KATHY GUINNESSEY (TREASURER)

Good morning, everyone, and thank you for joining us today.

Here's what we'll cover on today's call…

- Steve Alesio, our Chairman and Chief Executive Officer, will begin with some opening remarks.
- Sara Mathew, our President and Chief Operating Officer, will then provide some insight on our North America and International top-line results and expectations.
- Tasos Konidaris, our Chief Financial Officer, will then review our earnings results as well as additional financial highlights.
- Following some closing remarks from Steve, we'll then take your questions.

I want to point out that beginning in Q1 we have started reporting the results of our business in Canada as part of the North America Segment. I would also like to point out that you will find an additional schedule 7 in the press release explaining the change in reporting.

To help our analysts and investors understand how we view the business, our remarks this morning will include forward-looking statements. Our Form 10-K and 10-Q filings – as well as the earnings release we issued yesterday – highlight a number of important risk factors that could cause our actual results to differ from these forward-looking statements. These documents are available on the Investor Relations section of our Web site, and we encourage you to review this material. We undertake no obligation to update any forward-looking statements.

During our call today, we will be discussing a number of non-GAAP financial measures, as that's how we manage the business. For example, when we discuss "revenue growth" we'll be referring to the non-GAAP measure "revenue growth before the effect of foreign exchange," unless otherwise noted.

When we discuss "operating income," "operating margin" and "EPS," these will all be on a non-GAAP basis, before non-core gains and charges. Reconciliation between these and other non-GAAP financial measures and the most directly comparable GAAP measure can be found in the schedules to our earnings release.

They can also be found in a supplemental reconciliation schedule that we post on the Investor Relations section of our Web site. Later today, you'll also find a transcript of this call on our Investor Relations site.

With that, I'll now turn the call over to Steve Alesio. Steve?

STEVE ALESIO (CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Thanks, Kathy, and hello to all our team members, shareholders and analysts on the call today.

As you saw from our earnings release, for the 1st quarter, our revenue grew 1%, operating income grew 5%, EPS grew 17% and FCF was

$108M. We feel good about these results for the start of this most unusual year.

You might recall in January that we laid out a framework for how we thought 2009 could unfold in the midst of this global recession. We anticipated three items:

1. First, the weak economic environment would put pressure on top line growth in 2009;
2. Second, we would continue to focus on our profitability in spite of top line uncertainty;
3. Third, we would invest for long term sustainable growth with a lens on heading into 2010 a stronger company than we are today.

Let me now share with you how we are doing relative to these three expectations.

- First, our top line growth of 1% was in line with our expectations. Clearly the economic environment is impacting all companies, including ours, and is still a very relevant factor making top-line growth harder to forecast.
    - Our North America revenue results of -3% were in line with our expectation. We did however see a shift in mix by product line.
        - In Risk Management, our flagship product, DNBi, continued to perform and grew very well. That growth was entirely offset by weakness in our legacy transactional products, which declined more than we

expected. This weakness is a function of lower credit originations due to the current economic slowdown

- Our S&MS solution set in the US was down 10%, which was actually a little better than expected as the actions we outlined in January begin to slowly take hold.
- As a result, the outlook for our NA business is to improve slightly from our Q1 performance on a full year basis and be flat to slightly down.

Turning to quite a different story, our International revenue results grew 19% in Q1—very strong and well ahead of our expectations. International revenue reflected a balanced combination of very strong organic growth, as well as growth from our acquisitions in Asia. We now expect strong full year revenue growth from our International business in the range of the mid-teens to low twenties.

The second part of our framework for 2009 is that we also said we would continue to focus on our profitability in 2009, despite top line uncertainty. We feel very good about our solid growth in Operating Income, EPS and Free Cash Flow. Those results were delivered as a function of our strong financial discipline and the power of our business model. When I compare our earnings, our cash flow, and our solid capital structure to the rest of corporate America in this moment in time, we really stand out as a strong company.

For the final piece of our framework for 2009, we said we would invest for long term growth even in a challenging environment. We are still focused on heading into 2010 a stronger company than we are today and expect to increase our level of investment in the second half of 2009. Specifically:

- We have added about 100 sales people net, to our global sales force over the last 8 months and are thoughtfully leveraging these people in places where they can make an impact
- We are continuing to invest to improve our value proposition, specifically in DNBi for Risk as well as our Value-added products in Sales and Marketing Solutions.
- We are continuing to invest to improve data quality by adding much more detailed “trade data” for our Risk customers and adding contact information for our sales and marketing customers using, for example, the alliance with Jigsaw we announced yesterday.
- Finally, we are continuing to invest for organic growth in International as well as acquisitions in Asia.

So in the midst of what I expect will be the most difficult economic year of my lifetime, the D&B team is not only weathering the storm, but producing good results, standing firmly on its strengths and importantly, preparing for a stronger future. I could not be prouder of my colleagues for how they are leading in these historically challenging times.

In January, we said we would review our full year guidance position each quarter based on the prevailing economic condition of the US economy as well as the performance of our own business. Given everything we have seen to-date and our outlook for the rest of this year; we are re-confirming our guidance measures. The components of our guidance have shifted a bit as our International business is expected to perform better than originally thought and our NA business is expect to perform slightly worse than we originally thought. As a result, we still see:

- Core Revenue growth for the year of 2-5%
- We see Operating income growth of 5-8% for the year
- We expect Diluted EPS growth of 9-12%
- And we still expect Free cash flow of $360-375 million

With that, I will now ask Sara to discuss our top line results in more detail both for the quarter and relative to our outlook for the full year. Then Tasos will review our financial performance and our bottom line expectations. I will then come back and wrap this up before we open things up to your questions. Sara?

SARA MATHEW (CHIEF OPERATING OFFICER)

Thank you, Steve and good morning everyone. Let me begin with a review our North American top line results.

Our performance in North America continues to be impacted by the weak US economy, with revenue down 3% from the prior year. While overall performance was in-line with expectations, product mix was slightly different.

Let me first address Risk Management, where our results were slightly behind expectations.

The strategy we have pursued over the past 5 years to shift our risk business towards DNBi continues to be very successful.

- DNBi retention rates remain consistently strong
- As a product, DNBi now represents 51% of the risk management business, up from 33% a year-ago
- We continue to achieve double digit price increases on conversions to DNBi, and high-single digit increases on renewals
- We are gaining traction with modules and see considerable runway ahead to further penetrate the base with core DNBi modules like account manager and decision maker
- Finally, customer satisfaction with DNBi remains very strong

Net-net, the core DNBi value proposition remains a key driver of growth in Risk management, and we feel very good about the performance of this product.

That said, our other subscription and legacy products declined at a faster rate than we expected - offsetting the growth from DNBi.

There are three reasons for this decline:

First, these customers tend to be transactional users of D&B products, they purchase reports to evaluate how much credit to extend to their new customers -- what we call loan or credit origination. In the current economic environment, many of these customers are seeing a lower level of new business activity, and this is resulting in lower usage of D&B products. We did see some of this trend toward lower activity occurring in Q4; however, we underestimated its impact in 2009.

The second reason for the decline relates to the higher than expected attrition with our smallest customers, mostly due to economic pressures.

Finally, we are experiencing some pricing pressure from our large customers, who cut back on the size of their commitments in Q1 due to a combination of lower credit origination needs as well as internal budget constraints.

As a result, we now believe the decline in non-DNBi transaction-based revenue will stay with us for the full year, continuing to offset the growth we expect from DNBi.

Looking ahead, we believe it will be 2010 before we see RMS revert to its historically solid levels of growth.

We are focused on 3 key actions now to drive growth in 2010 and beyond:

- Increasing DNBi penetration through investment in <u>new</u> modules such as collections, to broaden our reach
- Increasing the scalability of the existing DNBi modules so that they may be used by larger companies, to conduct portfolio analysis, a critical need in this environment; and

- Taking our proven Supplier risk solution, which has already been implemented with Wal Mart and the US Government, to other large customers to help them mitigate operational risk.

Now let me turn to our Sales & Marketing Solutions business, where we had a 10% revenue decline in the first quarter. Of note, this performance was actually better than expected.

As a reminder, S&MS revenue was impacted by the timing of early renewals that we first discussed last fall, as we proactively locked in deals in 2008 to reduce execution risk in an uncertain economic environment;

In addition, expected declines in our traditional, lists and labels businesses impacted the top line as customers reduced their direct marketing efforts due to budget constraints.

These declines were partially offset by better than expected performance in our Value-Added products.

Looking ahead, there are 3 areas of focus to deliver an improved growth trajectory in our S&MS products. We discussed these with you in the January call, and I am pleased to report that we are seeing traction on all fronts.

- First, the investment in additional salespeople has expanded our pipeline of opportunities to drive growth in the latter part of the year.

- Second, we are already in the market with a stronger value proposition, leveraging existing products and services. More specifically, the bundled Optimizer / Market Insight product is receiving a favorable customer response - and our pipeline continues to grow.
- Finally, we are actively working on 3 major initiatives, all of which are designed to accelerate growth as the year unfolds:
    1. We have planned upgrades to our Optimizer product. For our large customers we are enhancing functionality to improve ease of use. And, for our mid-size customers, we are leveraging the DNBi platform to deliver a seamless and affordable integration experience.
    2. Purisma revenue is growing, largely due to improved customer implementations. We expect to accelerate the adoption of Purisma as we more fully build out the sales force and improve the functionality of the product.
    3. Our recently announced marketing alliance with Jigsaw, will provide our customers with direct e-mail and contact information to further facilitate their digital marketing efforts.

As a result, we expect to re-establish positive growth in S&MS in the second half of the year and are investing in 2009 to deliver even stronger growth in 2010.

Let me briefly discuss the Internet business which is small and today represents less than 10% of North American revenue. Overall, these results were in-line with expectations, with revenue up slightly in Q1. As context, Hoovers is primarily offered to small customers, who are experiencing many of the same pressures that have impacted the S&MS business, discussed earlier. New Customer Acquisition remains stable year-over-year, but is insufficient to make up for the declines in the base, due to lower renewal rates. As such, we expect continued pressure on the top line as the year unfolds.

To summarize on the US -- Back in January we said we were expecting revenue growth in the range of flat to low single digits for North America. Based on what we know today, we now expect North America revenue growth to be flat to down slightly for the full year. Looking ahead, it will be 2010 before we get to more solid growth.

Let me now move on to International where we had a very strong start to the year. International first quarter revenue was up 19% over the prior-year and ahead of our expectations.

This performance was driven by 9 points of organic revenue growth across both Europe and Asia, and 10 points of inorganic growth from our acquisitions in China and India. Looking ahead, we expect International to continue its performance of strong top-line growth, and have revised expectations upwards. We now expect top line growth in International to be in the mid teens to low 20's for 2009.

Now many of you may be wondering how International can deliver such strong results in the current economic environment. Let me explain this in more detail.

First, we are seeing benefits from the International alliance strategy implemented several years ago. This reduced our exposure to lower growth geographies and increased exposure in higher growth markets like India and China. In addition, the acquisitions we made late in 2008 are performing very well. Today, the high growth Asian region accounts for 34% of our International revenue compared with just 22% a year-ago

Second, the International markets are different. For example, the risk management space in Europe is dominated by credit insurers, unlike the US, where customers opt to make these decisions on their own. More recently, we are seeing European customers willing to explore other alternatives, and, in the current environment, many of them are moving to D&B products and services and we are benefitting from this trend. Third, many of our International customers do business outside their domestic market, and this requires <u>consistent</u> global data.   We are uniquely positioned to satisfy this need. Our global DUNs numbering process and core capabilities in linkage, matching and scoring, help customers make insightful <u>cross-border</u> decisions for their businesses.

The fourth factor that will sustain International growth is the talent in these markets. We have seasoned leaders in both Europe and Asia, and a strong team below them. These leaders understand their markets, and are relentless on execution, which has also helped create sustained growth in International after many years of volatility.

To summarize, we went into the year expecting International revenue growth of high-single to low-double-digits. Based on everything we see today, we now expect revenue growth for the year to be much higher - in the mid-teens to low 20's.

As we look ahead, we expect the strong International growth trajectory to continue into the years ahead. We see numerous opportunities in our established markets, where we can take our proven products from the US products - such as DNBi and Optimizer, to fuel organic growth. And in our emerging markets we are underpenetrated, and we see significant runway ahead for both organic and inorganic growth. We recognize that the GDP growth in these emerging markets has slowed; however, the risk services business is very early in its developmental cycle and the appetite for our products and services remains strong.

So, to sum up, we now expect North America growth to be flat to down slightly, while our International business should be in the mid-teens to low 20's for 2009. In its totality, this should result in top-line revenue growth in the range of 2-5% for 2009.

Let me close with a few final thoughts on our business. We are operating in a very uncertain environment. Yet we are blessed with a business that is holding up well given the circumstances. We are also blessed with a team that is determined to win, despite the headwinds we face.

The work we have been doing over the years to stabilize and get the International business to sustained growth is clearly paying dividends. And, we still have a large underpenetrated market opportunity before us in NA. Over the next 6-9 months, we intend to double down and finish strong in NA. We know what needs to be done, and we have the resources and the talent that should get this business back to growth in the second half.

And with that, I will now turn the call over to Tasos who will provide an overview of our earnings results and financial performance.

TASOS KONIDARIS (CHIEF FINANCIAL OFFICER

Thank you, Sara and good morning everyone. There are several reasons to feel good about our financial performance at the end of Q1:

- First, we delivered strong operating income and EPS as our scalable business model and our financial flexibility program continue to drive margin expansion;
- Second, we continue to be efficient in our use of capital and generate significant free cash flow;
- Third, our financial position remains strong providing us flexibility in a weak economy.

I will speak in more detail about each of these reasons, but let us start with the first point. We are *very* pleased with our total company operating income growth of 5% and our operating margin growth of 180 bps to 28.5% as our financial flexibility program allowed us to improve margins even as we experienced top line pressure.

In North America, our operating income was flat and our margin improved by 140 bps. These results were in-line with our expectations and reflect reengineering savings offsetting the revenue decline as well as the funding of investments in our business.

In International, we delivered strong operating income growth of 35% and we expanded margins by 300 bps. These results were ahead of our expectations, and reflect the strong International revenue growth that Sara reviewed and the timing of investments which were more front-end loaded last year.

Let me now move to our Financial Flexibility program, which as you know is a competitive advantage for D&B and allows us to consistently drive margin growth.

In January, we shared with you our goal to unlock $90 to $105 million dollars of financial flexibility in 2009. Our Plan is on track and we continue to be confident about delivering our financial flexibility targets for the year and driving operating income and margin growth while still investing in the business.

Let me now give you a very timely example of our financial flexibility program. We recently combined our Canadian and U.S. administrative operations to improve efficiencies and reduce costs by absorbing the Canadian functions into the U.S. In addition to reducing costs, our Canadian customers will now recognize accelerated release of new products, improved information quality and will continue to be served by our Canadian sales organization which remains fully in place.

I will now move on to earnings per share, which was up 17% in the quarter, ahead of our expectations. This very strong performance was primarily driven by three factors:

- First, 5 points of operating income growth ;
- Second, 7 points of growth due to share repurchases which was larger last year and more front-end loaded than this year.
- And, finally, 5 points of growth due to a discrete tax benefit of $0.05 cents which we do not expect to repeat in future quarters. We are extremely pleased with the successful resolution of this International tax item and our ability to deliver this value to our shareholders.

As we look to the remainder of 2009, we expect our earnings per share growth to moderate due to lower benefits from share repurchases, the discrete tax benefit not repeating, as well as our desire to continue to invest in the business. All of this is contemplated in our full year EPS guidance of 9-12% growth.

Moving on to the second reason to feel good about our performance, I will address our free cash flow. Our strong earnings, capital efficiency and flexible business model help us to generate a lot of cash every year. In the first quarter we got off to a good start as we generated free cash flow of $108 million. That represented almost 1/3 of our full year guidance range of $360 to $375 million of free cash flow.

As you know, we have three priorities in deploying our cash:

- First, we continue to invest in the business to improve our value proposition, and Steve and Sara discussed how we are investing to drive future revenue growth.
- Second, we continue to look at acquisitions but require higher returns and quicker EPS accretion. In the first quarter we purchased QED for $29 million which complements our educational marketing solutions. From a financial perspective, the acquisition is EPS neutral this year and accretive in 2010, meeting the higher requirements we have put on acquisitions.
- Third, we will continue returning cash to shareholders through a combination of cash dividends and share repurchases.
    - With respect to dividends, we paid $18 million dollars in the first quarter

- With respect to share repurchases, in the first quarter we bought back shares valued at $42 million, $15 million of which was due to our discretionary program, while the balance was used to mitigate dilution from equity awards.
- Looking ahead, we continue to target a total of $100-$150 million in discretionary share repurchases in 2009 which is consistent with our discussion in January.

Let me now move to the third and final reason we feel good about our results in this challenging environment - our strong financial position.

- First, we finished the quarter with a cash balance of $180 million and available capacity under our revolving credit facility of approximately $450 million, for available liquidity of $630 million
- Second, we continue to have a conservative balance sheet. At the end of the first quarter we had gross debt of $900 million, yielding a 1.6 times debt to EBITDA ratio, in line with our expectations.
- Third, we have no immediate debt maturities with our outstanding bonds maturing in 2011 and 2013.
- Fourth, we have no required contributions to our US defined benefit pension plan in 2009.
- Fifth, we ended the quarter with a deferred revenue balance of $575 million which reflects 3 points of growth in constant dollars and 5 points of negative foreign exchange impact.

As a result, we are proud of our financial strength, especially in what continues to be a very difficult environment. In fact, last week S&P re-affirmed our A- credit rating with stable outlook. While we don't have a need to access the capital markets any time soon, we are pleased with this validation of our strong financial condition.

So, in summary, there are 3 big reasons to feel confident about our financial position:

- We deliver strong profitability as our scalable business model and our financial flexibility program drive margin expansion;
- Second, we are efficient in our use of capital and generate significant free cash flow;
- Third, we are financially strong, providing us flexibility in a weak economy.

I will now turn the call back to Steve for some closing remarks...

Steve?

STEVE ALESIO (CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Thank you, Tasos and thank you Sara

We came into 2009 anticipating an economic environment that would challenge top line growth. We also expected to deliver the bottom line and continue to invest for the long term. So far, 2009 is playing out mostly as we expected, and we are positioning ourselves to end the year stronger.

The top line has some components that are meeting or exceeding our expectations—such as our entire International business which Sara described, our growth in DNBi, as well as positive traction in our value-added Marketing products. Some areas are really being impacted by the economic conditions—those are mostly our transactional products in Risk and Marketing in the US. We are working through this environment and I believe our salespeople around the world are doing a great job at demonstrating our value propositions to so many customers really suffering real economic pain.

On the earnings and the cash flow side, the discipline that our leaders have demonstrated in executing our flexible business model combined with our overall financial strength, really provide a competitive advantage today that is allowing us to invest for future.

We are determined to enter next year an even stronger company than we are today. And we are still very much committed to making D&B a great company over time.

With that, I'll now open the phone lines so that we can take any questions. Operator, would you please provide the instructions for asking a question?

If there are no more questions, I thank all of you for joining us. Good bye for now.