply Management Solutions, which accounted for 2% of Europe and Other International Markets Risk Management Solutions, increased 1% (7% decrease before the effect of foreign exchange) on a small base.

Sales & Marketing Solutions

An increase in Sales & Marketing Solutions of \$4.6 million, or 18% (13% increase before the effect of foreign exchange), reflects: Traditional Sales & Marketing Solutions, which accounted for 66% of Europe and Other International Markets Sales & Marketing Solutions, increased 28% (23% increase before the effect of foreign exchange). This increase was primarily due to:

Value-Added Sales & Marketing Solutions, which accounted for 34% of Europe and Other International Markets Sales & Marketing Solutions, increased 2% (3% decrease before the effect of foreign exchange), primarily due to the positive impact of foreign exchange partially offset by decreased purchases in our UK market by our customers due to economic and budgetary pressures in previous quarters.

Internet Solutions

An increase in our Internet Solutions of \$0.2 million, or 8% (4% increase before the effect of foreign exchange), on a small base.

Europe and Other International Markets Operating Income

Europe and Other International Markets operating income for the nine months ended September 30, 2011 was \$36.6 million, compared to \$43.6 million for the nine months ended September 30, 2010, a decrease of \$7.0 million, or 16%, primarily due to increased operating expenses (e.g. data costs) and higher year-over-year amortization related to the roll-out of DNB_i partially offset by an increase in revenue.

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Forward-Looking Statements

We may from time-to-time make written or oral forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including statements contained in filings with the Securities and Exchange Commission, in reports to shareholders and in press releases and investor Web casts. These forward-looking statements can be identified by the use of words like anticipates, aspirations, believes, continues, estimates, expects, goals, guidance, intends, plan, strategy, targets, commits, 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. 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.

The following important factors could cause actual results to differ materially from those projected in such forward-looking statements:

We rely significantly on third parties to support critical components of our business model in a continuous and high quality manner, including third-party data providers, strategic third-party members in our D&B Worldwide Network, and third parties with whom we have significant outsourcing arrangements;

Our ability to implement and derive the benefit of our Strategic Technology Investment program announced in February 2010 and to maintain sufficient investment in our technology infrastructure thereafter;

Demand for our products is subject to intense competition, changes in customer preferences and economic conditions which impact customer behavior;

Our solutions and brand image are dependent upon the integrity and security of our global database and the continued availability thereof through the internet and by other means, as well as our ability to protect key assets, such as our data centers;

Our ability to maintain the integrity of our brand and reputation, which we believe are key assets and competitive advantages;

Our ability to renew large contracts, the related revenue recognition and the timing thereof, or a shift in product mix, may impact our results of operations from period-to-period;

As a result of the macro-economic challenges currently affecting the global economy, our customers or vendors may experience cash flow problems. This may cause our customers to delay, cancel or significantly decrease their purchases from us and impact their ability to pay amounts owed to us. In addition, our vendors may substantially increase their prices without notice. Such behavior may adversely affect our earnings and cash flow. In addition, if economic conditions in the United States and other key markets deteriorate further or do not show improvement, we may experience material adverse impacts to our business, operating results, and/or access to credit markets;

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Our results are subject to the effects of foreign economies, exchange rate fluctuations, legislative or regulatory requirements, such as the adoption of new or changes in accounting policies and practices, including pronouncements by the Financial Accounting Standards Board or other standard setting bodies, and the implementation or modification of fees or taxes that we must pay to acquire, use, and/or redistribute data. Future laws or regulations with respect to the collection, compilation, use and/ or publication of information and adverse publicity or litigation concerning the commercial use of such information, or changes in the rules governing the operation of the Internet could have a material adverse effect on our business and financial results;

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Our ability to introduce new solutions or services having more breadth and depth of data which allow customers more flexible use of D&B data through web services and third-party solutions, in a seamless way and without disruption to existing solutions such as DNBi;

Our ability to acquire and successfully integrate other complementary businesses, products and technologies into our existing business, without significant disruption to our existing business or to our financial results;

The continued adherence by third-party members of our D&B Worldwide Network or other third parties who license and sell under the D&B name to our quality standards, our brand and communication standards and to the terms and conditions of our commercial services arrangements;

Our future success requires that we attract and retain qualified personnel, including members of our sales force and technology teams, in regions throughout the world;

The profitability of our segments outside of North America depends on our ability to identify and execute on various initiatives, such as the continued implementation of subscription plan pricing, such as DNBi, and successfully managing our D&B Worldwide Network, and our ability to identify and contend with various challenges present in foreign markets, such as local competition and the availability of public records at no cost, or the adoption of new laws or regulations governing the collection, compilation, use and/ or publication of information, particularly in emerging markets;

Our ability to successfully implement our growth strategy requires that we successfully reduce our expense base through our Financial Flexibility initiatives, and reallocate certain of the expense-base reductions into initiatives that produce desired revenue growth;

We are involved in various legal proceedings, the outcomes of which are unknown and uncertain with respect to the impact on our cash flow and profitability;

Our ability to repurchase shares is subject to market conditions, including trading volume in our stock, and our ability to repurchase shares in accordance with applicable securities laws; and

Our projection for free cash flow is dependent upon our ability to generate revenue, our collection processes, customer payment patterns, the timing and volume of stock option exercises and the amount and timing of payments related to the tax and other matters and legal proceedings in which we are involved.

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 Risk Factors in Item 1A. of our Annual Report on Form 10-K. It should be understood that it is not possible to predict or identify all risk factors. Consequently, the above list of important factors and the Risk Factors discussed in Item 1A. of our Annual Report on Form 10-K should not be considered to be a complete discussion of all of our potential trends, risks and uncertainties. Except as otherwise required by federal securities laws, we do not undertake any obligation to update any forward-looking statement we may make from time-to-time.

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Liquidity and Financial Position

In connection with our commitment to delivering Total Shareholder Return, we will remain disciplined in the use of our shareholders' cash, maintaining three key priorities for the use of this cash:

First, making ongoing investments in the business to drive growth;

Second, investing in acquisitions that we believe will be value-accretive to enhance our capabilities and accelerate our growth; and

Third, continuing to return cash to shareholders.

We believe that cash provided by operating activities, supplemented as needed with available financing arrangements, is sufficient to meet our short-term needs (up to twelve months or less), including restructuring charges, transition costs, our Strategic Technology Investment, contractual obligations and contingencies (see Note 7 to our unaudited consolidated financial statements in Item 1. of this Quarterly Report on Form 10-Q), excluding the legal matters identified in such note for which exposures cannot be estimated or are not probable. In addition, we believe that our ability to readily access the bank and capital markets for incremental financing needs will enable us to meet our continued focus on Total Shareholder Return. We have the ability to access the short-term borrowings market from time-to-time to fund working capital needs, acquisitions and share repurchases. Such borrowings would be supported by our credit facility, when needed.

The disruption in the economic environment has had a significant adverse impact on a number of commercial and financial institutions. Our liquidity has not been impacted by the credit environment and management does not expect that it will be materially impacted in the near-future. Management continues to closely monitor our liquidity, the credit markets and our financial counterparties. However, management cannot predict with any certainty the impact to us of any further disruption in the credit environment.

Cash Provided by Operating Activities

Net cash provided by operating activities was \$271.2 million and \$278.9 million for the nine months ended September 30, 2011 and 2010, respectively. The \$7.7 million decrease was primarily driven by:

Increased tax payments;

Increased spend related to our Strategic Technology Investment; and

Increased benefit contributions primarily to the U.S. Non-Qualified Plan;
partially offset by

Increased net income of our underlying business excluding the impact of non-cash gains and losses.

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Cash Used in Investing Activities

Net cash used in investing activities was \$38.4 million for the nine months ended September 30, 2011, as compared to net cash used in investing activities of \$235.6 million for the nine months ended September 30, 2010. The \$197.2 million change primarily reflects the following activities:

During the nine months ended September 30, 2011, we spent approximately \$1.7 million in acquisitions of businesses, net of cash acquired, as compared to the nine months ended September 30, 2010, we spent \$203.3 million on acquisitions/majority-owned joint ventures and other investments, net of cash acquired primarily related to D&B Australia. See Note 11 to our unaudited consolidated financial statements included in Item 1. of this Quarterly Report on Form 10-Q;

A decrease in additions to computer software and other intangibles and capital expenditures as large projects occurred in the prior year period (e.g., Acxiom data center migration and Hoover's technology replatform);
partially offset by:

Proceeds related to our divested businesses in prior years.

Cash Used in Financing Activities

Net cash used in financing activities was \$231.2 million and \$175.2 million for the nine months ended September 30, 2011 and 2010, respectively. As set forth below, this \$56.0 million change primarily relate to contractual obligations, share repurchases and stock-based programs.

Contractual Obligations

Credit Facility

At December 31, 2007, we had a \$500 million, five-year bank revolving credit facility, which was set to expire in April 2012. Borrowings under the \$500 million credit facility are available at prevailing short-term interest rates. On January 25, 2008, we exercised a \$150 million expansion feature on our \$500 million credit facility expanding the total facility to \$650 million. We had \$187.8 million and \$252.0 million of borrowings outstanding under the \$650 million credit facility at September 30, 2011 and 2010, respectively. We borrowed under these facilities from time-to-time during the nine months ended September 30, 2011 to fund our share repurchases and working capital needs.

Share Repurchases

During the nine months ended September 30, 2011, we repurchased 1,642,700 shares of common stock for \$121.6 million. The share repurchases are comprised of the following programs:

In February 2009, our Board of Directors approved a \$200 million share repurchase program, which commenced in December 2009. We repurchased 976,335 shares of common stock for \$71.5 million under this repurchase program during the nine months ended September 30, 2011. We anticipate that this program will be completed by the end of fiscal year 2011; and

In May 2010, our Board of Directors approved a new four-year, five million share repurchase program to mitigate the dilutive effect of the shares issued under our stock incentive plans and ESPP. We repurchased 666,365 shares of common stock for \$50.1 million under this program during the nine months ended September 30, 2011. This program commenced in October 2010 and expires in October 2014.

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During the nine months ended September 30, 2010, we repurchased 1,526,512 shares of common stock for \$114.8 million. The share repurchases are comprised of the following programs:

In February 2009, our Board of Directors approved a \$200 million share repurchase program, which commenced in December 2009. We repurchased 869,174 shares of common stock for \$63.0 million under this repurchase program during the nine months ended September 30, 2010; and

In August 2006, our Board of Directors approved a four-year, five million share repurchase program to mitigate the dilutive effect of the shares issued under our stock incentive plans and ESPP. We repurchased 657,338 shares of common stock for \$51.8 million under this program during the nine months ended September 30, 2010. This repurchase program expired in August 2010.

Stock-based Programs

For the nine months ended September 30, 2011, net proceeds from stock-based awards were \$26.9 million as compared to \$3.0 million for the nine months ended September 30, 2010. The increase was attributed to an increase in the volume of stock option exercises during the nine months ended September 30, 2011 as compared to the nine months ended September 30, 2010.

Future Liquidity Sources and Uses of Funds

Share Repurchases

In February 2009, our Board of Directors approved a \$200 million share repurchase program which commenced in December 2009. During the nine months ended September 30, 2011, we repurchased 976,335 shares of common stock for \$71.5 million under this program with \$24.8 million remaining under this program. We anticipate that this program will be completed by the end of fiscal year 2011.

In May 2010, our Board of Directors approved a new four-year, five million share repurchase program to mitigate the dilutive effect of the shares issued under our stock incentive plans and ESPP. During the nine months ended September 30, 2011, we repurchased 666,365 shares of common stock for \$50.1 million under this program with 4,307,014 shares of common stock remaining under this program. This program commenced in October 2010 and expires in October 2014.

In October 2011, our Board of Directors approved a new \$500 million share repurchase program. This program will commence at the completion of our existing \$200 million share repurchase program.

Dividends

In October 2011, our Board of Directors approved the declaration of a dividend of \$0.36 per share for the fourth quarter of 2011. This cash dividend will be payable on December 13, 2011 to shareholders of record at the close of business on November 28, 2011.

Strategic Technology Investment Program

In February 2010, we announced a Strategic Technology Investment program aimed at strengthening our leading position in commercial data and improving our current technology platform to meet the emerging needs of customers. We expect the Strategic Technology Investment to be completed during the second half of 2012 and the total cost to be approximately \$130 million, with approximately \$55 million to \$65 million of the spend occurring in 2011.

Credit Facility

On October 25, 2011, we terminated our \$650 million, five-year bank revolving credit facility and we entered into a new \$800 million five-year revolving credit facility which matures in October 2016. The facility was renewed at commercial terms substantially similar to the former facility, the same financial covenants, and with borrowing rates that reflect the prevailing market for companies of similar credit quality.

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Spin-off Obligation

In 2000, as part of a spin-off transaction under which Moody's Corporation (Moody's) and D&B became independent of one another, Moody's and D&B entered into a Tax Allocation Agreement (TAA). Under the TAA, Moody's and D&B agreed that Moody's would be entitled to deduct the compensation expense associated with the exercise of Moody's stock options (including Moody's stock 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 stock options exercised by employees of Moody's). Put simply, the tax deduction would go to the company that granted the stock options, rather than to the employer of the individual exercising the stock options. In 2002 and 2003, the Internal Revenue Service (IRS) issued rulings that clarified that, under the circumstances applicable to Moody's and D&B, the compensation expense deduction belongs to the employer of the option grantee and not to the issuer of the option (i.e., D&B would be entitled to deduct the compensation expense associated with D&B employees exercising Moody's options and Moody's would be entitled to deduct the compensation expense associated with Moody's employees exercising D&B options). We have filed tax returns for 2001 through 2010, and made estimated tax deposits for 2011 consistent with the IRS rulings. We may be required to reimburse Moody's for the loss of compensation expense deductions relating to tax years 2006 to 2010 of approximately \$20.5 million in the aggregate for such years. In 2005 and 2006, we paid Moody's approximately \$30.1 million in the aggregate, which represented the incremental tax benefits realized by D&B for tax years 2003-2005 from using the filing method consistent with the IRS rulings. In February 2011, we paid Moody's an additional sum of approximately \$2.5 million, for tax years 2003-2005. While not material, we may also be required to pay, in the future, amounts in addition to the approximately \$20.5 million referenced above based upon interpretations by the parties of the TAA and the IRS rulings.

Potential Payments in Legal Matters

We are involved in certain 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 Note 7 to our unaudited consolidated financial statements included in Item 1. of this Quarterly Report on Form 10-Q. We believe we have adequate reserves recorded in our consolidated financial statements for our current exposures in these matters, where applicable, as described herein.

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Unrecognized Tax Benefits

In addition to our contractual cash obligations as set forth in our Annual Report on Form 10-K for the year ending December 31, 2010, we have a total amount of unrecognized tax benefits of \$122.4 million as of September 30, 2011. Although we do not anticipate payments within the next twelve months for these matters, these could require the aggregate use of cash totaling approximately \$140.0 million.

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 except for those disclosed in Note 7 to our consolidated financial statements included in Item 8. of our Annual Report on Form 10-K for the year ended December 31, 2010.

We do not have any related party transactions as of September 30, 2011.

Fair Value Measurements

Our non-recurring non-financial assets and liabilities include long-lived assets held and used, goodwill and intangible assets. These assets are recognized at fair value when they are deemed to be impaired. As of September 30, 2011, we did not have any unobservable (Level III) inputs in determining fair value for our non-recurring non-financial asset and liabilities.

As of September 30, 2011, we did not have any unobservable (Level III) inputs in determining fair value for our assets and liabilities measured at fair value on a recurring basis other than our real estate funds.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Our market risks primarily consist of the impact of changes in currency exchange rates on assets and liabilities, the impact of changes in the market value of certain of our investments and the impact of changes in interest rates. As of September 30, 2011, no material change had occurred in our market risks, compared with the disclosure in our Annual Report on Form 10-K for the year ended December 31, 2010 included in Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

Item 4. 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, as amended (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.

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 will prevent all error and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable 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. Judgments in decision-making can be faulty and breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by individual acts, by collusion of two or more people, or by management override. The 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,

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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. Our Disclosure Controls are designed to provide reasonable assurance of achieving their objectives.

Conclusions Regarding Disclosure Controls

Based upon our Controls Evaluation, our CEO and CFO have concluded that as of the end of the quarter ended September 30, 2011, our Disclosure Controls are effective at a reasonable assurance level.

Change in Internal Control Over Financial Reporting

There was no change in our internal control over financial reporting that occurred during the third quarter of 2011 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Table of Contents**PART II. OTHER INFORMATION****Item 1. Legal Proceedings**

Information in response to this Item is included in Part I Item 1. Note 7 Contingencies and is incorporated by reference into Part II of this Quarterly Report on Form 10-Q.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following table provides information about purchases made by us or on our behalf during the quarter ended September 30, 2011, of shares of equity that are registered by the Company pursuant to Section 12 of the Exchange Act.

ISSUER PURCHASES OF EQUITY SECURITIES

Period	Total Number of Shares Purchased (a)(b)	Average Price Paid Per Share	Total Number of Shares Purchased as part of Publicly Announced Plans or Programs(a)(b)	Maximum Number of Currently Authorized Shares that May Yet Be Purchased Under the Plans or Programs(a)	Approximate
					Dollar Value of Currently Authorized Shares that May Yet Be Purchased Under the Plans or Programs(b)
July 1 - 31, 2011	0.0	\$ 0.0	0.0	0.0	\$ 0.0
August 1 - 31, 2011	584,300	\$ 68.60	584,300	0.0	\$ 0.0
September 1 - 30, 2011	226,200	\$ 61.86	226,200	0.0	\$ 0.0
	810,500	\$ 66.72	810,500	4,307,014	\$ 24.8

- (a) During the three months ended September 30, 2011 we repurchased 308,809 shares of common stock for \$21.0 million under our Board of Directors approved repurchase program to mitigate the dilutive effect of the shares issued under our stock incentive plans and Employee Stock Purchase Plan. This program was announced in May 2010 and expires in October 2014. The maximum number of shares authorized for repurchase under this program is 5,000,000 shares, of which 692,986 shares had been repurchased as of September 30, 2011. We anticipate that this program will be completed by October 2014.
- (b) During the three months ended September 30, 2011, we repurchased 501,691 shares of common stock for \$33.1 million related to a previously announced \$200 million share repurchase program approved by our Board of Directors in February 2009. We anticipate that this program will be completed by the end of fiscal year 2011.

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Item 6. Exhibits

- Exhibit 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.
- Exhibit 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.
- Exhibit 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.
- Exhibit 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.
- Exhibit 101 The following financial information from The Dun & Bradstreet Corporation's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2011 formatted in Extensible Business Reporting Language (XBRL): (i) the Consolidated Statements of Operations, (ii) the Consolidated Balance Sheets, (iii) the Consolidated Statements of Cash Flows, (iv) the Consolidated Statements of Shareholders' Equity, and (v) the Notes to the Consolidated Financial Statements.*

* Users of this interactive data file are advised pursuant to Rule 406T of Regulation S-T that this interactive data file is deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, is deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, and otherwise is not subject to liability under these sections.

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SIGNATURES

Pursuant to the requirements 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.

THE DUN & BRADSTREET CORPORATION

By: /s/ Richard H. Veldran
Richard H. Veldran
Senior Vice President and Chief Financial Officer

Date: November 4, 2011

By: /s/ Anthony Pietrontone Jr.
Anthony Pietrontone Jr.
*Principal Accounting Officer and Corporate
Controller*

Date: November 4, 2011