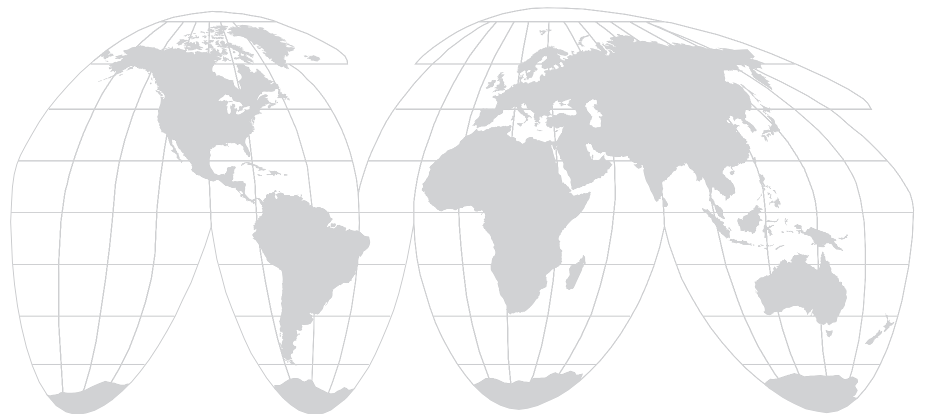
Decide with Confidence

To be the most trusted source of business insight so our customers can decide with confidence

2005 Annual Report

Notice of 2006 Annual Meeting and Proxy Statement



About D&B®

Decide with Confidence

D&B (NYSE:DNB) is the world's leading source of business information and insight, enabling companies to Decide with Confidence® for 165 years. D&B's global commercial database contains more than 100 million business records. The database is enhanced by our proprietary DUNSRight® Quality Process, which transforms the enormous amount of data we collect daily into decision-ready insight. Through the D&B Worldwide Network – an unrivaled alliance of D&B and leading business information providers around the world – customers gain access to the world's largest and highest quality global commercial business information database.

D&B partners with many of the world's largest and most successful enterprises as well as mid-size companies and entrepreneurial start-ups. Customers use our Risk Management Solutions™ to mitigate credit risk, increase cash flow and drive increased profitability; our Sales & Marketing Solutions™ to increase revenue from new and existing customers; our E-Business Solutions™ to convert prospects into clients faster by enabling business professionals to research companies, executives and industries; and our Supply Management Solutions™ to generate ongoing savings through supplier consolidation and to protect their businesses from supply chain disruption and serious financial, operational and regulatory risk. Learn more about D&B at www.dnb.com.

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Corporate Information .... *inside back cover*

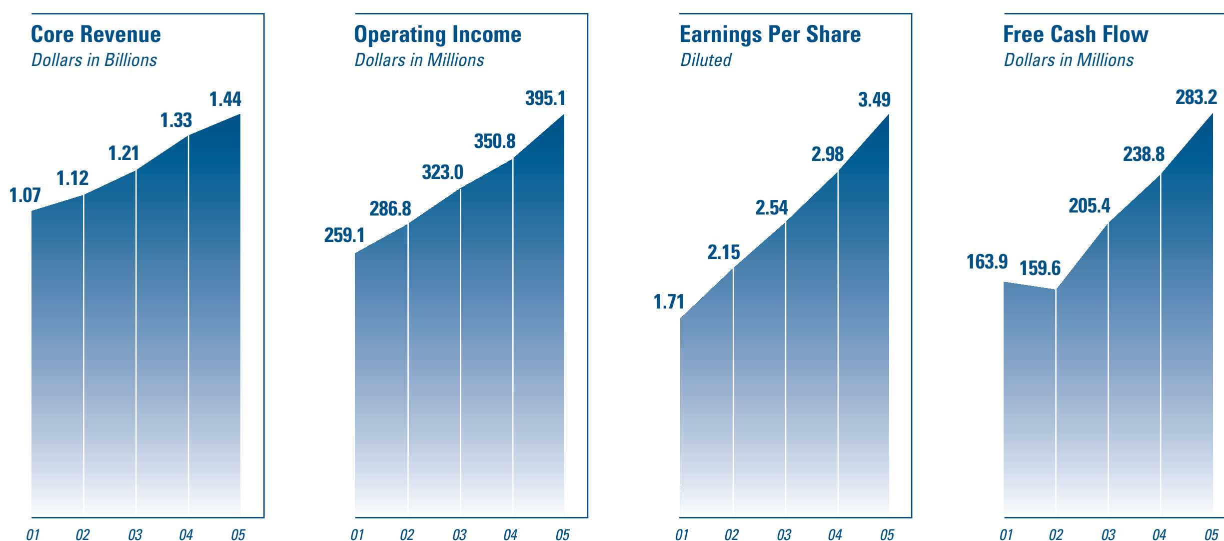
Financial Highlights

(in millions, except earnings per share amounts)	Years Ended December 31, 2005	2004	2003	2002	2001
Results of Operations[1]					
Core Revenue[2]	**$1,443.6**	$1,334.5	$1,213.7	$1,117.1	$1,071.4
Operating Income	**$ 395.1**	$ 350.8	$ 323.0	$ 286.8	$ 259.1
Net Income	**$ 242.0**	$ 217.7	$ 192.9	$ 165.0	$ 139.5
Free Cash Flow[3]	**$ 283.2**	$ 238.8	$ 205.4	$ 159.6	$ 163.9
Per Share Data[1]					
Basic Earnings Per Share of Common Stock	**$ 3.63**	$ 3.09	$ 2.62	$ 2.22	$ 1.76
Diluted Earnings Per Share of Common Stock	**$ 3.49**	$ 2.98	$ 2.54	$ 2.15	$ 1.71
Weighted Average Number of Shares - Basic	**66.8**	70.4	73.5	74.5	79.4
Weighted Average Number of Shares — Diluted	**69.4**	73.1	75.8	76.9	81.5

[1] *See "How We Manage Our Business" and "Results of Operations" of "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" in the attached Form 10-K for the year ended December 31, 2005, for a discussion of why the Company uses results before non-core gains and (charges) and why management believes this measure provides useful information to investors and for a table that summarizes the non-core gains and (charges).*

[2] *See "How We Manage Our Business" and "Results of Operations" of "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" in the attached Form 10-K for the year ended December 31, 2005, for a discussion of why the Company uses core revenue and why management believes this measure provides useful information to investors and for a quantitative reconciliation of total revenue in accordance with U.S. GAAP to core revenue.*

[3] *See "How We Manage Our Business" of "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" in the attached Form 10-K for the year ended December 31, 2005, for a discussion of why the Company uses free cash flow and why management believes this measure provides useful information to investors. All references in this Anuual Report to Free Cash Flow for 2005 exclude the impact of legacy tax payments of $50.3 million.*



To Our Shareholders

Decide with Confidence

I am pleased to report to you that 2005 was a very good year for D&B®. Our financial performance is evidence of this. Core revenue grew 8%. We delivered operating income growth of 13% and diluted EPS growth of 17%, both before non-core gains and charges. And, our business delivered solid free cash flow producing $283 million in 2005. With this strong cash flow, we repurchased $200 million of shares during 2005, under our two-year repurchase program.

DRIVING OUR PROGRESS

Looking back on 2005, there were three underlying drivers of our strong results:

- The most significant driver was the growth of our largest solution set, Risk Management. We feel very good about turning what was once a no-growth business into the primary driver of our top-line. We did this by leveraging DUNSRight® to meet customer needs and through pricing innovation. With the new subscription pricing plans we introduced in late 2003, our largest solution set now has increased predictability and top-line momentum.

> *"We have the world's largest and highest quality global commercial business information database in the marketplace."*

- Another important driver of our results was Hoover's. We acquired this business in 2003 and it has consistently exceeded our expectations. By strengthening the Hoover's database and leveraging our sales teams to bring Hoover's to our large and mid-size customers, this business has consistently been a key driver of our growth. With its subscription model, Hoover's is another business that provides us with a predictable revenue stream.

- The third driver of our performance in 2005 was the leadership of our team – specifically, in leading through difficult challenges we faced during the year. In our International business, for example, our team overcame specific challenges in Italy and the UK.

Early in the year, we faced regulatory changes in Italy that affected our real estate data business. Our leaders took decisive action and had the courage to increase prices to compensate for significantly increased costs ... and our competition followed. As a result, our team led through what could have been an unexpected operating expense problem.

In the UK, we started off poorly and well below our own expectations in 2005. We determined what needed to be done, we made some leadership changes and we put a specific plan in place. While our UK results for the year as a whole came in below the prior year, the second half of the year showed an improvement in trends, and we are now on a trajectory to return this business to growth in 2006.

So, we are pleased with our results for 2005. I am very proud of our team for enabling us to deliver on our commitments to shareholders and report another year of strong financial performance.

Creating Sustainable Growth

Our results in 2005 show once again that we are a company that does what we say we will do. In 2005, we met or exceeded each of the guidance metrics we provided. As the Financial Highlights section of this Annual Report illustrates, 2005 marks another year in a string of five years in which we've created strong upward trends in revenue, profitability and earnings. And, we've generated free cash flow to consistently invest in growing our business, delivering more value to customers and returning greater value to shareholders in the form of share repurchase. We've come a long way since the launch of our Blueprint for Growth strategy in October 2000. We have demonstrated that our performance is sustainable over time.

Steve Alesio, *Chairman and CEO*

OUR COMPETITIVE ADVANTAGES

As CEO, shareholders and analysts have asked 'How do you grow a 165-year-old company?' At D&B®, it took turning the core elements of our strategy into competitive advantages.

> *"Our results in 2005 show once again that we are a company that does what we say we will do."*

Our Brand

Take our Brand – highly recognized, but its value was built on being a data provider. To unlock the value of the D&B Brand, we are repositioning it as one that enables customers to make more confident commercial decisions. We're making traction, as the powerful 165-year-old D&B Brand is increasingly seen as a source of global business insight.

Our Brand is built on the power of our proprietary quality assurance process known as DUNSRight®. Using DUNSRight, we collect, aggregate, edit and verify information from thousands of global sources every day. As a result, we have the world's largest and highest quality global commercial business information database in the marketplace. In 2005, we celebrated a milestone when our database reached 100 million records. Our DUNSRight Quality Process is what turns this enormous amount of data into business insight so our customers can make critical business decisions with confidence.

Our unique global presence furthers our ability to create a unique and powerful competitive advantage through DUNSRight. We have established strategic partnerships with leading information providers across the globe, enabling us to improve our value proposition by providing customers with enhanced global data. We combine the strength of D&B's owned entities with the local expertise and market-specific knowledge of our strategic partners to create the D&B Worldwide Network. Through this unrivaled alliance, customers gain access to the world's largest and highest quality global commercial business information database.

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Our Flexible Business Model

In addition to our Brand, our Flexible Business Model provides us with a powerful competitive advantage. Year after year, it enables us to fund investments for growth and create shareholder value through our continuous process of reengineering. And after five years, we've become quite good at it. We have continuously generated savings to reinvest in the business to drive growth and create value.

Our Winning Culture

And lastly, we are transforming our culture into one focused on winning – which we do by placing a strong emphasis on leadership improvement. What's most impressive about this is that transforming a culture is not something that can be implemented top down. Creating a culture that fosters the desire and the drive to win takes the accountability of every one of our team members. And in 2005, we achieved world-class employee satisfaction results – a leading indicator that we're making progress in creating a culture to win in the marketplace for our shareholders and our company.

So, we've taken our Brand, our Flexible Business Model and our Winning Culture – and turned them into powerful competitive advantages. These are core assets that you simply just will not find together in most companies. For us, they've created a platform for continued transformation and growth.

> *"We've taken our Brand, our Flexible Business Model and our Winning Culture – and turned them into powerful competitive advantages."*

LOOKING AHEAD

Reflecting back on 2005, we feel very good about the continued progress we've made to drive growth in our business and deliver greater value to shareholders. Looking ahead, we are well positioned to continue to deliver strong financial performance and move toward our aspiration – *to be the most trusted source of business insight so our customers can decide with confidence.* Going forward, we will continue to leverage the strengths of our competitive advantages – our Brand, our Flexible Business Model and our Winning Culture. Additionally, we'll expand our efforts in a few key areas:

Sharpening Our Focus on the Large Marketplace Opportunity

There is a large marketplace opportunity in front of us because we fulfill fundamentally essential needs that are critical to the health of our customers' businesses. The size of the marketplace opportunity is significant, because most of what businesses spend to fulfill these needs is spent on their own internal processes. We and our competitors have only a small part of that market. In fact, we believe our top 50 customers together spend more on their internal processes than our entire $1.4 billion of annual revenue. So, we fulfill fundamentally essential needs, and the opportunity to provide more is profound.

Accelerating Our Product and Pricing Innovation

We recognize that the more we innovate and invest in solutions to drive our customers' success, the more they will rely on us to manage more of their internal processes. A recent step toward this is the launch of DNBi – an interactive, web-based subscription service designed to give customers unprecedented access to our global database of more than 100 million businesses.

DNBi's user-friendly interface allows companies to continuously track their decisions in real-time and proactively manage their portfolios. We expect to expand the content and functionality of DNBi over time and also scale DNBi outside the U.S. as well.

We recently centralized our product teams for Risk Management, Sales & Marketing and Supply Management from around the world under one global leader. We took this action to better understand and address the needs of our customers across product segments and markets. This global focus creates new opportunities to build synergies across the segments and should enable us to apply successes from one segment or market to another more quickly and easily.

One of the ways we are doing this is through the introduction of our subscription pricing plan that builds on the success of the U.S. plan. This plan offers expanded access to our global business information for our Risk Management customers at a more predictable cost. We have now launched this program in our largest International markets and expect to see results very similar to the U.S.

Shifting Our Cultural Assets to Focus on Our Customers' Success

In 2005, we enhanced our emphasis on improved leadership by introducing new customer leadership behaviors – competencies that include such focus areas as representing customer needs regularly, leading with DUNSRight® and taking responsibility for customer problems. During the year, we saw early progress in the form of our customers' increased confidence in DUNSRight, significant competitive wins and recognition of the superior quality of our information. By demonstrating their commitment to improving their customer leadership behaviors, our team members are taking personal ownership to drive us toward our aspiration.

> *"We feel very good about our results for 2005 and confident in our ability to sustain our performance over time."*

On a personal note, May of 2005 marked the completion of a succession plan in which I assumed the role of Chairman of D&B, in addition to my role as CEO. As I look back on D&B®'s history, it's a great honor to be leading a 165-year-old company with a world-renowned brand. As I reflect on D&B's more recent past, I'm proud to be leading an organization whose team members have the dedication and commitment to drive sustainable growth and consistently deliver on our commitments to shareholders.

In sum, we feel very good about our results for 2005 and confident in our ability to sustain our performance over time. We are on our way to achieving our aspiration: *To be the most trusted source of business insight so our customers can decide with confidence.* Thank you for your continued support and I look forward to reporting our progress in 2006.

Steven W. Alesio
Chairman and Chief Executive Officer

The Power Behind Business Insight

Containing more than 100 million business records, D&B® has the world's largest and highest quality global commercial business information database in the marketplace. Our proprietary DUNSRight® Quality Process turns the enormous amount of data that we collect daily into decision-ready insight – and this is what makes us unique in the marketplace. Through this rigorous process, we collect, aggregate, edit, and verify data from thousands of global business sources daily.

DUNSRight powers all of our Global Solutions, which customers rely on as the comprehensive source of global information to make confident decisions that increase profitability across their businesses.

*D&B's customers have access to insight on more than **100 million businesses** worldwide.*

There are five Quality Drivers that form the patent-pending DUNSRight Quality Process. Each driver works sequentially to collect and enhance the data, enabling us to deliver a global database of unparalleled value.

- **Global Data Collection** brings together data from a variety of sources worldwide;

- **Entity Matching** integrates the data into our database, which produces a single, more accurate picture of each business;

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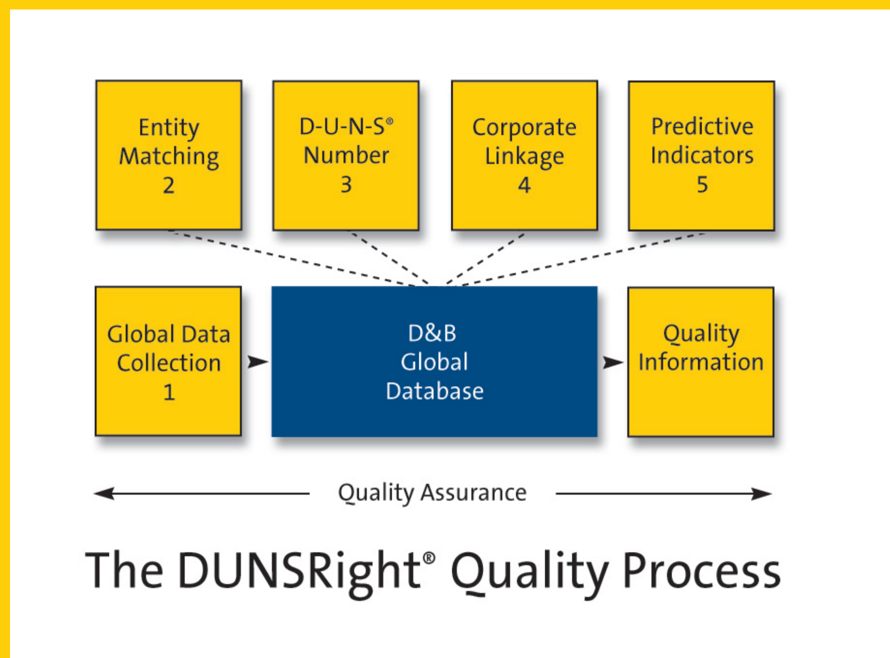
- **D-U-N-S® Number** is applied as a unique means of identifying and tracking a business globally through every step in the life and activity of the business;

- **Corporate Linkage** enables our customers to view their total risk or opportunity across related businesses; and

- **Predictive Indicators** use statistical analyses to rate a business's past performance and to predict how a business might perform in the future.



The DUNSRight® Quality Process

Quality Assurance is the foundation of DUNSRight® and includes over 2,000 separate automated checks - plus many manual ones - that ensure the data meets our high quality standards.

The output of this extensive process? High quality business insight that our customers can rely on – to *Decide with Confidence®*.

D&B Global Solutions

D&B® is the world's leading source of business information and insight on companies around the world. Through our DUNSRight® Quality Process, we transform business information into decision-ready insight. This insight is delivered — and accessed — through our Global Solutions across multiple areas of our customers' organizations. Customers use this insight to:

Risk Management Solutions™
- Evaluate total risk
- Monitor changes in a portfolio
- Prioritize revenue opportunities
- Enable corporate governance and support compliance

Sales & Marketing Solutions™
- Acquire profitable customers
- Service customers optimally
- Retain the best customers
- Grow top-line revenue and bottom-line results

E-Business Solutions™
- Convert prospects into customers faster
- Identify and research competitors and potential partners
- Monitor news and events

Supply Management Solutions™
- Generate ongoing savings from suppliers
- Protect from financial, operational, and regulatory risks
- Manage supplier risk

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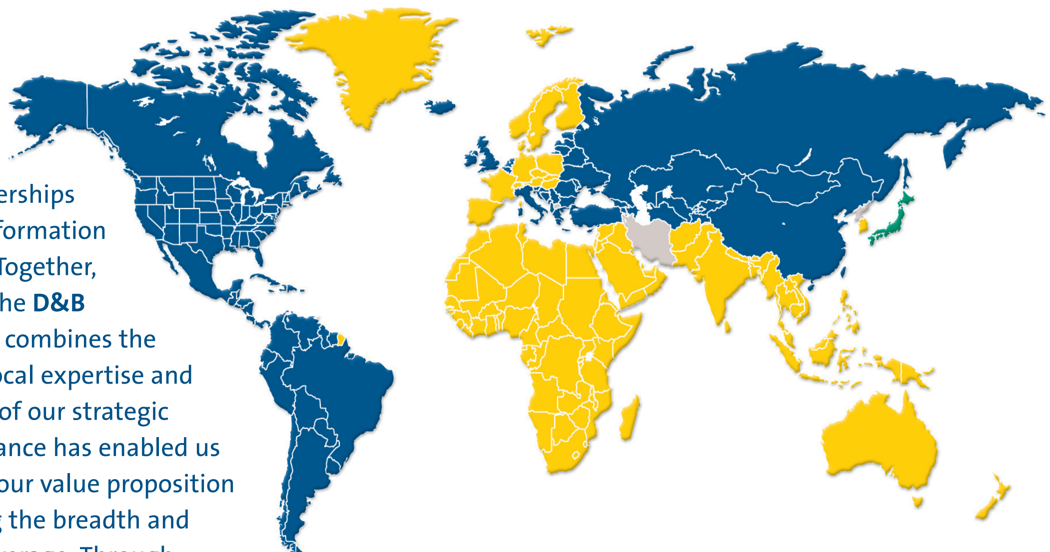
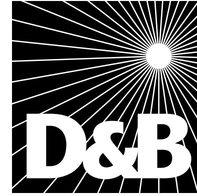
D&B Owned Entities | D&B Strategic Partnerships | D&B Owned Entity and Strategic Partnership

D&B's unique global presence consists of owned entities and strategic partnerships established with leading information providers across the globe. Together, these businesses make up the **D&B Worldwide Network**, which combines the strength of D&B with the local expertise and market-specific knowledge of our strategic partners. This unrivaled alliance has enabled us to dramatically strengthen our value proposition for customers by enhancing the breadth and depth of our global data coverage. Through the D&B Worldwide Network, customers gain access to the world's largest and highest quality global commercial business information.



*The **D&B Worldwide Network** has global data coverage on business records in more than 190 countries.*



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March 23, 2006

Dear Shareholder:

You are cordially invited to attend the 2006 Annual Meeting of Shareholders of The Dun & Bradstreet Corporation on Tuesday, May 2, 2006, at 8:00 a.m. at The Hilton Short Hills, 41 John F. Kennedy Parkway, Short Hills, New Jersey.

The Notice of Annual Meeting and Proxy Statement accompanying this letter more fully describe the business to be acted upon at the meeting. The Annual Report on Form 10-K for the year ended December 31, 2005 is also attached.

Your vote is important. Please vote your shares whether or not you plan to attend the meeting. In addition to voting in person, shareholders of record have the option of voting by telephone, via the Internet, or by completing, dating, signing and mailing the enclosed proxy card promptly in the return envelope provided. If your shares are held in the name of a bank, broker or other holder of record, check your proxy card to see which of these options are available to you.

On behalf of your Board of Directors, thank you for your continued support of D&B.

Sincerely,

STEVEN W. ALESIO
Chairman and Chief Executive Officer

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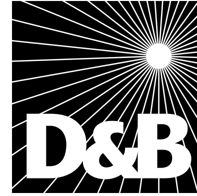

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Notice of 2006 Annual Meeting of Shareholders

The 2006 Annual Meeting of Shareholders of The Dun & Bradstreet Corporation will be held on Tuesday, May 2, 2006, at 8:00 a.m. at The Hilton Short Hills, 41 John F. Kennedy Parkway, Short Hills, New Jersey. The purpose of the meeting is to:

1. Elect three Class III directors for a three-year term;
2. Ratify the appointment of the Company's independent registered public accounting firm;
3. Re-approve the Company's Covered Employee Cash Incentive Plan; and
4. Transact such other business as may properly come before the meeting. The Company knows of no other business to be brought before the meeting at this time.

Only shareholders of record at the close of business on March 10, 2006, will be entitled to vote at the meeting.

By Order of the Board of Directors,

DAVID J. LEWINTER
Senior Vice President, General Counsel and Corporate Secretary

Dated: March 23, 2006

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PROXY STATEMENT

GENERAL INFORMATION

The Board of Directors of The Dun & Bradstreet Corporation ("D&B," the "Company" or "we") is soliciting your proxy for use at the Annual Meeting of Shareholders to be held on May 2, 2006. These proxy materials are being mailed to shareholders beginning on or about March 23, 2006. The principal executive offices of D&B are located at 103 John F. Kennedy Parkway, Short Hills, New Jersey 07078-2708, and the Company's main telephone number is 973-921-5500. D&B is listed on the New York Stock Exchange ("NYSE") with the ticker symbol DNB.

Annual Meeting Admission

You will need an admission ticket to enter the Annual Meeting. For shareholders of record, an admission ticket is attached to the proxy card sent to you. If your shares are held in the name of a bank, broker or other holder of record (in "street name") and you plan to attend the meeting in person, you may obtain an admission ticket in advance by sending a written request, along with proof of share ownership, such as a bank or brokerage account statement, to the Company's Corporate Secretary at the address noted above. Shareholders who do not have admission tickets for the Annual Meeting will be admitted at the door following verification of ownership as of the record date and at the discretion of the Company.

Who Can Vote

Only shareholders of record at the close of business on March 10, 2006 are eligible to vote at the meeting. As of the close of business on that date, D&B had outstanding 66,524,311 shares of Common Stock.

List of Shareholders

The names of registered shareholders of record entitled to vote at the meeting will be available for inspection at the Annual Meeting and, for 10 days prior to the meeting, at the office of the Corporate Secretary of the Company, 103 John F. Kennedy Parkway, Short Hills, New Jersey 07078-2708.

How to Vote

In addition to voting in person at the meeting, shareholders of record can vote by proxy by calling a toll-free telephone number, by using the Internet or by mailing their signed proxy cards. The telephone and Internet voting procedures are designed to authenticate shareholders' identities, to allow shareholders to give their voting instructions and to confirm that shareholders' instructions have been recorded properly. Shareholders voting via the Internet and by telephone should understand that there may be costs associated with voting in these manners, such as usage charges from Internet access providers and telephone companies, which must be borne by the shareholder.

Specific instructions for shareholders of record who wish to use the telephone or Internet voting procedures are set forth below and can also be found on the enclosed proxy card. If you vote on the Internet, or by telephone, you do not need to return your proxy card.

Registered Shareholders

Vote by Telephone. Registered shareholders can vote by calling toll-free 1.800.690.6903. Easy-to-follow voice prompts allow you to vote your shares and confirm that your instructions have been properly recorded.

Vote on the Internet. Registered shareholders can vote on the Internet at the Web site *www.proxyvote.com*. As with telephone voting, you can confirm that your instructions have been properly recorded.

Vote by Mail. Registered shareholders can vote by mail by simply indicating your response on your proxy card, dating and signing it, and returning it in the postage-paid envelope provided. If the envelope is

missing, please mail your completed proxy card to The Dun & Bradstreet Corporation, c/o Automatic Data Processing, Inc. (ADP), 51 Mercedes Way, Edgewood, NY 11717.

Beneficial Holders

If your shares are held in the name of a bank, broker or other holder of record (in "street name"), you will receive instructions from the holder of record that you must follow in order for your shares to be voted. Certain of these institutions offer telephone and Internet voting.

Revocation of Proxies

A shareholder of record can revoke a proxy at any time before the vote is taken at the Annual Meeting by sending written notice of the revocation to the Corporate Secretary of the Company, 103 John F. Kennedy Parkway, Short Hills, New Jersey 07078-2708, by submitting another proxy that is properly signed and bears a later date, or by voting in person at the meeting. All properly executed proxies not revoked will be voted at the meeting in accordance with their instructions. A proxy that is signed and returned by a shareholder of record without specifications marked in the instruction boxes will be voted in accordance with the recommendations of the Board of Directors, as outlined in this Proxy Statement. If any other proposals are properly brought before the meeting and submitted to a vote, all proxies will be voted on those other proposals in accordance with the judgment of the persons voting the proxies.

Voting Shares in the Company Plans

You will receive only one proxy card for all of the D&B shares you hold in your name in the Employee Stock Purchase Plan (the "ESPP") and in the D&B Common Stock Fund of the D&B or Moody's Corporation Profit Participation Plan (collectively, the "PPP"). If you are a current or former employee of the Company who currently has D&B shares in the ESPP or PPP, you are entitled to give voting instructions for the shares held in your account. Your proxy card will serve as a voting instruction card for the plans' trustees.

For the PPP, if you do not vote your shares or specify your voting instructions on your proxy card, the plan's trustee will vote your shares in the same proportion as the shares for which voting instructions have been received from other participants of the PPP, except as otherwise required by law. For the ESPP, the plan's trustee will only submit voting instructions for the shares for which voting instructions have been received. To allow sufficient time for voting by the trustees of the plans, your voting instructions must be received by the applicable trustee by April 27, 2006.

Householding Information

We have adopted a procedure approved by the Securities and Exchange Commission ("SEC") called "householding." Under this procedure, shareholders of record who have the same address and last name and do not participate in electronic delivery of proxy materials will receive only one copy of our Proxy Statement and Annual Report, unless one or more of the shareholders at that address notifies us that they wish to continue receiving individual copies. We believe this procedure provides greater convenience to our shareholders and saves money by reducing our printing and mailing costs and fees.

If you and other shareholders of record with whom you share an address and last name currently receive multiple copies of our Proxy Statement and Annual Report and would like to participate in our householding program, please contact ADP by calling toll-free at 800.542.1061, or by writing to ADP, Householding Department, 51 Mercedes Way, Edgewood, NY 11717. Alternatively, if you participate in householding and wish to revoke your consent and receive separate copies of future Proxy Statements and Annual Reports, please contact ADP as described above.

A number of brokerage firms have instituted householding. If you hold your shares in street name, please contact your bank, broker or other holder of record to request information about householding.

Proxy Solicitation

Directors, officers and employees of D&B may solicit proxies on behalf of the Company by communicating with shareholders personally or by telephone, facsimile, e-mail or mail. D&B also has retained the firm of Morrow & Co., Inc. to assist in the solicitation of proxies for a fee estimated at $6,000 plus expenses. D&B will pay all expenses related to such solicitations of proxies. D&B and Morrow & Co. will request banks and brokers to solicit proxies from their customers, where appropriate, and will reimburse them for reasonable out-of-pocket expenses.

Quorum and Voting Requirements

D&B's Bylaws provide that a majority of the shares issued, outstanding and entitled to vote, whether present in person or represented by proxy, constitute a quorum at meetings of shareholders. Abstentions and broker "non-votes" are counted for purposes of establishing a quorum. A broker non-vote occurs when a broker holding shares for a beneficial owner does not vote on a particular proposal because the broker has not received instructions from the beneficial owner and does not have discretionary voting power for that particular matter. Brokers are permitted by the NYSE to vote shares without instructions from beneficial owners on routine matters, including each of Proposals No. 1, 2 and 3 discussed below.

Election of directors (Proposal No. 1) shall be determined by a plurality of the votes of the shares present in person or represented by proxy at the meeting (*e.g.*, the director nominees receiving the greatest number of votes will be elected). Only shares that are voted in favor of a particular nominee will be counted toward such nominee's achievement of a plurality. Thus, shares present at the meeting that are not voted for a particular nominee and shares present by proxy for which the shareholder properly withholds authority to vote for such nominees, will not be counted towards such nominee's achievement of a plurality.

Ratification of the appointment of the independent registered public accounting firm (Proposal No. 2) shall be determined by the affirmative vote of the holders of a majority of the voting power present in person or represented by proxy at the meeting and entitled to vote on the matter. Thus, shares present at the meeting that are not voted for ratification of the appointment of independent registered public accounting firm and shares present by proxy for which the shareholder abstains from voting for such ratification, will not be counted towards such ratification's achievement of a majority.

Re-approval of The Dun & Bradstreet Corporation Covered Employee Cash Incentive Plan (Proposal No. 3) shall be determined by the affirmative vote of the holders of a majority of the voting power present in person or represented by proxy at the meeting and entitled to vote on the matter. Thus, shares present at the meeting that are not voted in favor of the proposal and shares present by proxy for which the shareholder properly abstains from voting for such re-approval, will not be counted towards the proposal's achievement of a majority.

Shareholder Account Maintenance

Our transfer agent is Computershare Trust Company, N.A. All communications concerning accounts of registered shareholders of record, including address changes, name changes, inquiries as to requirements to transfer shares of Common Stock and similar issues, can be handled by calling Computershare's toll-free number, 877.498.8861 (foreign holders dial 781.575.2725; hearing-impaired holders dial 781.575.2692), or by fax at 781.575.3605. In addition, you can access your account at Computershare's Web site *www.computershare.com.*

CORPORATE GOVERNANCE

Board of Directors

The D&B Board of Directors consists of 10 members, all of which are independent except for the chairman and chief executive officer. The objective of our Board of Directors is to conduct our business activities so as to enhance shareholder value. Our Board of Directors believes that good corporate governance practices support successful business performance and thus the creation of shareholder value. To institutionalize the Board's view of governance, our Board has adopted Corporate Governance Principles. These principles, which were last updated in January 2006, cover Board composition and performance (*e.g.*, director independence, qualifications of directors, outside directorships and committee service, selection of director nominees, director orientation and continuing education), the relationship of the Board with senior management (*e.g.* attendance of non-directors at Board meetings and Board access to senior leadership), Board meetings, Board committee and management review.

The Board has three standing committees: The Audit Committee, the Board Affairs Committee and the Compensation & Benefits Committee. Each Board committee has its own charter setting forth its purpose and responsibilities, including those required by the NYSE listing standards. Each of the committees and their charters are described in more detail below.

Our Corporate Governance Principles and the charters of our Audit, Board Affairs and Compensation & Benefits Committees are available in the Investors section of our Web site (*www.dnb.com*) and are also available in print, without charge, to any shareholder upon request to the Corporate Secretary of the Company, whose address is 103 John F. Kennedy Parkway, Short Hills, New Jersey 07078-2708.

Independence of the Board and Committees

Our Corporate Governance Principles require that at least two-thirds of the Board of Directors meet the criteria for independence established by the NYSE and other applicable laws. Additionally, all members of the Audit Committee, the Board Affairs Committee and the Compensation & Benefits Committee of the D&B Board of Directors are required to be independent under these rules.

For a director to be considered independent, the Board of Directors must affirmatively determine that the director has no material relationship with D&B (either directly or as a partner, shareholder or officer of an organization that has a relationship with D&B). D&B's Corporate Governance Principles set forth categorical standards to assist the Board in determining what constitutes a material relationship with the Company. Generally, under these categorical standards, the following relationships are deemed not to be material:

- the director is the beneficial owner of less than five percent of the outstanding equity interests of the Company;
- the director is an officer or other employee of an entity, or his or her immediate family member is an executive officer (as defined in Section 303A.02 of the NYSE listing standards) of an entity, that in either case has received payments from D&B for property or services or that has made payments to D&B for property or services and the amount of such payments in each of the last three fiscal years is less than the greater of $1 million, or 2%, of the entity's consolidated gross revenues (as such term is construed by the NYSE for purposes of Section 303A.02(b)(v));
- the director is a director or officer of an entity that is indebted to D&B, or to which D&B is indebted, and the total amount of the company's indebtedness to the other is less than 2% of the total consolidated assets of such entity as of the end of the previous fiscal year;
- the director, or any entity in which the director is an equity owner, director, officer or other employee, has obtained products or services from D&B on terms generally available to customers of D&B for such products or services; or
- the director is an officer, trustee, director or is otherwise affiliated with a tax-exempt organization and D&B made, within the preceding three fiscal years, contributions in any fiscal year that were

less than the greater of $1 million, or 2%, of the tax-exempt organization's consolidated gross revenues (as such term is construed by the NYSE for purposes of Section 303A.02(b)(v)), based upon the tax-exempt organization's latest publicly available information.

The Board retains the sole right to interpret and apply the foregoing standards in determining the materiality of any relationship.

After considering all relevant facts and circumstances, D&B's Board of Directors has determined that each of its members, except Steven W. Alesio, is independent under the NYSE listing standards. It has also determined that each member of the Audit Committee, the Board Affairs Committee and the Compensation & Benefits Committee is independent under the NYSE listing standards and other applicable laws.

Board Meetings

The Board of Directors of the Company held ten meetings in 2005, with no director attending fewer than 75% of the aggregate number of meetings of the Board and of the Committees of the Board on which he or she served.

The Chairman of the Board and the Corporate Secretary of the Company draft the agenda for each Board meeting and distribute it in advance of each meeting to the Board. Each Board member is encouraged to suggest items for inclusion on the agenda.

Information and data that are important to the Board's understanding of the business and of scheduled agenda items are distributed sufficiently in advance of each Board meeting to give the directors a reasonable opportunity for review. Generally, directors receive Board materials no less than three days in advance of a meeting.

D&B's non-management directors meet in regularly scheduled executive sessions without members of management. Michael R. Quinlan, the Chair of the Board Affairs Committee, serves as presiding director. His responsibilities in this role include presiding over executive sessions of the Board. Mr. Quinlan also performs such other responsibilities as the Board may from time to time delegate to him to assist the Board in performing its responsibilities. The non-management directors held six executive sessions in 2005.

Committees and Meetings

The table below provides the current membership information and number of meetings for each of the Audit, Board Affairs and Compensation & Benefits Committees.

Name	Audit	Board Affairs	Compensation & Benefits
John W. Alden		X	X
Christopher J. Coughlin	X		
James N. Fernandez	X		
Ronald L. Kuehn, Jr.	X		X*
Victor A. Pelson	X*		X
Sandra E. Peterson		X	X
Michael R. Quinlan		X*	X
Naomi O. Seligman	X	X	
Michael J. Winkler		X	
Committee Meetings held in 2005	9	3	7

* Committee Chair

The Audit Committee. Under the terms of its Charter, the Audit Committee's primary function is to appoint annually the independent registered public accounting firm and to assist the Board in the oversight of: (1) the integrity of the financial statements of the Company, (2) the independent registered public accounting firm's qualifications and independence, (3) the performance of the Company's internal audit function and independent registered public accounting firm, and (4) the compliance by the Company with legal and regulatory requirements. A full statement of its responsibilities is set forth in its charter. The Report of the Audit Committee can be found under the "Audit Committee Information" section of this Proxy Statement.

The Board of Directors has reviewed the qualifications and experience of each of the Audit Committee members and determined that all members of the Audit Committee are "financially literate" as defined by the NYSE listing standards.

Our Board of Directors has also determined that Christopher J. Coughlin and James N. Fernandez each qualify as an "audit committee financial expert" as that term has been defined by the rules of the SEC and have "accounting or related financial management expertise" within the meaning of NYSE listing standards.

The Board Affairs Committee. Under the terms of its Charter, the Board Affairs Committee's primary responsibilities include: (1) identifying individuals qualified to become Board members, (2) recommending candidates to fill Board vacancies and newly created director positions, (3) recommending whether incumbent directors should be nominated for reelection to the Board upon expiration of their terms, (4) developing and recommending to the Board a set of corporate governance principles applicable to the Board and the Company's employees, and (5) overseeing the evaluation of the Board.

In accordance with the Company's Corporate Governance Principles and its Board Affairs Committee Charter, the Board Affairs Committee oversees the entire process of selection and nomination of Board nominees, including screening candidates for directorships in accordance with the Board-approved criteria described below. The Committee, with input from the Chairman of the Board, will identify individuals believed to be qualified to become Board members. The Committee solicits candidates from its current directors and, if deemed appropriate, retains for a fee, a third-party search firm to identify and help evaluate candidates. The Committee will recommend candidates to the Board to fill new or vacant positions based on such factors as it deems appropriate, including independence, professional experience, personal character, diversity, outside commitments (*e.g.*, service on other Boards) and particular areas of expertise — all in the context of the needs of the Board.

The Board Affairs Committee will also consider nominees recommended by D&B shareholders. Any shareholder wishing to propose a nominee for consideration by the Board Affairs Committee may nominate persons for election to the Board of Directors if such shareholder complies with the notice procedures set forth in the Company's Bylaws and summarized under the "Shareholder Proposals for the 2007 Annual Meeting" section of this Proxy Statement. The Committee uses the same criteria described above to evaluate nominees recommended by the Company's shareholders.

No individuals were validly proposed for nomination by any shareholders in connection with this Proxy Statement or the 2006 Annual Meeting of Shareholders.

The Compensation & Benefits Committee. Under the terms of its Charter, the Compensation & Benefits Committee's primary function is to discharge the Board's responsibilities relating to compensation of the chief executive officer and other executive officers of the Company. Among other things, the Committee: (1) evaluates the chief executive officer's performance and reviews with the chief executive officer the performance of other executive officers, (2) establishes and administers the Company's policies, programs and procedures for compensating its executive officers, (3) has oversight responsibility for the administration of the Company's employee benefits plans and (4) oversees the evaluation of management. The "Report of the Compensation & Benefits Committee" can be found in the "Compensation of Executive Officers" section of this Proxy Statement.

Communications with the Board and Audit Committee

D&B has a process in place that permits shareholders and other interested persons to communicate with D&B's Board of Directors through its presiding director, Michael R. Quinlan, and the Audit Committee

through its chair, Victor A. Pelson. To report complaints about D&B's accounting, internal accounting controls or auditing matters, shareholders and other interested persons should write, care of our third party compliance vendor, to the D&B Audit Committee Chair, c/o Listen Up Reports, Post Office Box 274, Highland Park, Illinois 60035. To report all other concerns to the non-management directors, shareholders and other interested persons should write, care of our third party compliance vendor, to the D&B Board Affairs Committee Chair (presiding director), at the address noted above. Communications that are not specifically addressed to either of the chairpersons listed above will be provided to the Chair of D&B's Board Affairs Committee. Concerns can be reported anonymously (by not including a name and/or contact information) or confidentially (by marking the envelope containing the communication as "Confidential"). Copies of all communications will be simultaneously provided to D&B's Compliance Officer unless marked as "Confidential." These instructions can also be found in the Corporate Governance information maintained in the Investors section of D&B's Web site (*www.dnb.com*).

Attendance at Annual Meetings

The Company has a policy of director attendance at its Annual Meeting of Shareholders. One director did not attend the 2005 Annual Meeting due to a conflicting engagement. All directors are expected to attend the 2006 Annual Meeting.

Service on Multiple Audit Committees

The D&B Corporate Governance Principles prohibit D&B Audit Committee members from serving as members of more than two other public company audit committees without the Board's approval. Any determination by the Board of Directors approving of service on more than two other public company audit committees will be disclosed in the Company's annual Proxy Statement. No Audit Committee member currently serves on more than one other audit committee of a public company.

Certain Relationships and Related Transactions

There are no reportable transactions pursuant to this requirement.

Compensation Committee Interlocks and Insider Participation

None of the members of the Company's Compensation & Benefits Committee are, or have been, an employee or officer of the Company. During fiscal year 2005, no member of the Compensation & Benefits Committee had any relationship with the Company requiring disclosure under Item 404 of Regulation S-K. During fiscal year 2005, none of the Company's executive officers served on the compensation committee (or equivalent) or board of directors of another entity whose executive officer(s) served on the Company's Compensation & Benefits Committee or Board.

Compensation of Directors

Only non-employee directors receive compensation for serving on the Board.

2005 Compensation Program for Non-Employee Directors

The Company's non-employee directors' compensation program consisted of cash and equity-based awards. The cash portion of the annual retainer was $50,000 and an additional annual cash retainer paid to Committee chairpersons was $15,000. In addition, the equity portion of the non-employee directors' compensation program, representing 30% to 35% of total targeted compensation, included stock options with a grant value (based on a Black-Scholes methodology) of approximately $60,000, which made up 50% of the total value of equity (or $60,000 out of $120,000) and restricted stock units (payable in shares of Common Stock upon vesting) comprised the remaining 50%. No separate fees were paid for attendance at Board or Committee meetings. Directors had the ability to elect to convert the Committee chairperson retainer and the cash portion of their annual retainer into additional restricted stock units at a 10% conversion premium or to

defer such cash amounts in the non-employee directors' deferred compensation plan. In addition, each new non-employee director received a one-time stock option grant with a grant value of $35,000 upon his or her appointment to the Board.

Looking Ahead: 2006 Compensation Program for Non-Employee Directors

During 2005, a review of the Company's non-employee directors' compensation program was conducted by an independent third-party consulting organization retained by the Compensation & Benefits Committee. The review was conducted to ensure that the non-employee directors' compensation program was competitive with current market practice and trends, was consistent with the principles of good governance, and was aligned with the interests of shareholders. As a result of the review, and based on the Compensation & Benefits Committee's recommendation, the Board of Directors determined that no changes would be made to the ongoing level of annual compensation for non-employee directors as established for 2005. The Board of Directors also approved a recommendation to replace the ability of non-employee directors to convert their annual cash compensation into restricted stock units at a 10% conversion premium with an opportunity to convert all such cash amounts into the non-employee directors' deferred compensation plan, with a 10% premium on any cash directed into the Dun & Bradstreet Common Stock Fund under the plan for a period of three years.

Other Program Features

Non-employee directors are also provided other benefits by the Company during their tenure as a director as follows: reimbursement for reasonable Company-related travel, director continuing education and other expenses; travel accident insurance when traveling on Company business; and participation in the Company's charitable matching gift program (up to $4,000 per calendar year).

Director Stock Ownership Guidelines

Non-employee directors are required to hold no less than 50% of all shares or restricted stock units obtained through the non-employee director compensation program throughout their tenure as a director of the Company. The establishment of these guidelines is another component of the Company's efforts to align the interests of directors and shareholders.

Code of Conduct

We have adopted a Code of Conduct that applies to all of our directors, officers and employees (including our chief executive officer, chief financial officer and principal accounting officer) and have posted the Code of Conduct on our Web site (*www.dnb.com*). We intend to satisfy the disclosure requirement under Item 5.05 of Form 8-K relating to amendments to or waivers from any provision of our Code of Conduct applicable to our chief executive officer, chief financial officer and principal accounting officer by posting this information on our Web site.

Our Code of Conduct is also available in print, without charge, to any shareholder upon request to the Corporate Secretary of the Company, whose address is 103 John F. Kennedy Parkway, Short Hills, New Jersey 07078-2708.

AUDIT COMMITTEE INFORMATION

Report of the Audit Committee

The Board of Directors has determined that each member of the Audit Committee is "independent" within the meaning of the SEC regulations and the NYSE listing standards. The Audit Committee selects the Company's independent registered public accounting firm. Management has the primary responsibility for the Company's financial reporting process, including its system of internal controls, and for the preparation of consolidated financial statements in compliance with generally accepted accounting principles, applicable laws and regulations. The Company's independent registered public accounting firm is responsible for performing an independent audit of the financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States), expressing an opinion as to the conformity of such financial statements with generally accepted accounting principles in the United States and auditing management's assessment of the effectiveness of internal control over financial reporting. It is not the Audit Committee's duty or responsibility to conduct auditing or accounting reviews or procedures.

Management has represented to the Audit Committee that the Company's financial statements were prepared in accordance with generally accepted accounting principles in the United States, and the Audit Committee has reviewed and discussed the financial statements with management and the independent registered public accounting firm in the course of performing its oversight role.

The Audit Committee has discussed with the independent registered public accounting firm the matters required to be discussed by Statement on Auditing Standards No. 61 (Communication with Audit Committees). In addition, the Audit Committee has received from the independent registered public accounting firm the written disclosures and the letter required by Independence Standards Board No. 1 (Independence Discussions with Audit Committees) and discussed with them their independence from the Company and its management. The Audit Committee also considered whether the independent registered public accounting firm's provision of non-audit services to the Company is compatible with the firms' independence.

The Committee met with the internal auditor and independent registered public accounting firm, with and without management present, to discuss the results of their examinations, their evaluations of the Company's internal controls, and the overall quality of the Company's financial reporting.

Based on the reviews and discussions referred to above, the Audit Committee recommended to the Board of Directors, and the Board has approved, that the audited financial statements be included in the Company's Annual Report on SEC Form 10-K for the year ended December 31, 2005 for filing with the SEC.

Audit Committee

Victor A. Pelson, *Chairman*
Christopher J. Coughlin
James N. Fernandez
Ronald L. Kuehn, Jr.
Naomi O. Seligman

February 23, 2006

Audit Committee Pre-Approval Policy

In 2003, the Audit Committee of the Board of Directors adopted the D&B Audit Committee Pre-Approval Policy (the "Policy"). In accordance with this Policy, the independent registered public accounting firm may not provide certain prohibited services. In addition, the Audit Committee must pre-approve the engagement terms and fees, and any changes to those terms and fees, of all audit and non-audit services performed by PricewaterhouseCoopers LLP. All pre-approval requests submitted to the Audit Committee are required to be accompanied by detailed backup documentation and a view from PricewaterhouseCoopers LLP and D&B's

chief financial officer that the services will not impair the independent registered public accounting firm's independence. The Policy does not include any delegation of the Audit Committee's responsibilities to management. The Audit Committee may delegate its authority to one or more of its members, subject to an overall annual limit. Pre-approvals by the delegated member or members must be reported to the Audit Committee at its next scheduled meeting.

Fees Paid to Independent Registered Public Accounting Firm

The aggregate fees billed to the Company by PricewaterhouseCoopers LLP for the last two fiscal years are as follows:

	Fiscal Year Ended December 31,	
	2005	**2004**
	(In thousands)	
Audit Fees (1)	$5,200	$3,141
Audit Related Fees (2)	153	192
Tax Fees (3)	334	585
All Other Fees	—	—
Total Fees	$5,687	$3,918

(1) Consists primarily of professional fees for services provided in connection with the audit of the Company's financial statements, review of the Company's quarterly financial statements, the audit of the effectiveness of internal control over financial reporting with the objective of obtaining reasonable assurance as to whether effective internal control over financial reporting was maintained in all material respects, the attestation of management's report on the effectiveness of internal control over financial reporting, and services that are normally provided by the independent registered public accounting firm in connection with statutory and regulatory filings. In addition, the 2005 amount includes $400,000 of increased fees related to the completion of the 2004 audit.

(2) Consists primarily of fees for audit of the Company's employee benefit plans and services in connection with the review of certain compensation-related disclosures in the Company's Proxy Statement. Fiscal year 2004 also includes consultation on financial accounting and reporting standards, and due diligence relating to acquisitions and dispositions.

(3) Consists primarily of foreign tax planning and tax structuring and assistance in the preparation and review of the Company's foreign income tax returns. Fiscal year 2004 also includes $125,000 the Company agreed to pay PricewaterhouseCoopers LLP in consideration for work performed under a June 9, 1999 engagement letter for which PricewaterhouseCoopers LLP was to receive 33⅓% of any potential refund derived by the Company from federal communication excise tax refund claims filed by the Company. The Company and PricewaterhouseCoopers LLP have severed this agreement. The Company has no other contingency fee arrangements with PricewaterhouseCoopers LLP.

PROPOSAL NO. 1

ELECTION OF DIRECTORS

The members of the Board of Directors of D&B are classified into three classes, one of which is elected at each Annual Meeting of Shareholders to hold office for a three-year term and until successors of such class are elected and have qualified.

Upon recommendation of the Board Affairs Committee, the Board of Directors has nominated James N. Fernandez, Sandra E. Peterson and Michael R. Quinlan for election as Class III Directors at the 2006 Annual Meeting for a three-year term expiring at the 2009 Annual Meeting of Shareholders.

YOUR BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE ELECTION OF THE NOMINEES NAMED ABOVE AS DIRECTORS.

Nominees for Election as Directors with Terms Expiring at the 2009 Annual Meeting

James N. Fernandez
Executive Vice President and Chief Financial Officer
Tiffany & Company

James N. Fernandez, age 50, has served as a director of D&B since December 2004, and is a member of the Audit Committee. Mr. Fernandez has served with Tiffany & Co., a specialty retailer, designer, manufacturer and distributor of fine jewelry, timepieces, sterling silverware, china, crystal, stationery, fragrances and accessories, since October 1983. He has held numerous positions with Tiffany & Co., the most recent of which is executive vice president and chief financial officer since January 1998, with responsibility for accounting, treasury, investor relations, information technology, financial planning, business development and diamond operations, and overall responsibility for distribution, manufacturing, customer service and security. Mr. Fernandez does not serve on the board of any public companies other than D&B.

Sandra E. Peterson
Executive Vice President & President, Diabetes Care
Bayer HealthCare LLC

Sandra E. Peterson, age 47, has served as a director of D&B since September 2002, and is a member of the Board Affairs and Compensation & Benefits Committees. Ms. Peterson has served as executive vice president and president, Diabetes Care of Bayer HealthCare LLC, a researcher, developer, manufacturer and marketer of products for diabetes disease prevention, diagnosis and treatment, since May 2005. Ms. Peterson previously served as group president of government for Medco Health Solutions, Inc. (formerly Merck-Medco) from September 2003 until February 2004, senior vice president of Medco's health businesses from April 2001 through August 2003 and senior vice president of marketing for Merck-Medco Managed Care LLC from January 1999 to March 2001. Ms. Peterson does not serve on the board of any public companies other than D&B.

Michael R. Quinlan
Chairman Emeritus
McDonald's Corporation

Michael R. Quinlan, age 61, has served as a director of D&B since 1989, and is chairman of the Board Affairs Committee and a member of the Compensation & Benefits Committee. Mr. Quinlan is also the presiding director for the regularly scheduled executive sessions of non-management directors. Mr. Quinlan served as a director of McDonald's Corporation, a global food service retailer, from 1979 until his retirement in 2002. He was the chairman of the board of directors of McDonald's from March 1990 to May 1999 and chief executive officer from March 1987 through July 1998. Mr. Quinlan is also a director of the following public company: Warren Resources, Inc.

Directors with Terms Expiring at the 2007 Annual Meeting

John W. Alden
Retired Vice Chairman
United Parcel Service, Inc.

John W. Alden, age 64, has served as a director of D&B since December 2002, and is a member of the Board Affairs and Compensation & Benefits Committees. Mr. Alden served with United Parcel Service, Inc. (UPS), the largest express package carrier in the world, for 35 years, serving on UPS's board of directors from 1988 to 2000. His most recent role was as vice chairman of the board of UPS from 1996 until his retirement in 2000. Mr. Alden is also a director of the following public companies: Arkansas Best Corporation, Barnes Group, Inc. and Silgan Holdings, Inc.

Christopher J. Coughlin
Executive Vice President and Chief Financial Officer
Tyco International Ltd.

Christopher J. Coughlin, age 53, has served as a director of D&B since December 2004, and is a member of the Audit Committee. Mr. Coughlin has served as executive vice president and chief financial officer of Tyco International Ltd., a global, diversified company that provides vital products and services in five business segments (Fire & Security, Electronics, Healthcare, Engineered Products & Services and Plastics & Adhesives) since March 2005. Previously, he served at The Interpublic Group of Companies, Inc. as executive vice president and chief operating officer from June 2003 to December 2004, as chief financial officer from August 2003 to June 2004, and as a director from July 2003 to July 2004. Prior to that, Mr. Coughlin served as executive vice president and chief financial officer of Pharmacia Corporation from 1998 to 2003. Mr. Coughlin does not serve on the board of any public companies other than D&B.

Victor A. Pelson
Senior Advisor
UBS Securities LLC

Victor A. Pelson, age 68, has served as a director of D&B since April 1999, and is chairman of the Audit Committee and a member of the Compensation & Benefits Committee. Mr. Pelson has served as senior advisor for UBS Securities LLC, an investment banking firm, and its predecessors since 1996. He was a director and senior advisor of Dillon Read at its merger in 1997 with SBC Warburg. Prior to that, Mr. Pelson was associated with AT&T from 1959 to 1996. At the time of his retirement from AT&T, Mr. Pelson was chairman of global operations and a member of the board of directors. Mr. Pelson is also a director of the following public companies: Eaton Corporation and United Parcel Service, Inc.

Directors with Terms Expiring at the 2008 Annual Meeting

Steven W. Alesio
Chairman and Chief Executive Officer
The Dun & Bradstreet Corporation

Mr. Alesio, age 51, has served as chairman of the board of D&B since May 30, 2005, as chief executive officer of D&B since January 2005, and was named to D&B's board of directors in May 2002. He also served as chief operating officer from May 2002 to December 2004, and as president from May 2002 to December 2005. Mr. Alesio previously served as D&B's senior vice president of global marketing, strategy implementation, e-business solutions and Asia-Pacific/Latin America from July 2001 to April 2002, with additional leadership responsibility for data and operations from February 2001 to April 2002, and as senior vice president of marketing, technology, communications and strategy implementation from January 2001 to June 2001. Before joining D&B, Mr. Alesio was with the American Express Company for 19 years, most recently serving as president and general manager of the business services group and as a member of that company's Planning and Policy Committee, a position he held from January 1996 to December 2000. Mr. Alesio does not serve on the board of any public companies other than D&B.

Ronald L. Kuehn, Jr.
Chairman of the Board
El Paso Corporation

Ronald L. Kuehn, Jr., age 70, has served as a director of D&B since 1996, and is chairman of the Compensation & Benefits Committee and a member of the Audit Committee. Mr. Kuehn was appointed as chairman of the board of El Paso Corporation, a diversified energy company, in March 2003, and also served as El Paso's chief executive officer from March 2003 to September 2003. He previously served as chairman of the board of directors of El Paso from the time of its merger with Sonat Inc. in October 1999 until December 2000. Prior to that, Mr. Kuehn was chairman, president and chief executive officer of Sonat Inc.

from 1986 through October 1999. In addition to serving on the board of El Paso, Mr. Kuehn is also a director of the following public companies: AmSouth Bancorporation and Praxair, Inc.

Naomi O. Seligman
Senior Partner
Ostriker von Simson, Inc.

Naomi O. Seligman, age 67, has served as a director of D&B since June 1999, and is a member of the Audit and Board Affairs Committees. Since June 1999, Ms. Seligman has been a senior partner at Ostriker von Simson, Inc. and co-partner of the CIO Strategy Exchange, a private forum for discussion and research which facilitates a dialogue between the chief information officers of large multinational corporations, premier venture capitalists, and computer industry establishment chief executive officers. Previously, Ms. Seligman was a senior partner of the Research Board, Inc., which she co-founded in 1977 and led until June 1999. Ms. Seligman is also a director of the following public companies: Akamai Technologies, Inc., Oracle Corporation and Sun Microsystems, Inc.

Michael J. Winkler
Retired Executive Vice President, Customer Solutions Group and Chief Marketing Officer
Hewlett-Packard Company

Michael J. Winkler, age 60, has served as a director of D&B since March 2005, and is a member of the Board Affairs Committee. Mr. Winkler served at Hewlett-Packard Company, a technology solutions provider to consumers, businesses and institutions globally, from May 2002 to July 2005, most recently as executive vice president and chief marketing officer of Hewlett-Packard. Prior to that, Mr. Winkler was executive vice president for HP Worldwide Operations from May 2002 to November 2003, and served as executive vice president, Global Business Units for Compaq Computer Corporation from June 2000 to May 2002. He also served as senior vice president and general manager of Compaq's Commercial Personal Computing Group from February 1998 to June 2000. Mr. Winkler is also a director of the following public company: Banta Corporation.

PROPOSAL NO. 2

RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee of the Board of Directors of D&B has appointed PricewaterhouseCoopers LLP as independent registered public accounting firm to audit the consolidated financial statements of the Company for the year ending December 31, 2006. Although shareholder approval of this appointment is not required, the Audit Committee and the Board of Directors believe that submitting the appointment to the shareholders for ratification is a matter of good corporate governance. If the shareholders do not ratify the appointment, the Audit Committee will review its future selection of independent registered public accounting firm, but still may retain them. Even if the appointment is ratified, the Audit Committee, at its discretion, may change the appointment at any time during the year if it determines that such a change would be in the best interests of D&B and its shareholders.

PricewaterhouseCoopers LLP acted as independent registered public accounting firm for the year 2005. In addition to its audit of the Company's consolidated financial statements, PricewaterhouseCoopers LLP also performed statutory audits required by certain international jurisdictions, audited the financial statements of various benefit plans of the Company, and performed certain non-audit services. Fees for these services are described under the "Fees Paid to Independent Registered Public Accounting Firm" section of this Proxy Statement.

A representative of PricewaterhouseCoopers LLP is expected to be present at the meeting. Such representative will have the opportunity to make a statement, if he or she so desires, and is expected to be available to respond to questions.

YOUR BOARD OF DIRECTORS RECOMMENDS A VOTE FOR RATIFICATION OF THE APPOINTMENT OF PRICEWATERHOUSECOOPERS LLP.

PROPOSAL NO. 3

RE-APPROVAL OF THE DUN & BRADSTREET CORPORATION COVERED EMPLOYEE CASH INCENTIVE PLAN

The Board of Directors previously adopted on October 18, 2000 The Dun & Bradstreet Corporation Covered Employee Cash Incentive Plan (the "Cash Incentive Plan"), which provides for annual performance-based bonuses to executive officers whose compensation may be subject to Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Tax Code"). The Cash Incentive Plan was approved by shareholders at the 2001 Annual Meeting of Shareholders on April 27, 2001.

The Tax Code requires resubmission of the Cash Incentive Plan to shareholders for re-approval within five years of initial approval to ensure that compensation awarded under the plan can continue to qualify as tax deductible "performance-based" compensation under Section 162(m) of the Tax Code. No changes are proposed to the Cash Incentive Plan at this time.

The following summary of the Cash Incentive Plan is subject to the complete terms of the plan, a copy of which is attached hereto as Exhibit A and incorporated herein by reference.

1. *Eligible Employees and Maximum Award.* The Compensation & Benefits Committee of the Board of Directors (the "Committee") selects participants from among the "Covered Employees" (as defined in Section 162(m) of the Tax Code) of the Company and its subsidiaries who are in a position to have a material impact on the results of the operations of the Company or its subsidiaries. Currently, the eight executive officers named in the "Executive Officers" section of this proxy statement, including Steven W. Alesio, its chairman and chief executive officer ("Chairman & CEO"), are the only participants in the plan. Awards are payable in cash, and the maximum award payable to any participant in any fiscal year is $3,000,000. The maximum award was set above the Company's anticipated award levels for executives because Section 162(m) regulations only allow "negative discretion" with respect to this type of plan.

2. *Administration.* The Committee selects participants, determines the size and terms of awards and the time when awards will be made and the performance period to which they relate, establishes performance objectives and certifies that such performance objectives are achieved, all in accordance with Section 162(m) of the Tax Code. The Committee also has the authority to interpret the plan and to make any determinations that it deems necessary or desirable for its administration. Members of the Committee are "outside directors" as defined in the regulations under Section 162(m) of the Tax Code and may not participate in the plan.

3. *Performance Goals.* A participant's award is based on the attainment of written performance goals approved by the Committee for a performance period established by the Committee (i) while the outcome for that performance period is substantially uncertain and (ii) no more than 90 days after the commencement of the performance period to which the performance goal relates or, if less, the number of days that is equal to 25% of the relevant performance period. The performance goals, which must be objective, are based upon one or more objective criteria, such as, earnings before or after taxes (including earnings before interest, taxes, depreciation and amortization), revenue, net income, operating income, earnings per share, maintenance or improvement of profit margins, revenues or sales, and cash flow. The criteria, as more fully described in the Cash Incentive Plan, may relate to the Company, one or more of its subsidiaries, divisions, units, minority investments, partnerships, joint ventures, product lines or products or any combination of the foregoing, and may be applied on an absolute basis or be relative to one or more peer group companies or indices, or any combination thereof, all as the Committee determines. To the degree consistent with Section 162(m) of the Tax Code, the performance goals may be calculated without regard to extraordinary items or accounting changes.

4. *Payment.* The Committee determines whether the applicable performance goals have been met, and certifies and ascertains the amount of the cash award. At the discretion of the Committee, the amount of the award actually paid may be less than the amount determined by the applicable performance goal formula. The award will be paid to a participant at a time determined by the Committee in its sole discretion after the completion of the performance period.

5. *Change in Control.* If a participant's employment is actually or constructively terminated during a given performance period and a "Change in Control" (as defined in the Cash Incentive Plan) shall have

occurred within the 365 days immediately preceding the date of such termination, then such participant will receive, promptly after his or her termination date, an award for the affected performance period as if the performance goals for such performance period had been achieved at 100%.

6. *Amendment.* The Cash Incentive Plan may be amended or discontinued by the Board of Directors or the Committee at any time.

7. *Effectiveness.* The Cash Incentive Plan was effective as of October 18, 2000. If the Cash Incentive Plan is not re-approved by shareholders at the 2006 Annual Meeting, no awards will be granted thereafter; provided that bonus opportunities previously awarded with respect to performance during fiscal year 2006 will remain payable under the Cash Incentive Plan and continue to qualify as performance-based compensation under Section 162(m) of the Tax Code.

8. *Additional Information.* The amounts that will be received by participants under the Cash Incentive Plan are not yet determinable as awards are at the discretion of the Committee and payments pursuant to such awards depend on the extent to which established performance goals are met. The annual performance-based bonus amounts payable pursuant to the Cash Incentive Plan represent bonuses which are earned in the performance year and paid in the following year. As of December 31, 2005, the bonus amounts payable to the named executive officers are included in the "Summary Compensation Table for the Last Three Fiscal Years (2003–2005)" section of this Proxy Statement. The bonus amounts payable to the executive officers as a group as of December 31, 2005 were $3,269,088.

Required Vote. Re-approval of the Cash Incentive Plan requires the favorable vote of a majority of the votes cast on this matter, provided that the total votes cast on this matter represent a majority of the shares outstanding on March 10, 2006 and entitled to vote.

YOUR BOARD OF DIRECTORS RECOMMENDS A VOTE FOR RE-APPROVAL OF THE CASH INCENTIVE PLAN.

SECURITY OWNERSHIP OF DIRECTORS, OFFICERS AND OTHERS

The following table shows the number of shares of the Company's Common Stock beneficially owned by each of the directors, each of the executive officers named in the Summary Compensation Table located under the "Compensation of Executive Officers" section of this Proxy Statement (the "named executive officers"), and all present directors and executive officers of D&B as a group, on February 28, 2006. The table also shows the names, addresses and share ownership of the only persons known to D&B to be the beneficial owners (the "Owners") of more than 5% of the Company's outstanding Common Stock. This information is based upon information furnished by each such person (or, in the case of the Owners, based upon public filings by such Owners with the SEC). Unless otherwise stated, the indicated persons have sole voting and investment power over the shares listed. Percentages are based upon the number of shares of D&B Common Stock outstanding on February 28, 2006, plus, where applicable, the number of shares that the indicated person or group had a right to acquire within 60 days of such date. The table also sets forth ownership information concerning "Stock Units," the value of which is measured by the price of the Company's Common Stock. Stock Units do not confer voting rights and are not considered "beneficially owned" shares under SEC rules.

Name	Aggregate Number of Shares Beneficially Owned(1)(2)	D&B Stock Units	Percent of Shares Outstanding
John W. Alden	16,423	5,364	*
Christopher J. Coughlin	4,319	1,951	*
James N. Fernandez	6,319 (3)	1,951	*
Ronald L. Kuehn, Jr.	35,740	15,701	*
Victor A. Pelson	31,182 (4)	10,949	*
Sandra E. Peterson	16,545	5,364	*
Michael R. Quinlan	35,731	14,563	*
Naomi O. Seligman	28,387	4,942	*
Michael J. Winkler	1,540	1,473	*
Steven W. Alesio	626,716	0	*
James P. Burke	19,149	0	*
David J. Lewinter	80,211	0	*
Allan Z. Loren (5)	161,230	0	*
Sara Mathew	211,700	0	*
Michael Pepe	40,238	0	*
All current directors and executive officers as a group (17 persons)	1,223,055	62,258	1.92%
Barclays Global Investors, N.A. and certain related entities 45 Fremont Street San Francisco, CA 94105	4,512,300 (6)		6.74%
Davis Selected Advisers L.P. 2949 East Elvira Road, Suite 101 Tucson, Arizona 85706	9,772,751 (7)		14.61%
Harris Associates L.P. and its general partner, Harris Associates Inc. Two North LaSalle Street, Suite 500 Chicago, Illinois 60602-3790	5,225,394 (8)		7.81%
Harris Associates Investment Trust, 36-4032559 series designated The Oakmark Select Fund Two North LaSalle Street, Suite 500 Chicago, Illinois 60602-3790	3,934,900 (9)		5.88%

* Represents less than 1% of the Company's outstanding Common Stock.

(1) Includes shares of restricted Common Stock as follows: Mr. Alesio, 52,818; Mr. Burke, 5,502; Mr. Lewinter, 8,451; Ms. Mathew, 27,966; Mr. Pepe, 16,791; and all current directors and executive officers as a group, 123,761.

(2) Includes the maximum number of shares of Common Stock that may be acquired within 60 days of February 28, 2006, upon the exercise of vested stock options as follows: Mr. Alden, 16,254; Mr. Coughlin, 4,319; Mr. Fernandez, 4,319; Mr. Kuehn, 35,013; Mr. Pelson, 27,833; Ms. Peterson, 16,205; Mr. Quinlan, 35,013; Ms. Seligman, 27,833; Mr. Winkler, 1,540; Mr. Alesio, 501,441; Mr. Burke, 12,633; Mr. Lewinter, 66,428; Mr. Loren, 161,230; Ms. Mathew, 173,399; Mr. Pepe, 22,175; and all current directors and executive officers as a group, 998,143.

(3) Includes 2,000 shares as to which Mr. Fernandez has shared voting and shared dispositive power.

(4) Includes 3,349 shares as to which Mr. Pelson has shared voting and shared dispositive power.

(5) Mr. Loren retired from all positions with the Company effective May 30, 2005.

(6) Barclays Global Investors, N.A. and certain related entities filed a Schedule 13G with the SEC on January 26, 2006. This Schedule 13G shows that Barclays Global Investors, N.A. had sole voting power over 2,574,262 shares and sole dispositive power over 3,167,820 shares; Barclays Global Fund Advisors had sole voting power over 671,248 shares and sole dispositive power over 675,505 shares; Barclays Global Investors, Ltd. had sole voting power over 577,406 shares and sole dispositive power over 609,741 shares; Barclays Global Investors Japan Trust and Banking Company Limited had sole voting power and dispositive power over 59,234 shares.

(7) Davis Selected Advisers L.P. (“Davis”) filed an amended Schedule 13G with the SEC on February 14, 2006. This Schedule 13G shows that Davis, a registered investment adviser, had sole voting and dispositive power over 9,772,751 shares.

(8) Harris Associates L.P. (“Harris”) and its general partner, Harris Associates Inc. (“Harris Associates”), jointly filed a Schedule 13G with the SEC on February 14, 2006. This Schedule 13G shows that Harris, a registered investment adviser, and Harris Associates, a Delaware corporation, had shared voting power over 5,225,394 shares, sole dispositive power over 1,290,494 shares and shared dispositive power over 3,934,900 shares. Harris serves as investment adviser to the Harris Associates Investment Trust (the “Trust”). The Trust owns 3,934,900 shares (see footnote (9) below), which are included as shares over which Harris has shared voting and dispositive power.

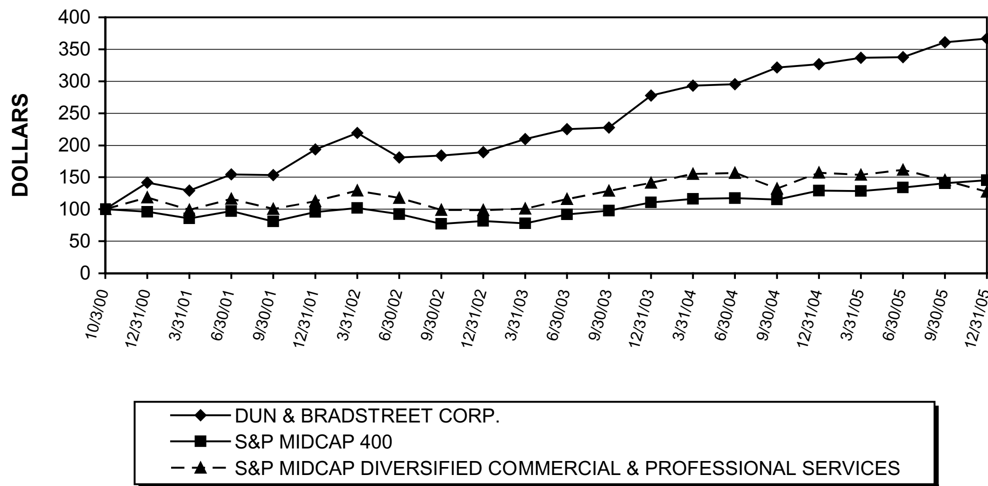
(9) Harris Associates Investment Trust, 36-4032559 series designated The Oakmark Select Fund (the “Fund”), filed a Schedule 13G with the SEC on February 14, 2006. This Schedule 13G shows that the Fund, an investment company, had shared voting and dispositive power over 3,934,900 shares.

FINANCIAL PERFORMANCE COMPARISON GRAPH*
SINCE OCTOBER 3, 2000

In accordance with SEC rules, the graph below compares the Company's cumulative total shareholder return against the cumulative total return of the Standard & Poor's MidCap 400 Index and a published industry index starting on October 3, 2000, the date on which the Company's Common Stock commenced regular-way trading on the NYSE after September 30, 2000. On that date, the company then known as The Dun & Bradstreet Corporation ("Old D&B") separated into two publicly traded companies: the "new" Dun & Bradstreet Corporation (*i.e.*, the company to which this Proxy Statement relates) and Moody's Corporation. The separation of the two companies was accomplished through a tax-free distribution by Old D&B of the shares of Common Stock of the Company (the "Spin-Off"). Old D&B then changed its name to "Moody's Corporation."

As an industry index, the Company chose the S&P MidCap Diversified Commercial & Professional Services Index (previously named the S&P 400 MidCap Diversified Commercial Services — Specialized Index), a subset of the S&P 400 MidCap Index that includes companies that provide business-to-business services.

COMPARISON OF 5-YEAR CUMULATIVE TOTAL RETURN
AMONG D&B, S&P MIDCAP DIVERSIFIED COMMERCIAL &
PROFESSIONAL SERVICES AND S&P MIDCAP 400



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* Assumes $100 invested on October 3, 2000, and reinvestment of dividends.

EXECUTIVE OFFICERS

Executive Officers

The following table lists all of our executive officers. Our officers are elected by our Board of Directors and each will hold office until his or her successor is selected, or until his or her earlier resignation or removal.

Name	Title	Age
Steven W. Alesio (1)	Chairman and Chief Executive Officer	51
James. P. Burke	Senior Vice President — Global Solutions and Chief Marketing Officer	40
Patricia A. Clifford	Senior Vice President — Human Resources	41
Anastasios Konidaris	Senior Vice President — Finance Operations and Principal Accounting Officer	39
David J. Lewinter	Senior Vice President — General Counsel and Corporate Secretary	44
Sara Mathew	Chief Financial Officer, President — D&B International and Leader, Strategy	50
Michael Pepe	President — D&B U.S.	51
Byron Vielehr	Senior Vice President — Technology and Chief Information Officer	42

(1) Mr. Alesio's biographical information is provided above under the "Directors with Terms Expiring at the 2008 Annual Meeting" section of this Proxy Statement.

Mr. Burke, senior vice president, was appointed chief marketing officer and leader, global solutions of D&B effective January 1, 2006. He previously served as leader, U.S. risk management solutions of D&B from July 2004 to December 2005, in addition to serving as vice president, RMS products and marketing from April 2004 to October 2004. Mr. Burke also served as vice president, RMS traditional products from March 2003 to March 2004, and as vice president, small business solutions from December 2001 to February 2003. Prior to joining D&B, Mr. Burke was the chief development officer with Prudential's e-business group from March 2000 to July 2001 and head of internet marketing at First USA Bank from September 1997 to February 2000.

Ms. Clifford, senior vice president, has served as leader, human resources of D&B since 2002, and assumed additional leadership responsibility for team member communications in October 2004. She previously served as executive assistant to the chairman and chief executive officer and winning culture champion from April 2000 to May 2002, and as assistant corporate secretary from October 1996 to March 2001.

Mr. Konidaris, senior vice president, has served as leader, finance operations of D&B since March 2005, and as principal accounting officer since May 2005. Before joining D&B, he served at Schering Plough as group vice president of the global diversified products group division from May 2004 to February 2005 and group vice president of finance, global pharmaceutical group from August 2003 to May 2004. Prior to that time, Mr. Konidaris was vice president of finance, North America of Pharmacia Corporation from June 2000 to July 2003.

Mr. Lewinter, senior vice president, has served as D&B's general counsel and corporate secretary since May 2002. He previously served as vice president and leader—European legal affairs from September 2001 to April 2002. Prior to that, Mr. Lewinter served as a vice president of D&B's domestic legal department from April 2000 to August 2001 and as corporate secretary from November 1999 to August 2001.

Ms. Mathew has served as D&B's chief financial officer since August 2001, with additional leadership responsibility for strategy since January 2005, and was additionally appointed as president, D&B International effective January 1, 2006. Before joining D&B, she served in various positions at Procter & Gamble, including vice president of finance for the ASEAN region from August 2000 to July 2001, comptroller and

chief financial officer of the global baby care business unit from July 1998 to July 2000, and various other positions prior to that.

Mr. Pepe was appointed as president, D&B U.S. effective January 1, 2006. He previously served as leader, U.S. customers of D&B from January 2005 to December 2005, and as senior vice president, U.S. sales, from March 2004 to December 2004. Before joining D&B, he held numerous leadership positions with Time Warner Inc., the most recent of which was the president and chief executive officer of Time Inc. International from March 2000 to April 2003. Prior to this position, he was president and chief operating officer of Time Warner Digital Media from December 1999 to February 2000 and president of Business Information Group, Time Inc. from September 1993 to December 1999.

Mr. Vielehr, senior vice president, has served as D&B's chief information officer and leader, technology since July 2005. Before joining D&B, he served as president and chief operating officer of Northstar Systems International, Inc. from October 2004 to May 2005. Prior to this, Mr. Vielehr held several leadership positions with Merrill Lynch, serving as the chief technology officer and managing director for the Global Private Client group from November 2001 to March 2004 and the chief technology officer, global head of eBusiness and managing director for Merrill Lynch Investment Managers from February 2000 to November 2001. Prior to Merrill Lynch, Mr. Vielehr was the head of eBusiness and vice president at Strong Mutual Funds from May 1997 to February 2000.

COMPENSATION OF EXECUTIVE OFFICERS

Report of the Compensation & Benefits Committee

Overview of Executive Compensation Philosophy and Program

The Compensation & Benefits Committee has responsibility for establishing the compensation of the Company's executive officers, including Steven W. Alesio, its Chairman & CEO. The Committee operates pursuant to a written charter[1] and consists solely of independent directors of the Company, in accordance with NYSE listing standards and other applicable regulations. In keeping with its charter, the Committee met seven times during 2005 to establish, review and administer the Company's executive compensation policies and programs to ensure that they continue to support the Company's Blueprint for Growth strategy[2] and achievement of the Company's strategic priorities.

The Committee has retained an independent third-party consulting organization to assist the Committee in fulfilling its responsibilities. The independent consultant is engaged by and reports directly to the Committee. The independent consultant generally attends all meetings of the Committee.

The Company's 2005 executive compensation program was designed to:

- Attract, motivate and retain top leadership by providing a total compensation opportunity that is competitive with the Company's market for executive talent;
- Ensure both a strong relationship between pay and Company performance and alignment of executive and shareholder interests; and
- Reinforce behaviors that are consistent with the Company's strategy to build a "Winning Culture"[3] in order to drive superior execution of its business plan.

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(1) A copy of the Compensation & Benefits Committee Charter is available on the Company's Web site (*www.dnb.com*) or by contacting the Corporate Secretary of the Company.

(2) For a discussion of the Company's Blueprint for Growth strategy, refer to "Item 1. Business — Our Aspiration and Our Strategy" in the Company's Form 10-K for the year ended December 31, 2005.

(3) For more information about "Winning Culture," refer to "Item 1. Business — Our Aspiration and Our Strategy — *Build a Winning Culture*" in the Company's Form 10-K for the year ended December 31, 2005.

To meet these objectives, the 2005 compensation program for executive officers consisted of the following three components:

- Base salary;
- Annual cash bonus plan; and
- Long-term incentives.

Base Salary. In setting the base salaries of executive officers, a variety of factors was considered, including: individual performance, competencies, skills and prior experience; scope of responsibility and accountability within the organization; and pay levels in the compensation comparison group.

The compensation comparison group is a peer group of twenty-four companies in financial services and business information and technology services. Companies were selected for the compensation comparison group on the basis that they are broadly within the revenue size range of the Company; have executive positions comparable to those of the Company requiring a similar set of management skills and experience; and/or are representative of organizations that compete with the Company for business or executive talent. As such, the compensation comparison group is different than the group of peer companies used to prepare the Financial Performance Comparison Graph located in this Proxy Statement, which is selected on a relevant investment index or business-to-business services basis. In addition to base salary, the following components of pay were also analyzed by the independent consultant: target bonus, target total cash, long-term incentives, and target total compensation. Analyses covered both unadjusted and regression size-adjusted data (for revenue size and market cap) as well as a review of the relationship between executive officer pay and company performance, including measures of growth, efficiency and shareholder value creation.

Annual Cash Bonus Plan. Through the annual cash bonus plan, approximately 50% of 2005 total cash compensation was "at risk" since payment was based on performance against predetermined annual measures. The performance measures for 2005 were set by the first quarter of 2005 by the Committee after review and approval by the Board of Directors of the Company's 2005 business plan.

The Company's executive officers were designated by the Committee as participants in the D&B Covered Employee Cash Incentive Plan ("CIP") which was initially approved by shareholders in 2001 and is being submitted to shareholders for re-approval in this Proxy Statement (see Proposal No. 3). Under the CIP, the Committee established on February 24, 2005, a maximum annual cash bonus opportunity of eight-tenths of one percent of D&B's 2005 earnings before taxes[1] for the Chairman & CEO and five-tenths of one percent of D&B's 2005 earnings before taxes for each of the other designated executive officers of the Company. Actual annual cash bonus payouts to the Chairman & CEO and other designated executive officers of the Company were less than these maximums. In 2005, D&B's earnings before taxes were $354.1 million. Therefore, the maximum annual cash bonus opportunity for the Chairman & CEO was $2,832,800 and for other executive officers of the Company the maximum was $1,770,500 per participant.

In determining whether to award the maximum annual cash bonus generated by the pre-tax earnings formula, the Committee also considered performance against four measures or goals weighted as follows: 40% to Company-wide core revenue growth; 30% to growth in earnings per share before non-core gains and charges ("EPS") and operating income before non-core gains and charges ("operating income"); 20% to the Company's Customer Goal (a three-part goal which measures team member progress regarding customer focus and quality, improvements in customer commitment, and the development and launch of an enhanced customer survey); and 10% to employee satisfaction (an index measured by the Company's Winning Culture Survey, which gauges employee perspectives in a number of important dimensions such as leadership, strategy and work environment).

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(1) Refer to Income before Provision for Income Taxes in "Item 8. Consolidated Statements of Operations" in the Company's Form 10-K for the year ended December 31, 2005.

A target level of performance was established for each performance goal, which results in a full bonus payout being earned if the target for the measure was achieved. Achievement below the target results in a smaller or no bonus payout for that measure and achievement above the target yields a larger bonus payout. The potential range of bonus payout for each performance goal was 0% to 200%; however, the aggregate bonus payout for all performance goals may not exceed the maximum annual cash bonus opportunity generated by the pre-tax earnings formula. For bonus determination purposes, the Committee may also approve adjustments to performance goals to exclude the impact of non-core gains and charges or extraordinary items.

Under the Company's annual cash bonus plan, payouts to individual executive officers (other than the Chairman & CEO) and other bonus plan participants were subject to a discretionary adjustment of +/-20%. The Committee approves all discretionary adjustments upon recommendation from and after discussion with the Chairman & CEO. Such adjustments are limited and are based on exceptional cases where an individual's performance positively or negatively impacts Company performance. In addition, the Committee, in its sole discretion, may apply additional positive or negative adjustments to payouts to individual executive officers, including the Chairman & CEO. In no instance, however, will such adjustments exceed the maximum annual cash bonus opportunity generated by the pre-tax earnings formula described above.

In 2005, Company results against the four performance measures or goals that the Committee used to evaluate the level of the individual executive officer's annual bonus payout were as follows:

- Goal weight of 40%: core revenue growth of 8%[1], which was within the Company's external guidance of 6% to 8%;
- Goal weight of 30% including:
  - EPS growth of 17%[2] or $3.49, which was within the range of external guidance of 14% to 17% or $3.39 to $3.49, as well as revised external guidance of 15% to 18% or $3.43 to $3.51;
  - Operating income growth of 13%, which was within external guidance of 11% to 14%, and revised external guidance of 12% to 14%;
- Goal weight of 20%: less than targeted results against the Company's Customer Goal with improvements in certain customer measures such as customer commitment and the successful implementation of the Company's enhanced customer survey, offset by mixed results with other customer metrics; and
- Goal weight of 10%: Employee Satisfaction Index, as measured by the Winning Culture Survey (which is tabulated by an independent third-party consulting organization), was at target, improving to the highest level achieved since the Winning Culture Survey was implemented in 2001.

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(1) The Company achieved reported 2005 total revenue growth of 2% determined in accordance with generally accepted accounting principles ("GAAP"), up 1% before foreign exchange due to the impact of divested international businesses. See Schedule I to this Proxy Statement for a quantitative reconciliation of total revenue in accordance with GAAP to core revenue for the 2005 and 2004 fiscal years, as well as the effects of foreign exchange on the 2005 core revenue growth rate. Also see "Item 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations:* How We Manage Our Business" in the Company's Form 10-K for the year ended December 31, 2005, for a discussion of the Company's use of core revenue growth before the effects of foreign exchange and why management believes this measure provides useful information to investors.

(2) The Company achieved 2005 reported EPS growth of 10% on a GAAP basis. See Schedule II to this Proxy Statement for a quantitative reconciliation of reported EPS in accordance with GAAP to EPS before non-core gains and charges for the 2005 and 2004 fiscal years. Also see "Item 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations:* How We Manage Our Business" in the Company's Form 10-K for the year ended December 31, 2005, for a discussion of the Company's use of EPS before non-core gains and charges and why management believes this measure provides useful information to investors.

The Company Scorecard is an important part of the Company's annual bonus plan; it ensures that the sum of total annual cash bonus plan awards to participants (including executive officers and non-executive officers in the plan) is in line with overall Company results.

The Company Scorecard is based on three performance criteria: first, the Company-wide 2005 core revenue growth goal; second, 2005 growth in EPS; and third, a principles-based assessment by the Committee of the Company's overall performance. That assessment included the Company's performance against external guidance to shareholders and leadership as evidenced by the Company's execution of its Blueprint for Growth strategy. Upon review of performance against these criteria, the Committee may increase or decrease the size of the total bonus pool to ensure alignment with overall Company results. However, in no instance will the Company Scorecard exceed the maximum annual cash bonus for the Chairman & CEO and other designated executive officers of the Company, as determined by the pre-tax earnings formula noted above.

Based on the Committee's review and consideration of overall Company results, the total annual cash bonus pool for 2005 was set at 100.0% of total target annual bonus opportunities. The sum total of individual bonus recommendations was within the bonus pool set by the Committee and resulted in the specific 2005 compensation awards for executive officers as discussed above and as shown in the "Summary Compensation Table for the Last Three Fiscal Years (2003–2005)" that follows this report.

Long-Term Incentives. Through the 2005 long-term incentive program, over 50% of the total compensation opportunity provided to executive officers was equity-based (*i.e.*, stock options and performance-based restricted stock). This emphasis on equity compensation reflects the Committee's view that there should be a close alignment between executive officer rewards and shareholder value creation.

For the Chairman & CEO and other executive officers of the Company, the total value of their equity-based compensation was comprised of a grant of stock options (50% of the total value) and a performance-based restricted stock opportunity (the remaining 50% of the total value). This opportunity is denominated in dollars and represents the maximum opportunity.

The stock option grant was made effective February 25, 2005 and vests according to the terms and conditions as noted in the "Option/SAR Grants in the Last Fiscal Year (2005)" table that follows this report. With respect to the performance-based restricted stock component, in 2005 each executive officer was provided with a maximum dollar opportunity to receive an award of restricted stock effective in 2006. That award was fully contingent on 2005 performance against the same measures or goals that were used by the Committee in determining payout under the annual cash bonus plan (*i.e.*, core revenue growth, EPS and operating income growth, Company customer goal, and employee satisfaction). The restricted stock award, earned in 2005, was granted after the conclusion of the fiscal year based on performance and vests according to the terms and conditions as noted in the "Summary Compensation Table for the Last Three Fiscal Years (2003–2005)" that follows this report.

In the aggregate, the Committee positions target total compensation (base salary plus target annual cash bonus plus target equity) for the Company's executive officers at the 65th percentile of the compensation comparison group as provided by its independent third-party consulting organization. Actual levels of total compensation will, of course, vary based on performance.

Compensation of the Chairman and Chief Executive Officer

Total Cash Compensation. On January 1, 2005, Steven W. Alesio succeeded Allan Z. Loren as the Company's chief executive officer and on May 31, 2005, Mr. Alesio was named to the additional position of chairman of the board.

In recognition of these appointments and after consideration of Mr. Alesio's prior leadership experience, scope of responsibility and accountability, and the competitive pay levels in the compensation comparison group, effective January 1, 2005, the Committee increased Mr. Alesio's base salary to $750,000 and 2005 target annual cash bonus plan opportunity to $975,000, or 130% of his base salary. Mr. Alesio's 2005 target

total cash compensation opportunity (*i.e.*, base salary plus target annual cash bonus opportunity) was $1,725,000. Under the Company's CIP, as described above, Mr. Alesio's annual cash bonus opportunity was subject to the maximum annual cash bonus opportunity of eight-tenths of one percent of D&B 2005 earnings before taxes, or $2,832,800.

Mr. Alesio's target annual bonus opportunity was apportioned among the same measures as other executive officers of the Company, as described above under *Annual Cash Bonus Plan*.

The Committee based Mr. Alesio's annual cash bonus award of $1,200,000, or 123% of his target opportunity, on performance against these criteria, an overall assessment of Company performance also noted above, and the results of the Committee's formal performance evaluation of the Chairman & CEO. In its formal performance evaluation, the Committee noted that through Mr. Alesio's leadership, the Company had successfully transitioned executive management while continuing to focus on its commitment to increase shareholder value and transform D&B into a growth company.

Long-Term Compensation. Approximately 70% of Mr. Alesio's 2005 target total compensation (base salary plus annual cash bonus opportunity plus the value of long-term grants) consisted of equity-based awards as follows:

- A grant to Mr. Alesio of 104,400 stock options was approved by the Committee effective February 25, 2005, after consideration of performance and pay positioning versus the Company's compensation comparison group. The stock options have the same terms as described above.
- An award of 31,984 shares of performance-based restricted stock was approved by the Committee effective February 24, 2006. That award represented 100% of Mr. Alesio's 2005 maximum restricted stock award opportunity of $2,000,000 and was based on the Committee's assessment of 2005 performance against the same measures or goals in the Company's annual cash bonus plan. The restricted stock grant has the same terms as described above.

Executive Stock Ownership Guidelines

The Company has adopted stock ownership guidelines whereby executive officers and other members of senior management are expected to achieve over time a minimum level of ownership in the Common Stock of the Company. These levels of stock ownership are expressed as a multiple of the executive officer's salary. For the Chairman & CEO, the minimum level of stock ownership is six times salary; for members of the Company's Global Leadership Team or GLT (*i.e.*, about 18 senior executives), the minimum level of stock ownership is four times salary; and for other executives in the Company's long-term incentive program, two times salary. All executives covered by the Company's stock ownership guidelines are expected to retain 100% of net shares resulting from equity compensation awards until the stock ownership guideline is achieved; after attainment of the stock ownership guideline, 50% of net shares resulting from equity compensation rewards must be held for one year. The establishment of these guidelines is another component of the Company's efforts to align the interests of executive officers and shareholders.

Tax Deductibility

Section 162(m) of the U.S. Internal Revenue Code limits the deductibility of compensation in excess of $1 million paid to the Company's Chairman & CEO and the Company's four other highest paid executive officers unless certain specific and detailed criteria are satisfied. The Committee believes that it is often desirable and in the best interests of the Company to deduct compensation payable to its executive officers. In this regard, the Committee considers the anticipated tax treatment to the Company and its executive officers in its review and establishment of compensation programs and payments. Notwithstanding the Committee's efforts, no assurance can be given that compensation will be fully deductible under Section 162(m) and in certain instances the Committee has determined that it will not necessarily seek to limit compensation to that deductible under Section 162(m).

Compensation & Benefits Committee

Ronald L. Kuehn, Jr., *Chairman*
John W. Alden
Victor A. Pelson
Sandra E. Peterson
Michael R. Quinlan

February 24, 2006

The following table sets forth the compensation paid by the Company and its subsidiaries during the fiscal years ended December 31, 2005, 2004 and 2003 to the Chairman & CEO, each of the other four most highly compensated executive officers and one other individual for whom disclosure would have been provided but for the fact that the individual was not serving as an executive officer as of December 31, 2005.

Summary Compensation Table for the Last Three Fiscal Years (2003–2005)

		Annual Compensation			Long-term Compensation			
					Awards		Payouts	
Name and Principal Position	Year	Salary ($)	Bonus ($)(1)	Other Annual Compensation ($)(2)	Restricted Stock Award(s) ($)(3)	Securities Underlying Options/ SARs (#)(4)	LTIP Payouts ($)	All Other Compensation ($)(5)
Steven W. Alesio (6)	2005	750,000	1,200,000	0	2,317,561	104,400	0	31,981
Chairman and Chief	2004	500,000	1,000,000	0	1,587,260	83,550	0	26,787
Executive Officer	2003	500,000	850,000	0	519,291	97,500	0	34,005
Sara Mathew	2005	450,000	486,000	0	953,066	43,000	0	35,764
Chief Financial Officer, President,	2004	400,000	530,075	0	1,128,550	54,300	0	28,296
D&B International and Leader, Strategy	2003	375,000	315,000	0	344,051	56,500	0	29,061
Michael Pepe (7)	2005	450,000	540,000	0	637,286	28,700	0	0
President, D&B U.S.	2004	291,667	448,525	0	609,195	30,000	0	0
James P. Burke	2005	300,000	464,902	0	289,695	13,100	0	21,235
Senior Vice President, Global Solutions	2004	234,162	410,433	0	114,525	5,500	0	16,627
Chief Marketing Officer	2003	214,164	102,056	0	31,800	7,800	0	10,271
David J. Lewinter	2005	330,000	240,900	0	322,664	14,500	0	24,158
Senior Vice President, General	2004	300,000	333,190	0	304,567	14,660	0	19,158
Counsel & Corporate Secretary	2003	260,000	185,430	0	67,660	20,400	0	15,609
Allan Z. Loren (8)	2005	289,236	450,000	84,685	0	0	0	83,712
Former Chairman	2004	700,000	2,000,000	0	2,939,984	161,230	0	81,438
	2003	700,000	1,350,000	0	1,335,947	236,500	0	67,420

(1) With the exception of Mr. Burke, the bonus amounts shown represent bonuses received pursuant to the annual cash bonus plan, which are earned in the performance year and paid in the following year. Mr. Burke's 2003 and 2004 payments include bonuses earned in connection with a sales incentive plan, which amounts are paid during the performance year as well as after the performance year. Mr. Burke's 2005 payments include both bonuses earned pursuant to the annual cash bonus plan as well as bonuses earned in connection with a sales incentive plan established in 2004.

(2) The amount shown for Mr. Loren includes (a) transfer of title of the fair market value of the Company automobile to Mr. Loren at the time of retirement as per his Amendment to Employment Agreement (described later in this Proxy Statement) (2005 — $44,236); (b) the tax assistance amount on the fair market value of the Company automobile (2005 — $33,989); and other compensation, such as personal use of the Company automobile.

(3) Amounts shown represent the dollar value of restricted stock on the date of grant. The restricted stock amounts shown for 2005 for the applicable named executive officers were based on achievement against a performance-based maximum restricted stock opportunity established in and for 2005; relative to the 2005 opportunity, restricted stock awards were granted on February 24, 2006 and will vest 20% after one year from date of grant, an additional 30% after two years, and the remaining 50% after three years. The number of restricted shares granted to each applicable named executive officer on February 24, 2006 was as follows: Mr. Alesio — 31,984 shares; Ms. Mathew — 13,153 shares; Mr. Pepe — 8,795 shares; Mr. Burke — 3,998 shares; and Mr. Lewinter — 4,453 shares.

Relative to the 2004 restricted stock opportunity, the restricted stock awards granted on February 25, 2005 to Mr. Alesio, Ms. Mathew, Mr. Pepe, Mr. Burke, and Mr. Lewinter vested 20% on February 25, 2006, and an additional 30% will vest two years after the date of grant and the remaining 50% after three years. The 2003 restricted stock grants to Mr. Alesio, Ms. Mathew, Mr. Burke and Mr. Lewinter vested in full on February 12, 2006. The terms of the grants to all named executive officers provide for the payment of dividends at the same rate established from time to time for the Common Stock. We did not pay any dividends on our common stock during the years ended December 31, 2005, 2004 and 2003, respectively, and we do not currently have plans to pay dividends to shareholders.

In the case of certain predefined events, as described in Mr. Alesio's employment agreement, the vesting of his 2003, 2004 and 2005 restricted stock grants may be accelerated. The number and value of the restricted stock holdings of Mr. Alesio as of December 30, 2005 was 41,392 shares ($2,771,608). This number and value does not include Mr. Alesio's February 24, 2006 restricted stock award.

The number and value of the restricted stock holdings of the remaining named executive officers based on the closing market price of the Common Stock of $66.96 as of December 30, 2005 were: Ms. Mathew — 28,686 shares ($1,920,815); Mr. Pepe — 9,995 shares ($669,265); Mr. Burke — 2,819 shares ($188,760); and Mr. Lewinter — 6,997 shares ($468,519). These numbers and values do not include the February 24, 2006 restricted stock awards.

Mr. Loren's 2003 and 2004 restricted stock grants vested in full on May 30, 2005, upon his retirement.

(4) Amounts shown represent the number of non-qualified stock options granted each year. Limited stock appreciation rights ("LSARs") were granted in tandem with 2003 and 2004 options awarded to named executive officers. LSARs are no longer granted in tandem with option grants.

(5) Amounts shown represent aggregate annual Company contributions for the account of each named executive officer under the Dun & Bradstreet Profit Participation Plan ("PPP") and the Profit Participation Benefit Equalization Plan ("PPBEP"), which plans are open to all U.S. employees of the Company and certain subsidiaries. The PPP is a tax-qualified defined contribution plan and the PPBEP is a non-qualified plan that provides benefits to participants in the PPP equal to the amount of Company contributions that would have been made to the participants' PPP accounts but for certain federal tax laws.

(6) Prior to his appointment as Chairman & CEO in 2005, Mr. Alesio was president and chief operating officer of the Company in 2004 and 2003.

(7) The 2004 salary for Mr. Pepe represents the amount earned from his date of employment on March 1, 2004.

(8) Mr. Loren was not an executive officer of the Company on December 31, 2005. As part of the Company's executive transition plan, effective January 1, 2005, Mr. Loren ceased to serve as the Company's Chief Executive Officer and retired from the position of Chairman of the Board of the Company on May 30, 2005.

Option/SAR Grants in the Last Fiscal Year (2005)

	Number of Securities Underlying Options/SARs Granted (#)(1)	% of Total Options/SARs Granted to Employees in Fiscal Year	Exercise or Base Price ($/Share)	Expiration Date	Grant Date Present Value ($)(2)
Steven W. Alesio	104,400	17.13%	60.5350	2/25/2015	2,624,616
Sara Mathew	43,000	7.06%	60.5350	2/25/2015	1,081,020
Michael Pepe	28,700	4.71%	60.5350	2/25/2015	721,518
James P. Burke	13,100	2.15%	60.5350	2/25/2015	329,334
David J. Lewinter	14,500	2.38%	60.5350	2/25/2015	364,530
Allan Z. Loren	0	0	0	0	0

(1) For the named executive officers, all options become exercisable in four equal annual installments commencing on the first anniversary of the grant.

Option grants made in 2003 and 2004 were made in tandem with LSARs. LSARs are exercisable only if and to the extent that the related option is exercisable and are exercisable only during the 30-day period following the acquisition of at least 20% of the outstanding Common Stock pursuant to a tender or exchange offer not made by the Company. Each LSAR permits the holder to receive cash equal to the excess over the related option exercise price of the highest price paid pursuant to a tender or exchange offer for Common Stock that is in effect at any time during the 60 days preceding the date upon which the LSAR is exercised. LSARs can be exercised regardless of whether the Company supports or opposes the offer but automatically terminates once the holder of the LSAR is no longer an officer of the Company who is subject to the reporting requirements under Section 16 of the Securities Exchange Act of 1934, as amended. LSARs are no longer granted in tandem with option grants made in 2005 and thereafter.

(2) The grant date present value is based on the Black-Scholes option valuation model, which makes the following assumptions: an expected stock-price volatility factor of 30%; a risk-free rate of return of 4.19%; a dividend yield of 0.0%; and a weighted average exercise date of 6.9 years.

These assumptions may or may not be fulfilled. The amounts shown cannot be considered predictions of future value. In addition, the options will gain value only to the extent the stock price exceeds the option exercise price during the life of the option.

Aggregated Option/SAR Exercises in the Last Fiscal Year and Fiscal Year-End Option/SAR Values (2005)

Name	Shares Acquired on Exercise (#)	Value Realized ($)	Number of Securities Underlying Unexercised Options/SAR's at Fiscal Year-End (#)		Value of Unexercised In-the-Money Options/SAR's at Fiscal Year-End ($)(1)	
			Exercisable	Unexercisable	Exercisable	Unexercisable
Steven W. Alesio	0	0	321,953	438,497	12,020,647	11,349,062
Sara Mathew	0	0	130,241	198,559	4,018,997	4,602,308
Michael Pepe	0	0	7,500	51,200	94,050	466,548
James P. Burke	0	0	5,508	27,092	145,931	459,535
David J. Lewinter	0	0	52,338	65,762	2,031,992	1,550,193
Allan Z. Loren (2)	1,736,500	75,392,556	161,230	0	2,202,402	0

(1) The values shown equal the difference between the exercise price of unexercised in-the-money options and the closing market price of the underlying Common Stock of $66.96 on December 30, 2005. Options are in-the-money if the fair market value of the Common Stock exceeds the exercise price of the option.

(2) With respect to Mr. Loren, all options were fully exercisable upon his retirement on May 30, 2005.

Retirement Benefits

The following table sets forth the estimated aggregate annual benefits payable under D&B's Retirement Account Plan, Pension Benefit Equalization Plan (PBEP) and Supplemental Executive Benefit Plan (SEBP), as in effect during 2005 to persons in specified average final compensation and credited service classifications upon retirement at age 65. Amounts shown in the table include U.S. Social Security benefits that would be deducted in calculating benefits payable under these plans. These aggregate annual retirement benefits do not increase as a result of additional credited service after 20 years.

Average Final Compensation	Estimated Aggregate Annual Retirement Benefit Assuming Final Credited Service of:				
	5 years	10 years	15 Years	20 Years	25 Years
$ 650,000	130,000	260,000	325,000	390,000	390,000
700,000	140,000	280,000	350,000	420,000	420,000
750,000	150,000	300,000	375,000	450,000	450,000
800,000	160,000	320,000	400,000	480,000	480,000
850,000	170,000	340,000	425,000	510,000	510,000
900,000	180,000	360,000	450,000	540,000	540,000
950,000	190,000	380,000	475,000	570,000	570,000
1,000,000	200,000	400,000	500,000	600,000	600,000
1,100,000	220,000	440,000	550,000	660,000	660,000
1,200,000	240,000	480,000	600,000	720,000	720,000
1,300,000	260,000	520,000	650,000	780,000	780,000
1,400,000	280,000	560,000	700,000	840,000	840,000
1,500,000	300,000	600,000	750,000	900,000	900,000
1,750,000	350,000	700,000	875,000	1,050,000	1,050,000
2,300,000	460,000	920,000	1,150,000	1,380,000	1,380,000

The number of full years of credited service under the plans for Mr. Alesio, Ms. Mathew, Mr. Pepe, Mr. Burke, Mr. Lewinter and Mr. Loren are 5, 5, 2, 5, 7 and 5, respectively.

Compensation, for the purpose of determining retirement benefits, consists of salary, wages, regular cash bonuses, commissions and overtime pay. Severance pay, contingent payments and other forms of special remuneration are excluded. Bonuses included in the Summary Compensation Table, contained within the "Compensation of Executive Officers" section of this Proxy Statement, are normally not paid until the year following the year in which they are accrued and expensed. Therefore, compensation for purposes of determining retirement benefits varies from the Summary Compensation Table amounts in that bonuses expensed in the previous year, but paid in the current year, are part of retirement compensation in the current year, and the current year's bonuses accrued and included in the Summary Compensation Table are not.

For the reasons discussed above, compensation for determining retirement benefits for the named executive officers differed by more than 10% from the amounts shown in the Summary Compensation Table. For purposes of determining retirement benefits for Mr. Alesio, Ms. Mathew, Mr. Pepe, Mr. Burke, Mr. Lewinter and Mr. Loren, compensation in 2005 was $1,750,000, $980,075, $898,525, $699,338, $663,190 and $2,289,236, respectively.

Average final compensation is defined as the highest average annual compensation during five consecutive 12-month periods in the last 10 consecutive 12-month periods of the member's credited service. Members vest in their accrued retirement benefit upon completion of five years of service. The benefits shown in the table above are calculated on a straight-life annuity basis.

The Retirement Account Plan, together with the PBEP, provides retirement income based on a percentage of annual compensation. The percentage of compensation allocated annually ranges from 3% to 12.5%, based on age and credited service. Amounts allocated also receive interest credits based on the average yield on 30-year Treasuries, with a minimum compounded annual interest credit rate of 3%.

The SEBP provides retirement benefits in addition to the benefits provided under the Retirement Account Plan and the PBEP. The SEBP has the effect of increasing the retirement benefits under the Retirement Account Plan and the PBEP to the amounts shown in the preceding table. The SEBP provides maximum benefits after 20 years.

The following table summarizes our equity compensation plan information as of December 31, 2005.

Equity Compensation Plan Information

	(A)	(B)	(C)
Plan Category	**Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights**	**Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights**	**Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (A))**
Equity compensation plans approved by security holders (1)	5,835,150 (2)	$33.50	4,017,285 (3)

(1) This table includes information for two equity compensation plans adopted in connection with our separation from Moody's Corporation. As of December 31, 2005, a total of 921,974 shares of D&B Common Stock were issuable upon exercise of outstanding options and other rights under those two plans. The weighted average exercise price of those outstanding options and other rights is $14.52 per share. No additional options or other rights may be granted under those two plans.

(2) Includes options for 5,740,625 shares of D&B Common Stock, restricted stock units of 88,489 shares of D&B Common Stock and deferred performance shares of 6,036 shares of D&B Common Stock. This amount does not include outstanding shares of restricted Common Stock of 314,275.

(3) Includes shares available for future purchases under our ESPP. As of December 31, 2005, an aggregate of 906,114 shares of D&B Common Stock were available for purchase under the ESPP.

Employment, Change In Control, Severance, Deferral and Detrimental Conduct Arrangements

Employment Arrangements

On January 1, 2005, Steven W. Alesio succeeded Allan Z. Loren as the Company's chief executive officer. Mr. Loren remained as the Company's chairman of the board until May 30, 2005, at which time he retired from the Board.

In connection with the succession plan, the Company entered into an amendment of Mr. Loren's existing employment agreement and entered into a new employment agreement with Mr. Alesio. The terms of these agreements with Messrs. Loren and Alesio were established by the Company's Compensation & Benefits Committee (the "Committee"), with input from the Committee's independent compensation consultant and corporate governance advisor. As further described below, with respect to Mr. Loren's compensation, the Committee determined that it was appropriate to maintain his compensation and benefits at the 2004 levels, with the exception that Mr. Loren would not be eligible for any additional equity awards. With respect to Mr. Alesio's compensation, the Committee developed a compensation program that reflected the Company's pay-for-performance philosophy (by delivering a significant portion of overall compensation value through equity and bonus award opportunities, as further described below) and which was competitively positioned based on market data provided by the Committee's independent compensation consultant.

Allan Z. Loren. As noted above, under Mr. Loren's agreement, he ceased to serve as the Company's chief executive officer on January 1, 2005, and as the Company's chairman of the board on May 30, 2005, at which point Mr. Loren retired from the Company and the Board of Directors. Mr. Loren's base salary and target and maximum bonus were unchanged from his prior agreement. Accordingly, from January 1, 2005 through May 30, 2005, Mr. Loren was entitled to an annualized base salary of $700,000. He was also entitled to a cash incentive opportunity for the period of January 1, 2005 through May 30, 2005. Mr. Loren's target bonus was 150% of his prorated annual base salary, with a maximum payout of 200% of the target bonus, the same target and maximum percentages as in 2004. The amount of the actual bonus paid was to be determined by the Committee, based on its assessment of Mr. Loren's contribution to the success of the leadership transition plan and his execution of his Board duties. Mr. Loren was not to be entitled to any additional equity awards.

Consistent with Mr. Loren's existing agreement, all of his prior equity compensation grants vested in full upon his retirement.

After Mr. Loren's employment as chairman was terminated on May 30, 2005, the Company transferred to him the title to the Company automobile previously provided to him and paid him a tax gross-up payment to cover any taxes that were due as a result of the transfer. In addition, under the terms of his amended agreement, following termination on May 30, 2005, Mr. Loren was entitled to the retiree medical, dental and life insurance benefits coverage, regardless of any age or service requirements, that is provided under the Company's plans to other retired executives. If, prior to May 30, 2005, Mr. Loren was terminated by the Company without cause (as defined in the amended employment agreement), terminated his employment for good reason (as defined in the amended employment agreement), died or became disabled, or a change in control of the Company occurred, all previously granted stock options and restricted stock would have immediately vested. In addition, if Mr. Loren's employment was terminated by the Company without cause or Mr. Loren terminated his employment for good reason, Mr. Loren would have been entitled to continued payment of his annual base salary until May 30, 2005, and, to the extent not previously paid, his target bonuses for each fiscal year through fiscal year 2005 (prorated for the partial year), but in no event would Mr. Loren have received less than $805,000. Finally, if Mr. Loren was terminated by the Company without cause, terminated his employment for good reason, or died or became disabled before May 30, 2005, Mr. Loren would have received a benefit under the Company's SEBP calculated based on five years of service.

Mr. Loren agreed to customary restrictive covenants, including a covenant not to compete with the Company for one year.

Mr. Loren was also entitled to certain benefits under a change in control agreement. A description of this agreement is described below under "Change in Control Arrangements."

Steven W. Alesio. Under Mr. Alesio's agreement, he has served as the Company's chief executive officer since January 1, 2005 and became chairman of the board beginning on May 31, 2005.

The agreement, which has a three-year term through December 31, 2007 (subject to earlier termination as provided in the agreement), provides that Mr. Alesio will be paid an annual base salary of $750,000 (up from $500,000 in 2004). The Company's Board of Directors may increase Mr. Alesio's salary as it deems appropriate, but his salary may not be decreased. Mr. Alesio will be eligible to earn an annual bonus award based on the achievement of such goals and performance measures (including financial and employee satisfaction goals) as may be established by the Committee. Mr. Alesio's target annual bonus award will be at least 130% of his base salary and his maximum annual bonus award will be at least 200% of his target annual bonus award (the same target and maximum bonus award percentages as in 2004). As noted above, the actual amount of the bonus paid to Mr. Alesio will be based on the achievement of the goals and performance measures as determined by the Committee.

The Company has also paid Mr. Alesio an initial long-term equity grant with a value of $4,000,000 (up from $3,000,000 in 2004). Beginning in 2006, he will also be entitled to annual equity-based awards at a level commensurate with his position in the discretion of the Committee. Mr. Alesio is currently, and will remain, fully vested in his accrued benefit under the SEBP.

If the Company terminates Mr. Alesio's employment without cause (with cause generally defined as a willful failure to perform material duties or conviction of a felony) or Mr. Alesio terminates his employment for good reason (generally, an unfavorable change in employment status, a required relocation or a material willful breach of the agreement by the Company), he will be entitled to: (i) subject to his execution of a release of claims, a lump sum payment equal to two times the sum of his annual base salary and his target annual bonus through the remainder of the term; (ii) a lump sum payment equal to a pro-rata portion of his target annual bonus for the year of the termination; (iii) an enhanced benefit under our SEBP (computed based on continued employment and an annual target bonus for two years); (iv) continued medical and dental coverage for two years; and (v) the immediate vesting of the stock option and restricted stock awards granted to him in 2003 and the stock option award granted to him in 2004. If Mr. Alesio terminates his employment for good reason, he will also be entitled to special pro-rata accelerated vesting of the stock option awards granted to him before 2003. If Mr. Alesio dies or becomes disabled (as defined in the agreement), in addition to his base salary through the date of death or disability, Mr. Alesio and his estate will be entitled to a pro-rata portion of his target annual bonus for the year of the death or disability, immediate vesting of all stock options granted to him (except that, in the case of disability, options held for less than one year will be forfeited) and immediate vesting of his 2003 restricted stock award.

If the Company terminates Mr. Alesio's employment on or after December 31, 2007 without cause or Mr. Alesio terminates his employment on or after such date for good reason, he will be entitled to the benefits under the Company's Executive Transition Plan as if he incurred an "eligible termination" other than by reason of unsatisfactory performance. A description of our Executive Transition Plan is included below under "Severance Arrangements."

Mr. Alesio has agreed to customary restrictive covenants, including a covenant not to compete with the Company for one year.

Mr. Alesio will also be entitled to certain benefits under a change in control agreement entered into with the Company. Mr. Alesio's change in control agreement was extended to coincide with the term of his employment agreement. If Mr. Alesio becomes entitled to similar payments or benefits under his change in control agreement and his employment agreement, he will receive the payments or benefits under the change in control agreement only to the extent such payments or benefits exceed those available under his employment agreement. A description of this change in control agreement is included below under "Change in Control Arrangements."

Change in Control Arrangements

The executive officers named in the "Executive Officers" section of this Proxy Statement, who are direct reports to the Chairman & CEO of the Company, will be provided certain benefits upon actual or constructive termination of employment in the event of a potential change in control or change in control of the Company. If, following a potential change in control or change in control, the executive is terminated other than for cause or by reason of death, disability or normal retirement, or the executive terminates employment for good reason (generally, an unfavorable change in employment status, compensation or benefits or a required relocation), the executive shall be entitled to receive: (i) a lump-sum payment equal to three times the sum of salary plus the annual target bonus then in effect; (ii) continuation of welfare benefits and certain perquisites for three years; (iii) retiree medical and life insurance benefits starting at age 55; (iv) outplacement consulting in the amount of 20% of the sum of salary plus the annual target bonus then in effect, but not exceeding $100,000; (v) immediate vesting of certain entitlements; (vi) a prorated annual target bonus for the year in which the change in control occurs and a full target bonus for all other bonus plans in effect at the time of termination; and (vii) payment of any excise taxes due in respect of the foregoing benefits. Regarding executive officers who are not direct reports to the Chairman & CEO, if, following a potential change in control or change in control, the executive officer is terminated other than for cause or by reason of death, disability or normal retirement, or the executive officer terminates employment for good reason (generally, an unfavorable change in employment status, compensation or benefits or a required relocation), the executive officer shall be entitled to receive the same benefits as the direct report executive officers, as described above, except that the lump-sum payment will be equal to two times the sum of salary plus the annual target bonus then in effect and the continuation of welfare benefits and certain perquisites will be for only two years.

Severance Arrangements

The Company has adopted an Executive Transition Plan (ETP) that provides severance benefits for the Company's chief executive officer and other designated executives. The ETP currently provides for the payment of severance benefits if an eligible executive's employment terminates by reason of a reduction in force, job elimination, unsatisfactory job performance (not constituting cause) or a mutually agreed-upon resignation. In the event of an eligible termination, the executive will be paid 104 weeks of salary continuation and (unless the executive's employment is terminated by the Company for unsatisfactory performance) the executive's guideline annual bonus opportunity for the year of termination, payment of which will be prorated annually over a period equal to the number of weeks of salary continuation. Salary continuation is payable at the times the executive's salary would have been paid if employment had not terminated. In addition, the executive will receive continued medical, dental and life insurance benefits during the salary continuation period and will be entitled to such outplacement services during the salary continuation period as are being provided by the Company. Except in the case of a termination by the Company for unsatisfactory performance, the executive also will receive: (i) a prorated portion of the actual bonus for the year of termination that would have been payable to the executive under the annual bonus plan in which the executive is participating; (ii) cash payments equal in value to a prorated portion of any "performance-based awards" under the Company's stock incentive plan, provided that the executive was employed for at least half of the applicable performance period; and (iii) financial planning/counseling services during the salary continuation period to the same extent afforded immediately prior to the termination of employment. The ETP gives the Company's chief executive officer the discretion to reduce or increase the benefits otherwise payable to, or otherwise modify the terms and conditions applicable to, an eligible executive under the ETP, other than the chief executive officer; the Compensation & Benefits Committee has this discretion with respect to the chief executive officer.

Executive officers who do not participate in the ETP are eligible for severance benefits under the Company's Career Transition Plan (CTP). The CTP generally provides for the payment of benefits if an eligible executive's employment terminates by reason of a reduction in force, job elimination, unsatisfactory job performance (not constituting cause) or a mutually agreed-upon resignation. It does not apply to employee terminations in connection with the sale of stock or assets, or an elimination or reduction of operations in connection with an outsourcing or merger (or other combination, spin-off, reorganization or other similar

transaction) where an offer of employment at a comparable base salary is made to the employee. In the event of an eligible termination, an executive officer will be paid 52 weeks of salary continuation (26 weeks if the executive is terminated by the Company for unsatisfactory performance), payable at the times the executive's salary would have been paid if employment had not terminated. For this purpose, salary consists of the executive's annual base salary at the time of termination. In addition, the executive will receive continued medical, dental and life insurance benefits during the applicable salary continuation period and will be entitled to such outplacement services during the salary continuation period as are being provided by the Company. Except in the case of a termination by the Company for unsatisfactory performance, the executive also will receive: (i) a prorated portion of the actual bonus for the year of termination that would have been payable to the executive under the annual bonus plan in which the executive is participating, provided that the executive was employed for at least six full months during the calendar year of termination; (ii) cash payments equal in value to a prorated portion of any "performance-based awards" under the Company's stock incentive plan, provided that the executive was employed for at least half of the applicable performance period; and (iii) financial planning/counseling services during the salary continuation period to the same extent afforded immediately prior to termination of employment. The CTP gives the Company's chief executive officer the discretion to reduce or increase the benefits otherwise payable to, or otherwise modify the terms and conditions applicable to, an eligible executive under the CTP.

Mr. Loren waived participation in both the ETP and CTP. In accordance with his employment agreement, Mr. Alesio is a participant in the ETP. All other executive officers named in the Summary Compensation Table, contained within the "Compensation of Executive Officers" section of this Proxy Statement, currently participate in the CTP.

Notwithstanding the foregoing, any severance benefits paid to an executive officer above the amounts provided by the ETP or CTP require the approval of the Compensation & Benefits Committee.

Deferral Program

The Company has a Key Employees' Nonqualified Deferred Compensation Plan under which executives may defer part of their current salary, annual cash incentive and certain cash-based, long-term incentives to a later date. Under this program, executives have the opportunity to earn tax-deferred appreciation based on the performance of the investment funds offered under the Company's PPP.

Detrimental Conduct Program

The Company has a detrimental conduct program under which employees are required to sign an agreement upon receipt of an equity-based award that requires employees to return a portion of the amounts received pursuant to such award if, during their employment and for one year thereafter (two years in the case of executive officers), they engage in "detrimental conduct," which includes working for a competitor, disclosing confidential Company information and acting otherwise than in the interests of the Company.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires D&B's officers and directors, and persons who own more than 10% of a registered class of D&B's equity securities ("insiders"), to file reports of ownership and changes in ownership with the SEC. Insiders are required by SEC regulation to furnish the Company with copies of all Section 16(a) forms they file. Based solely on a review of the copies of such forms furnished to the Company, the Company believes that during 2005 all Section 16(a) filing requirements applicable to its insiders were complied with, except that, due to administrative oversight on the part of D&B, a Form 4 filing on behalf of David T. Clarke, Leader, U.S. Sales & Marketing Solutions, reporting his stock option exercise and same day sale of 2,026 shares, was filed one day late.

OTHER MATTERS

D&B knows of no matters, other than those referred to herein, which will be presented at the Annual Meeting. If, however, any other appropriate business should properly be presented at the meeting, the persons named in the enclosed form of proxy will vote the proxies in accordance with their best judgment.

INFORMATION CONTAINED IN THIS PROXY STATEMENT

The information under the captions “Report of the Audit Committee” and “Report of the Compensation & Benefits Committee” does not constitute soliciting material and should not be deemed filed or incorporated by reference into any other Company filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent that the Company specifically incorporates these Reports by reference therein.

The information on our Web site is not, and shall not be deemed to be, a part of this Proxy Statement, or incorporated into any other filings we make with the SEC.

SHAREHOLDER PROPOSALS FOR THE 2007 ANNUAL MEETING

Shareholder proposals intended to be included in the Company’s Proxy Statement for the Annual Meeting of Shareholders in 2007 must be received by the Corporate Secretary of the Company no later than November 23, 2006. The Company will consider written proposals received by that date in accordance with regulations governing the solicitation of proxies.

Under the Company’s Bylaws, a shareholder proposal for the 2007 Annual Meeting of Shareholders that is not intended to be included in the Company’s Proxy Statement must be received by the Corporate Secretary of the Company between January 2, 2007 and February 1, 2007.

For a shareholder seeking to nominate a candidate for D&B’s Board of Directors, the notice must describe various matters regarding the nominee, including name, age, business address and the nominee’s written consent to being named in the Proxy Statement and to serving as a director if elected. For a shareholder seeking to bring other business before a shareholder meeting, such notice must include a description of the proposed business, the text of the proposal, the reasons for conducting such business at the meeting, any material interest in such business of the proposing shareholder, and other specified matters. In each case, the notice must also include information regarding the proposing shareholder, including the name and address of such shareholder and class and number of shares owned by such shareholder.

The notice must be given to the Corporate Secretary of the Company, whose address is 103 John F. Kennedy Parkway, Short Hills, New Jersey 07078-2708. Any shareholder desiring a copy of the Company’s Bylaws will be furnished one without charge upon written request to the Corporate Secretary or may obtain a copy from the Corporate Governance information in the Investors section of the Company’s Web site (*www.dnb.com*). A copy of the Bylaws is also filed as an exhibit to the Company’s Form 10 filed on June 27, 2000 and is available at the SEC Web site (*www.sec.gov*).

March 23, 2006

SCHEDULE I

THE DUN & BRADSTREET CORPORATION

RECONCILIATION OF TOTAL REVENUE TO CORE REVENUE AND EFFECT OF FOREIGN EXCHANGE ON CORE REVENUE GROWTH RATE

	For the Year Ended December 31,		
	2005	2004	Growth Rate
	(In Millions)		
Total revenue	$1,443.6	$1,414.0	2%
Less: Revenue from divested businesses	—	79.5	N/M
Core revenue (1)	$1,443.6	$1,334.5	8%
Less: Effect of foreign exchange			—
Core revenue before effect of foreign exchange			8%

(1) See "Item 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations:* How We Manage Our Business" in the Company's Form 10-K for the year ended December 31, 2005 for a discussion of the Company's use of core revenue growth before the effects of foreign exchange and why management believes this measure provides useful information to investors.

N/M = Not Meaningful.

SCHEDULE II

THE DUN & BRADSTREET CORPORATION

RECONCILIATION OF REPORTED EARNINGS PER SHARE TO EARNINGS PER SHARE BEFORE NON-CORE GAINS AND CHARGES

	For the Year Ended December 31,	
	2005	**2004**
Diluted EPS	$ 3.19	$ 2.90
Impact of non-core (gains) and charges:		
Restructuring costs related to our Financial Flexibility Program	0.32	0.28
Gain on sale of an investment in a South African Company	(0.03)	—
Lower costs related to the sale of operations in Iberia (Spain and Portugal)	(0.01)	—
Final resolution of all disputes on the sale of the Company's French Business	0.04	—
Gains on the sales of operations in the Nordic Region, Central Europe, India and Distribution Channels in Pakistan and the Middle East, France and Iberia	—	(0.26)
Increase in tax legacy reserve for "Royalty Expense Deductions 1993–1997"	0.09	—
Tax charge related to the Company's repatriation of foreign cash	0.13	—
Tax legacy refund for "Utilization of Capital Losses 1989–1990"	(0.01)	—
Tax benefits recognized upon the liquidation of dormant international corporations	(0.23)	—
Increase in tax legacy reserve for "Utilization of Capital Losses 1989–1990"	—	0.06
Diluted EPS — Before Non-Core (Gains) and Charges (1)	$ 3.49	$ 2.98

(1) See "Item 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations:* How We Manage Our Business" in the Company's Form 10-K for the year ended December 31, 2005 for a discussion of the Company's use of EPS before non-core gains and charges and why management believes this measure provides useful information to investors.

Exhibit A

THE DUN & BRADSTREET CORPORATION
COVERED EMPLOYEE CASH INCENTIVE PLAN

1. Purpose of the Plan

The purpose of the Plan is to advance the interests of the Company and its stockholders by providing incentives in the form of periodic cash bonus awards to certain management employees of the Company and its Affiliates, thereby motivating such employees to attain performance goals articulated under the Plan.

2. Definitions

The following capitalized terms used in the Plan have the respective meanings set forth in this Section:

(a) *Act:* The Securities Exchange Act of 1934, as amended, or any successor thereto.

(b) *Affiliate:* With respect to the Company, any entity directly or indirectly controlling, controlled by, or under common control with, the Company or any other entity designated by the Board in which the Company or an Affiliate has an interest.

(c) *Award:* A periodic cash bonus award granted pursuant to the Plan.

(d) *Beneficial Owner:* As such term is defined in Rule 13d-3 under the Act (or any successor rule thereto).

(e) *Board:* The Board of Directors of the Company.

(f) *Change in Control:* The occurrence of any of the following events:

(i) any "Person" as such term is used in Sections 13(d) and 14(d) of the Act (other than the Company, any trustee or other fiduciary holding securities under an employee benefit plan of the Company, or any company owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company) becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 20% or more of the combined voting power of the Company's then outstanding securities;

(ii) during any period of twenty-four months (not including any period prior to the Effective Date), individuals who at the beginning of such period constitute the Board, and any new director (other than (A) a director nominated by a Person who has entered into an agreement with the Company to effect a transaction described in Sections 2(f)(i), (iii) or (iv) of the Plan, (B) a director nominated by any Person (including the Company) who publicly announces an intention to take or to consider taking actions (including, but not limited to, an actual or threatened proxy contest) which if consummated would constitute a Change in Control or (C) a director designated by any Person who is the Beneficial Owner, directly or indirectly, of securities of the Company representing 10% or more of the combined voting power of the Company's securities) whose election by the Board or nomination for election by the Company's stockholders was approved in advance by a vote of at least two-thirds (⅔) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority thereof;

(iii) the stockholders of the Company approve a merger or consolidation of the Company with any other corporation, other than a merger or consolidation (A) which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than 50% of the combined voting power of the voting securities of the Company or such surviving entity

outstanding immediately after such merger or consolidation and (B) after which no Person would hold 20% or more of the combined voting power of the then outstanding securities of the Company or such surviving entity; or

(iv) the stockholders of the Company approve a plan of complete liquidation of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets.

(g) *Code:* The Internal Revenue Code of 1986, as amended, or any successor thereto.

(h) *Committee:* The Compensation and Benefits Committee of the Board, or any successor thereto or any other committee designated by the Board to assume the obligations of the Committee hereunder.

(i) *Company:* The Dun & Bradstreet Corporation.

(j) *Covered Employee:* An employee who is, or who is anticipated to become, a covered employee, as such term is defined in Section 162(m) of the Code (or any successor section thereto).

(k) *Effective Date:* The date on which the Plan takes effect, as defined pursuant to Section 13 of the Plan.

(l) *Participant:* A Covered Employee of the Company or any of its Affiliates who is selected by the Committee to participate in the Plan pursuant to Section 4 of the Plan.

(m) *Performance Period:* The calendar year or any other period that the Committee, in its sole discretion, may determine.

(n) *Person:* As such term is used for purposes of Section 13(d) or 14(d) of the Act or any successor sections thereto.

(o) *Plan:* The Dun & Bradstreet Corporation Covered Employee Cash Incentive Plan.

(p) *Shares:* Shares of common stock, par value $0.01 per Share, of the Company.

(q) *Subsidiary:* A subsidiary corporation, as defined in Section 424(f) of the Code (or any successor section thereto).

3. Administration

The Plan shall be administered by the Committee or such other persons designated by the Board. The Committee may delegate its duties and powers in whole or in part to any subcommittee thereof consisting solely of at least two individuals who are each "non-employee directors" within the meaning of Rule 16b-3 of the Act (or any successor rule thereto) and "outside directors" within the meaning of Section 162(m) of the Code (or any successor section thereto). The Committee shall have the authority to select the Covered Employees to be granted Awards under the Plan, to determine the size and terms of an Award (subject to the limitations imposed on Awards in Section 5 below), to modify the terms of any Award that has been granted (except for any modification that would increase the amount of the Award), to determine the time when Awards will be made and the Performance Period to which they relate, to establish performance objectives in respect of such Performance Periods and to certify that such performance objectives were attained; provided, however, that any such action shall be consistent with the applicable provisions of Section 162(m) of the Code. The Committee is authorized to interpret the Plan, to establish, amend and rescind any rules and regulations relating to the Plan, and to make any other determinations that it deems necessary or desirable for the administration of the Plan; provided, however, that any action permitted to be taken by the Committee may be taken by the Board, in its discretion. The Committee may correct any defect or omission or reconcile any inconsistency in the Plan in the manner and to the extent the Committee deems necessary or desirable.

Any decision of the Committee in the interpretation and administration of the Plan, as described herein, shall lie within its sole and absolute discretion and shall be final, conclusive and binding on all parties concerned. Determinations made by the Committee under the Plan need not be uniform and may be made selectively among Participants, whether or not such Participants are similarly situated. The Committee shall have the right to deduct from any payment made under the Plan any federal, state, local or foreign income or other taxes required by law to be withheld with respect to such payment. To the extent consistent with the applicable provisions of Section 162(m) of the Code, the Committee may delegate to one or more employees of the Company or any of its Subsidiaries the authority to take actions on its behalf pursuant to the Plan.

4. Eligibility and Participation

The Committee shall designate those persons who shall be Participants for each Performance Period. Participants shall be selected from among the Covered Employees of the Company and any of its Subsidiaries who are in a position to have a material impact on the results of the operations of the Company or of one or more of its Subsidiaries.

5. Awards

(a) *Performance Goals.* A Participant's Award shall be determined based on the attainment of written performance goals approved by the Committee for a Performance Period established by the Committee (i) while the outcome for the Performance Period is substantially uncertain and (ii) no more than 90 days after the commencement of the Performance Period to which the performance goal relates or, if less than 90 days, the number of days which is equal to 25 percent of the relevant Performance Period. The performance goals, which must be objective, shall be based upon one or more or the following criteria: (i) earnings before or after taxes (including earnings before interest, taxes, depreciation and amortization); (ii) net income; (iii) operating income; (iv) earnings per Share; (v) book value per Share; (vi) return on stockholders' equity; (vii) expense management; (viii) return on investment before or after the cost of capital; (ix) improvements in capital structure; (x) profitability of an identifiable business unit or product; (xi) maintenance or improvement of profit margins; (xii) stock price; (xiii) market share; (xiv) revenues or sales; (xv) costs; (xvi) cash flow; (xvii) working capital; (xviii) changes in net assets (whether or not multiplied by a constant percentage intended to represent the cost of capital); and (xix) return on assets. The foregoing criteria may relate to the Company, one or more of its Subsidiaries or one or more of its divisions, units, partnerships, joint ventures or minority investments, product lines or products or any combination of the foregoing, and may be applied on an absolute basis and/or be relative to one or more peer group companies of indices, or any combination thereof, all as the Committee shall determine. In addition, to the degree consistent with Section 162(m) of the Code (or any successor section thereto), the performance goals may be calculated without regard to extraordinary items or accounting changes. The maximum amount of an Award to any Participant with respect to a fiscal year of the Company shall be $3,000,000.

(b) *Payment.* The Committee shall determine whether, with respect to a Performance Period, the applicable performance goals have been met with respect to a given Participant and, if they have, to so certify and ascertain the amount of the applicable Award. No Awards will be paid for such Performance Period until such certification is made by the Committee. The amount of the Award actually paid to a given Participant may be less than the amount determined by the applicable performance goal formula (including zero), at the discretion of the Committee. The amount of the Award determined by the Committee for a Performance Period shall be paid to the Participant at such time as determined by the Committee in its sole discretion after the end of such Performance Period.

(c) *Compliance with Section 162(m) of the Code.* The provisions of this Section 5 shall be administered and interpreted in accordance with Section 162(m) of the Code to ensure the deductibility by the Company or its Subsidiaries of the payment of Awards; provided, however, that the Committee may, in its sole discretion, administer the Plan in violation of Section 162(m) of the Code.

(d) *Termination of Employment.* If a Participant dies, retires, is assigned to a different position, is granted a leave of absence, or if the Participant's employment is otherwise terminated (except with cause by

the Company, as determined by the Committee in its sole discretion) during a Performance Period (other than a Performance Period in which a Change in Control occurs), a pro-rata share of the Participant's award based on the period of actual participation shall be paid to the Participant after the end of the Performance Period if it would have become earned and payable had the Participant's employment status not changed; provided, however, that the amount of the Award actually paid to a given Participant may be less than the amount determined by the applicable performance goal formula (including zero), at the discretion of the Committee.

6. Amendments or Termination

The Board or the Committee may amend, alter or discontinue the Plan, but no amendment, alteration or discontinuation shall be made which would diminish any of the rights under any Award theretofore granted to a Participant under the Plan without such Participant's consent; provided, however, that the Board or the Committee may amend the Plan in such manner as it deems necessary to permit the granting of Awards meeting the requirements of the Code or other applicable laws. Notwithstanding anything to the contrary herein, the Board or the Committee may not amend, alter or discontinue the provisions relating to Section 10(b) of the Plan after the occurrence of a Change in Control.

7. No Right to Employment

Neither the Plan nor any action taken hereunder shall be construed as giving any Participant or other person any right to continue to be employed by or perform services for the Company or any Subsidiary, and the right to terminate the employment of or performance of services by any Participant at any time and for any reason is specifically reserved to the Company and its Subsidiaries.

8. Nontransferabililty of Awards

An award shall not be transferable or assignable by the Participant otherwise than by will or by the laws of descent and distribution.

9. Reduction of Awards

Notwithstanding anything to the contrary herein, the Committee, in its sole discretion (but subject to applicable law), may reduce any amounts payable to any Participant hereunder in order to satisfy any liabilities owed to the Company or any of its Subsidiaries by the Participant.

10. Adjustments Upon Certain Events

(a) *Generally.* In the event of any change in the outstanding Shares by reason of any Share dividend or split, reorganization, recapitalization, merger, consolidation, spin-off, combination or exchange of Shares or other corporate exchange, or any distribution to stockholders of Shares other than regular cash dividends or any similar transaction to the foregoing, the Committee in its sole discretion and without liability to any person may make such substitution or adjustment, if any, as it deems to be equitable, as to any affected terms of outstanding Awards.

(b) *Change in Control.* In the event that (i) a Participant's employment is actually or constructively terminated during a given Performance Period (the "Affected Performance Period") and (ii) a Change in Control shall have occurred within the 365 days immediately preceding the date of such termination, then such Participant shall receive, promptly after the date of such termination, an Award for the Affected Performance Period as if the performance goals for such Performance Period had been achieved at 100%.

11. Miscellaneous Provisions

The Company is the sponsor and legal obligor under the Plan and shall make all payments hereunder, other than any payments to be made by any of the Subsidiaries (in which case payment shall be made by such Subsidiary, as appropriate). The Company shall not be required to establish any special or separate fund or to make any other segregation of assets to ensure the payment of any amounts under the Plan, and the Participants'

rights to the payment hereunder shall be no greater than the rights of the Company's (or Subsidiary's) unsecured creditors. All expenses involved in administering the Plan shall be borne by the Company.

12. Choice of Law

The Plan shall be governed by and construed in accordance with the laws of the State of Delaware applicable to contracts made and to be performed in the State of Delaware.

13. Effectiveness of the Plan

The re-approved Plan shall be effective as of May 2, 2006.

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

Form 10-K

Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the Fiscal Year Ended December 31, 2005

Commission file number 1-15967

The Dun & Bradstreet Corporation

(Exact name of registrant as specified in its charter)

Delaware	**103 JFK Parkway, Short Hills, NJ**
(State of incorporation)	*(Address of principal executive offices)*
22-3725387	**07078**
(I.R.S. Employer Identification No.)	*(Zip Code)*

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

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, par value $0.01 per share	New York Stock Exchange
Preferred Share Purchase Rights	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☑ No ☐

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes ☐ No ☑

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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☑ Accelerated filer ☐ Non-accelerated filer ☐

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

As of June 30, 2005, the aggregate market value of all shares of Common Stock of The Dun & Bradstreet Corporation outstanding and held by nonaffiliates* (based upon its closing transaction price on the New York Stock Exchange Composite Tape on June 30, 2005) was approximately $4.128 billion.

As of January 31, 2006, 66,936,840 shares of Common Stock of The Dun & Bradstreet Corporation were outstanding.

Documents Incorporated by Reference

Portions of the registrant's definitive proxy statement for use in connection with its annual meeting of shareholders scheduled to be held on May 2, 2006, are incorporated into Part III of this Form 10-K.

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* Calculated by excluding all shares held by executive officers and directors of the registrant. Such exclusions will not be deemed to be an admission that all such persons are "affiliates" of the registrant for purposes of federal securities laws.

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PART I

Item 1. *Business*

Overview

The Dun & Bradstreet Corporation ("D&B" or "we" or "our") is the leading provider of global business information, tools and insight, and has enabled customers to Decide with Confidence® for over 160 years. Our proprietary DUNSRight® quality process provides our customers with quality business information. This quality information is the foundation of our solutions that customers rely on to make critical business decisions. Customers use our Risk Management Solutions™ to mitigate credit risk, increase cash flow and drive increased profitability, our Sales & Marketing Solutions™ to increase revenue from new and existing customers, our E-Business Solutions™ to convert prospects to clients faster by enabling business professionals to research companies, executives and industries and our Supply Management Solutions™ to increase cash by generating ongoing savings from our customers' suppliers and protecting our customers from serious financial, operational and regulatory risk.

Our Aspiration and Our Strategy

In October 2000, we launched a new business strategy called the Blueprint for Growth. This strategy has been successful and continues to be our roadmap for driving our performance and achieving our aspiration, which is: "To be the most trusted source of business insight so our customers can decide with confidence." Our aspiration reflects the belief that by intensifying our customer focus, our customers will be even more successful in the marketplace.

Our Blueprint for Growth strategy has five components:

- Brand;
- Financial Flexibility;
- Winning Culture;
- Current Business; and
- E-Business.

For the reasons described below, we believe that our Brand, our Financial Flexibility and our Winning Culture are powerful competitive advantages that drive the growth and profitability of our Current Business and E-Business.

Leverage Our Brand

We believe that the D&B® Brand stands for confidence: our customers rely on D&B when they make critical business decisions.

This confidence is the product of DUNSRight, our proprietary quality process that powers all of our customer solution sets. Through our DUNSRight quality process, our customers have access to comprehensive business information that we constantly endeavor to make more accurate, complete, timely and consistent, on a global basis. We believe that our quality process is the best in our industry.

The foundation of our DUNSRight quality process is **Quality Assurance**, which includes over 2,000 separate automated and manual checks to ensure that data meets our high quality standards. In addition, five **Quality Drivers** work sequentially to enhance the data and make it useful to our customers in making critical business decisions. Each of these quality drivers is described below:

- First, by leveraging our core competency in **Global Data Collection**, we bring together data from thousands of sources worldwide and enhance it into quality information to help our customers make profitable decisions. We have the world's largest global business database, with over 101 million business records in over 200 countries, including over 41 million business records in the United States.

We update our database more than 1.5 million times a day. As a result, we provide our customers a one-stop shop for global business data from around the world.

- We integrate the data into our database through our patented **Entity Matching** process, which produces a single, more accurate picture of each business. Entity Matching ensures that disparate data elements are associated with the right businesses in our database by doing such things as allowing and correcting for variations in spelling, format, trade names and addresses.
- We apply our nine-digit global **D-U-N-S® Number** as a unique means of identifying and tracking a business globally through every step in the life and activity of the business. We use the D-U-N-S Number to link headquarters, branches, parents and subsidiaries. In today's global economy, the D-U-N-S Number has become a standard for business identification and verification. The D-U-N-S Number is exclusively ours and is never reassigned to another business. It follows a business through every phase of its life, including bankruptcy, and allows verification of information at every stage of the DUNSRight quality process.
- We use the **Corporate Linkage** process to enable our customers to view their total risk or opportunity across related business entities. Corporate linkage means we view each entity in relation to its corporate family, providing our customers with increased awareness of risk exposure, new opportunities to penetrate existing customers, and increased leverage with their suppliers.
- Finally, our **Predictive Indicators** use statistical analysis to rate a business's past performance and to indicate how the business is likely to perform in the future. As an example, Predictive Indicators are used to predict the likelihood of a company going out of business or not paying its bills. By providing Predictive Indicators, we make the information in our database even more actionable for our customers.

With the power of our DUNSRight quality process at its foundation, we believe the D&B Brand is another competitive advantage that will help us achieve our aspiration.

Create Financial Flexibility

We continually seek opportunities to reallocate our spending from low-growth activities to activities that will drive revenue growth, while, at the same time, improving our profitability. We view almost every dollar that we spend as flexible. What this means is that we view very little of our costs as fixed — we make a conscious decision about every investment we make.

We call this process "Creating Financial Flexibility," and we continually and systematically seek ways to improve our performance in terms of quality and cost. Specifically, we seek to eliminate, standardize, consolidate, and automate our business functions, or migrate them to the Web. In addition, we evaluate the possibility that we can achieve improved quality and greater efficiencies through outsourcing. We have outsourced a number of technology functions over the past several years and have recently reviewed our existing outsourcing technology arrangements for areas where we can achieve further efficiencies. For example, during 2005, we increased the scope of our technology development outsourcing with respect to scheduled maintenance of our applications and routine testing of our software.

In addition, as part of our Financial Flexibility Programs, we eliminate non-core operations; consolidate operations such as our data collection telecenters; and automate and simplify data collection handled both internally and from third-party data sources.

Since the launch of our Blueprint for Growth strategy, we have implemented Financial Flexibility Programs. In each of these programs, we identified ways to reduce our expense base and then reallocated some of the identified spending to other areas of our operations to improve revenue growth. With each program we have incurred restructuring charges (which generally consists of employee severance and termination costs, contract terminations, asset write-offs, and/or costs to terminate lease obligations less sublease income) and transition costs (which consist of other costs necessary to accomplish the process changes such as consulting fees, costs of temporary workers, relocation costs and stay bonuses).

Our Financial Flexibility Programs are continuing. On January 31, 2006, our Board of Directors approved our 2006 Financial Flexibility Program. In 2006, we will create financial flexibility through initiatives, including the following:

- Eliminating, standardizing, and consolidating redundant technology platforms, software licenses and maintenance agreements;
- Standardizing and consolidating customer service teams and processes to increase productivity and capacity utilization;
- Consolidating our vendors to improve purchasing power; and
- Improving operating efficiencies of facilities.

We expect to complete all actions under the 2006 program by December 2006. On an annualized basis, these actions are expected to create $70 million to $75 million of financial flexibility, of which approximately $50 million to $55 million will be generated in 2006, before any transition costs and restructuring charges and before any reallocation of spending. To implement these initiatives, we expect to incur transition costs of approximately $15 million. In addition, we expect to incur non-core charges, as described in Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations in this Annual Report on Form 10-K, totaling $23 million to $28 million pre-tax, of which $10 million to $14 million relate to severance, approximately $9 million to $10 million relate to lease termination obligations and approximately $4 million relate to other exit costs in 2006. Approximately $36 million to $41 million of these transition costs and restructuring charges are expected to result in cash expenditures. In addition, as a result of this re-engineering program, we expect that approximately 125 to 150 positions will be eliminated globally.

As a result of our ability to provide funds for activities that drive growth while at the same time improving our profitability, we believe financial flexibility is another competitive advantage.

Build a Winning Culture

We believe that a Winning Culture is built by strong leadership that will drive results and create shareholder value. To build such leadership, we have developed and deployed a consistent, principles-based leadership model throughout our Company.

Our leadership development process ensures that team member performance goals and financial rewards are linked to our Blueprint for Growth strategy. For example, we link a component of leadership compensation to our overall financial results and require each of our team members to be certified in our DUNSRight quality process. It also enables team members, which include our management and employees, to receive ongoing feedback on their performance goals and on their leadership. All team members are expected to have personal leadership action plans that are focused on their own personal development, building on their leadership strengths and working on their areas of development.

We have a talent assessment process that provides a framework to assess and improve skill levels and performance across the organization and which acts as a tool to aid talent development and succession planning. We also have an employee survey mechanism that enables team members worldwide to give feedback on our progress in building a Winning Culture.

We believe that improving our leadership and building a Winning Culture are competitive advantages that will help us achieve our aspiration.

Enhance Our Current Business and Become an Important Player in E-Business

We have four customer solution sets: Risk Management Solutions, Sales & Marketing Solutions, E-Business Solutions and Supply Management Solutions. We believe each of our customer solution sets will contribute to our growth and enable us to achieve our aspiration.

- Our **Risk Management Solutions** help customers mitigate credit risk, increase cash flow and drive increased profitability;

- Our **Sales & Marketing Solutions** help customers increase revenue from new and existing customers;
- Our **E-Business Solutions** help customers convert prospects to clients faster by enabling business professionals to research companies, executives and industries; and
- Our **Supply Management Solutions** help customers increase their cash by generating ongoing savings from their suppliers and protecting our customers from serious financial, operational and regulatory risk.

Business Segments

We currently manage and report our business globally through two business segments:

- United States (which consists solely of our United States or "U.S." operations); and
- International (which consists of our operations in Canada, Europe, Asia Pacific, and Latin America).

On January 1, 2005, we began managing our operations in Canada as part of our International segment and we have reclassified our historical financial results set forth in this Annual Report on Form 10-K to reflect this change. Prior to January 1, 2005, we reported the results of our Canadian operations together with our U.S. operations.

U.S. Our U.S. segment accounted for 75%, 71% and 67% of our total revenue for the years ended December 31, 2005, 2004 and 2003, respectively.

International. The International segment has offices in approximately 13 countries and has 134 independent correspondents, and through our D&B Worldwide Network conducts operations through strategic partner relationships with local players in more than 20 countries and through minority equity investments. The International segment accounted for 25%, 29% and 33% of our total revenue for the years ended December 31, 2005, 2004 and 2003, respectively.

As part of our ongoing effort to *Enhance Our Current Business*, we have been strengthening our D&B Worldwide Network through the continued implementation of a focused market leadership strategy for our International segment, through which we intend to establish a leading competitive position in every major market. We define a leading competitive position as one where we are, or we are partnered with:

- A leading provider of Risk Management Solutions;
- A leading provider of Sales & Marketing Solutions; and
- Have the potential to grow both profitably.

We use different approaches to improve our competitive position from market to market worldwide. As part of this process, we evaluate our competitive position and potential in each country (or market) and determine whether we can best achieve our objectives through continued direct ownership of, and investment in, our local business, or by forming strategic relationships with local players.

Since the launch of the Blueprint for Growth strategy, we have entered into strategic relationships with strong local players in the following countries (markets), which have strengthened our DUNSRight quality process and improved our competitive position by enhancing our brand and increasing the size and quality of our database in these markets:

- In 2001, Japan, Australia, New Zealand, Malaysia and Thailand;
- In 2002, Korea;
- In 2003, Indonesia, Israel and the Nordic region (Sweden, Denmark, Norway and Finland); and
- In 2004, India, Distribution Channels in Pakistan and the Middle East, Central Europe (Germany, Austria, Switzerland, Poland, Hungary and the Czech Republic), Iberia (Spain and Portugal) and France.

Our D&B Worldwide Network enables our customers globally to make business decisions with confidence, because we incorporate data from our strategic partners that has been put through the DUNSRight quality process into our database and utilize it in our customer solutions. Our customers, therefore, have access to a more powerful database and global solution sets they can rely on to make their risk management, sales and marketing and supply management business decisions.

Acquisitions to Enhance Our Business Growth

In addition, we have from time to time, acquired complementary businesses, products and technologies. For example:

- In 2003, we acquired Hoover's, Inc.;
- In 2003, we also acquired controlling interests in three privately held Italian real estate data companies and a minority interest in RIBES S.p.A.;
- In 2004, we acquired an additional interest in RIBES S.p.A., resulting in our controlling interest of such entity; and
- In 2005, we acquired LiveCapital, Inc.

Segment data and other information for the years ended December 31, 2005, 2004 and 2003 are included in Note 14 to our consolidated financial statements included in Item. 8 of this Annual Report on Form 10-K.

Our Customer Solutions and Services

Risk Management Solutions

Risk Management Solutions is our largest customer solution set, accounting for 66%, 62% and 58% of our total revenue for the years ended December 31, 2005, 2004 and 2003, respectively. Within this customer solution set we offer traditional and value-added solutions. Our traditional solutions, which consist of reports from our database used primarily for making decisions about new credit applications, constituted 81% of our Risk Management Solutions revenue and 53% of our total revenue for the year ended December 31, 2005. Our value-added solutions, which constituted 19% of our Risk Management Solutions revenue and 13% of our total revenue for the year ended December 31, 2005, generally support automated decision-making and portfolio management through the use of scoring and integrated software solutions. See "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" in this Annual Report on Form 10-K for a discussion of trends in this customer solutions set.

Our Risk Management Solutions help customers increase cash flow and profitability while mitigating credit risk by helping them answer questions such as:

- Should I extend credit to this new customer?
- What credit limit should I set?
- Will this customer pay me on time?
- What is my total credit risk exposure?
- Should I change my credit policies?
- How can I proactively manage my cash flow?

Our principal Risk Management Solutions are:

- Our Business Information Report, or BIR, and our Comprehensive Report, which provide overall profiles of a company, including, based on the report, financial information, payment information, history of a business, ownership details, operational information and similar information;
- Our Self Awareness Solutions, which allow our small business customers to establish, improve and protect their own credit;

- Our decisioning scores, which help assess the credit risk of a business by assigning a rating or score;
- Our Risk Assessment Manager, or RAM™, and enterprise Risk Assessment Manager, or eRAM™, which help our customers manage their credit portfolios; and
- e-Portfolio, a Web-enabled, real-time decisioning solution that helps customers minimize risk and maximize opportunity by automating their global risk policy.

In addition, certain of our solutions are available on a subscription basis. For example, in the U.S. our DNBi interactive Web-based solution offers our customers real time access to our global database, enabling them to make more timely and more confident decisions to mitigate risk and drive top line results. We also introduced a subscription plan in our European market in the second half of 2005. This new plan provides increased access to our Risk Management reports and data to help customers increase their profitability while mitigating their risk.

Sales & Marketing Solutions

Sales & Marketing Solutions is our second-largest customer solution set accounting for 27%, 26% and 25% of our total revenue for the years ended December 31, 2005, 2004 and 2003, respectively. Within this customer solution set we offer traditional and value-added solutions. Our traditional solutions generally consist of marketing lists, labels and customized data files used by our customers in their direct mail and marketing activities. These solutions constituted 45% of our Sales & Marketing Solutions revenue and 12% of our total revenue for the year ended December 31, 2005. Our value-added solutions generally include decision-making and customer information management solutions. These value-added solutions constituted 55% of Sales & Marketing Solutions revenue and 15% of our total revenue for the year ended December 31, 2005. See "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" for a discussion on trends in this customer solutions set.

Our Sales & Marketing Solutions help customers increase revenue from new and existing customers by helping them answer questions such as:

- Who are my best customers?
- How can I find prospects that look like my best customers?
- How can I exploit untapped opportunities with my existing customers?
- How can I allocate sales force resources to revenue growth potential?

Our principal Sales & Marketing Solutions are:

- Our Customer Information Management Solutions, which are a suite of solutions that cleanse, integrate and enrich customer information with our DUNSRight quality process. These solutions produce a comprehensive view of the customer that powers the Customer Relationship Management ("CRM") system and business intelligence systems used by our customers to make sales and marketing decisions;
- Our Market Spectrum™ Web, which allows end-users easy access, through the Web, to a decision support application that provides an integrated view of customers and prospects. Market Spectrum Web is used to support accurate targeting and segmentation for marketing campaigns; and
- Our Direct Marketing Lists, which benefit from our DUNSRight quality process to enable our customers to create an accurate and comprehensive marketing campaign.

E-Business Solutions

E-Business Solutions represents the results of Hoover's, Inc., a business we acquired in March 2003. In addition to offering Hoover's in the U.S., we began offering our Hoover's solution to customers in Europe in the fourth quarter of 2004. Hoover's accounted for 4%, 4% and 2% of our total revenue for the years ended December 31, 2005, 2004 and 2003, respectively. See "Item 7. Management's Discussion and Analysis of

Financial Condition and Results of Operations" in this Annual Report on Form 10-K for a discussion on trends in this customer solutions set.

Hoover's provides information on public and private companies, and their executives and industries, primarily to senior executives and sales professionals worldwide. The database includes industry and company briefs, information on competitors, corporate financials, executive contact information, current news and research and analysts reports. Hoover's subscribers primarily access the data online via Hoover's Online.

Our E-Business Solutions help customers convert prospects to clients faster by helping them answer questions such as:

- How do I identify prospects and better prepare for sales calls?
- What is the prospect's business strategy and who are its major competitors?
- How does the prospect compare to others in their industry?
- Who are the key senior level decision-makers?
- How do I build a strong relationship with my customers?
- How do I find new business opportunities and keep current on market trends and competitors?

Our principal E-Business Solutions are:

- Our subscription solutions delivered online through Hoover's Online (such as "Lite," "Pro," "Pro Plus," "Pro Premium") and via electronic data feeds;
- Our advertising and e-marketing solutions provided through www.hoovers.com and related websites;
- Licensing of Hoover's proprietary content to third-party content providers; and
- The Hoover's Handbook series, a series of authoritative, printed reference materials.

Supply Management Solutions

Supply Management Solutions accounted for 3%, 2% and 3% of our total revenue for the years ended December 31, 2005, 2004 and 2003, respectively. See "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" in this Annual Report on Form 10-K for a discussion on trends in this customer solutions set.

Our Supply Management Solutions help our customers to increase cash by generating ongoing savings from our customers' suppliers and protecting our customers from serious financial, operational and regulatory risk by helping them answer questions such as:

- How much do I spend on purchasing?
- How much business do I do with each supplier?
- How can I minimize my purchasing costs?
- How can I avoid supply chain disruption?
- How can I know which suppliers are also customers?
- How can I find suppliers to help achieve my corporate diversity objectives?
- How do I know whether I am in compliance with regulatory acts?

Our principal Supply Management Solutions are:

- Our Supply Data Services, which provide data content and professional services to remove duplicate records and file fragmentation as well as cleanse, enhance and enrich our customers' supplier information;

- Our Supplier reports, particularly our Supplier Qualifier Report™, which enable our customers to understand risk in their supply base by providing an in-depth business profile on an individual supplier and help customers understand the nature and performance of a supplier's business;
- Our Supply On-Ramp™, which is a Web-based solution that allows customers to standardize their supplier registration and evaluation process by creating a single point of entry with consistent procedures; and
- Our Supply Optimizer®, which is an analytical software tool that provides customers with a comprehensive view of their supplier relationships: who their suppliers are, how much they are spending by business unit and what categories of customers solutions and services are being bought.

Our Sales Force

We rely primarily on our sales force of approximately 1,700 team members worldwide to sell our customers solutions, of which approximately 1,200 are in our U.S. segment and 500 are in our International segment as of December 31, 2005. Our sales force includes relationship managers and solution specialists who sell to our higher-revenue customers, teams of telesales people who sell to our lower-revenue customers and a team that sells to resellers of our solutions and our data.

We deliver our solutions primarily through the Web and other electronic methods, including desktop and enterprise application software, as well as through third-party resellers and enterprise software vendors.

Our Customers

Our principal customers are banks and other credit and financial institutions, major manufacturers and wholesalers, insurance companies and telecommunication companies. The principal customers for our E-Business Solutions are sales, marketing and business development professionals. None of our customers accounted for more than 2% of our 2005 total revenue or of the revenue of our U.S. or International business segments. Accordingly, neither we nor either of our business segments is dependent on a single customer or a few customers, such that a loss of any one would have a material adverse effect on our consolidated annual results of operations or the annual results of either of our business segments.

Competition

We are subject to highly competitive conditions in all aspects of our business. A number of competitors are active in specific aspects of our business. However, we believe no competitor offers our complete line of solutions or can match our global data quality resulting from our DUNSRight quality process.

In the U.S., we are a market leader in our Risk Management Solutions business in terms of market share and revenue, including revenue from sales of third-party business credit information. We compete with our customers' own internal business practices by continually developing more efficient alternatives to our customers risk management processes in order to capture more of their internal spend. We also directly compete with a broad range of companies, including consumer credit companies such as Equifax, Inc. and Experian Information Solutions, Inc. ("Experian"), which have traditionally offered primarily consumer information services, but now offer products that combine consumer information with business information as a tool to help customers make credit decisions with respect to small businesses.

We also compete in the U.S. with a broad range of companies offering solutions similar to our Sales & Marketing Solutions and Supply Management Solutions as well as our customers' own purchasing departments. In our Sales & Marketing Solutions business, our direct competitors include companies such as Experian and infoUSA, Inc. ("infoUSA"). In our Supply Management Solutions business, we directly compete with consulting firms, specialty data providers and specialty software companies.

In our E-Business Solutions, Hoover's competition varies based on the size of the customer and the level of spending available for services such as Hoover's Online. On the high end of product pricing, Hoover's Pro, Hoover's Pro Plus and Hoover's Pro Premium products compete with other business information providers

such as infoUSA. On the lower end of product pricing, our Hoover's Lite solution mainly competes with advertising-supported websites and other free or low-priced information sources, such as Yahoo! Finance and CBS MarketWatch.

Outside the U.S., the competitive environment varies by country, and in some countries we are a market leader. For example, in Europe, our direct competition is primarily local, such as Cerved in Italy and Experian in the United Kingdom ("UK"). In addition, common links exist among some of these competitors through their membership in European information network alliances, such as BIGNet (Experian), and we believe that competitors may be pursuing the establishment of their own pan-European network through direct investment, which could ultimately be positioned by them as an alternative to our D&B Worldwide Network. However, we believe we offer superior solutions when compared to these networks because of our DUNSRight quality process. In addition, the Sales & Marketing Solutions landscape is both localized and fragmented throughout Europe, where numerous local players of varying size compete for business.

We also face significant competition from the in-house operations of the businesses we seek as customers, other general and specialized credit reporting and business information services, other information and professional service providers, and credit insurers. For example, in certain International markets, such as Europe, some credit insurers have identified the provision of credit information as an additional revenue stream. In addition, business information solutions and services are becoming more readily available, principally due to the expansion of the Internet, greater availability of public data and the emergence of new providers of business information solutions and services.

As discussed in "Our Aspiration and Our Strategy" above, we believe that our Brand, our Financial Flexibility and our Winning Culture form a powerful competitive advantage.

Our ability to continue to compete effectively will be based on a number of factors, including our ability to:

- Communicate and demonstrate to our customers the value of our proprietary DUNSRight quality process and, as a result, improve customer satisfaction;
- Maintain and develop proprietary information and services such as analytics (*e.g.*, scoring) and sources of data not publicly available;
- Leverage our brand perception and the value of our D&B Worldwide Network; and
- Attract and retain a high-performing workforce.

Intellectual Property

We own and control various intellectual property rights, such as trade secrets, confidential information, trademarks, trade names, copyrights, patents and applications therefor. These rights, in the aggregate, are of material importance to our business. We also believe that each of the D&B name and related trade names, marks and logos are of material importance to our business. We are licensed to use certain technology and other intellectual property rights owned and controlled by others, and other companies are licensed to use certain technology and other intellectual property rights owned and controlled by us. We consider our trademarks, service marks, databases, software, patents, patent applications and other intellectual property to be proprietary, and we rely on a combination of statutory (*e.g.*, copyright, trademark, trade secret, patent, etc.) and contract and liability safeguards for protection thereof throughout the world.

Unless the context indicates otherwise, the names of our branded solutions and services referred to in this Annual Report on Form 10-K are trademarks, service marks or registered trademarks or service marks owned by or licensed to us or one or more of our subsidiaries.

We own patents and patent applications both in the U.S. and in other selected countries of strategic importance to us. The patents and patent applications include claims which pertain to certain technologies which we have determined are proprietary and warrant patent protection. We believe that the protection of our innovative technology, especially technology pertaining to our proprietary DUNSRight quality process,

through the filing of patent applications is a prudent business strategy and we will continue to seek to protect those assets for which we have expended substantial research and development capital. Filing of these patent applications may or may not provide us with a dominant position in the fields of technology. However, these patent applications may provide us with legal defenses should subsequent patents in these fields be issued to third parties and later asserted against us. Where appropriate, we may also consider asserting or cross-licensing our patents.

Employees

As of December 31, 2005, we employed approximately 4,350 team members worldwide, of which approximately 2,950 were in our U.S. segment and Corporate and approximately 1,400 were in our International segment. We believe that we have good relations with our employees. There are no unions in our U.S. segment. Workers Councils and Trade Unions represent a portion of our employees in the European and Latin American operations of our International segment.

Available Information

We are required to file annual, quarterly and current reports, proxy statements and other information with the SEC. Investors may read and copy any document that we file, including this Annual Report on Form 10-K, at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Investors may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. In addition, the SEC maintains an Internet site at www.sec.gov that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC, from which investors can electronically access our SEC filings.

We make available free of charge on or through our website (www.dnb.com) our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, as soon as reasonably practicable after we electronically file such material with, or furnish the material to, the SEC. The information on our website is not, and shall not be deemed to be, a part of this Annual Report on Form 10-K or incorporated into any other filings we make with the SEC.

Organizational Background of Our Company

As used in this report, except where the context indicates otherwise, the terms "D&B," "Company," "we," "us," or "our" refer to The Dun & Bradstreet Corporation and our subsidiaries.

We were incorporated in 2000 in the State of Delaware. For more information on our history, including the various spin-offs leading to our formation and our becoming a public company in September 2000, see "Item 3. Legal Proceedings."

Item 1A. *Risk Factors*

Our business model is dependent upon third parties to provide data and certain operational services, the loss of which would materially impact our business and financial results.

We rely significantly on third parties to support our business model. For example:

- We obtain much of the data that we use from third parties, including public record sources;
- We partner with single source providers in certain countries that support the needs of our customers around the globe and rely on our strategic partners in our D&B Worldwide Network to provide local data in countries in which we do not directly operate;
- We have outsourced various functions, such as our technology help desk and network management functions in the U.S. and in the UK; and

- We have also outsourced certain portions of our data acquisition and delivery, customer service and some financial processes, such as cash collections and accounts payable.

If one or more data providers were to withdraw their data, cease making it available, or not adhere to our data quality standards, our ability to provide solutions and services to our customers could be materially adversely impacted, which could result in decreased revenue, net income and earnings per share. Similarly, if one of our outsource providers, including our strategic partners, were to experience financial or operational difficulties, their services to us would suffer or they may no longer be able to provide services to us at all, materially impacting our business and financial results. In addition, we cannot be certain that we could replace our large third party vendors in a timely manner or on terms commercially reasonable to us.

We face competition that may cause price reductions or loss of market share.

We are subject to competitive conditions in all aspects of our business. We compete directly with a broad range of companies offering business information services to customers. We also face competition from:

- The in-house operations of the businesses we seek as customers;
- Other general and specialized credit reporting and other business information services;
- Other information and professional service providers; and
- Credit insurers.

In addition, business information solutions and services are becoming more readily available, principally due to the expansion of the Internet, greater availability of public data and the emergence of new providers of business information solutions and services. Large web search engine companies can provide low-cost alternatives to data gathering and change how our customers perform key activities such as marketing campaigns. Such companies, and other third parties which may not be readily apparent today, may become significant low-cost competitors and adversely impact the demand for our solutions and services.

Weak economic conditions also can result in customers' seeking to utilize free or lower-cost information that is available from alternative sources such as the Internet and European Commission sponsored projects like the European Business Register. Intense competition could harm us by causing, among other things, price reductions, reduced gross margins and loss of market share.

We are facing increased competition from consumer credit companies that offer consumer information solutions to help their customers make credit decisions regarding small businesses. In addition, consumer information companies are seeking to expand their operations more broadly into aspects of the business information space. While their presence is currently small in the business information market, given the size of the consumer market in which they play, they have scale advantages in terms of scope of operations and size of relationship with customers, which they can potentially leverage to an advantage.

Our ability to continue to compete effectively will be based upon a number of factors including our ability to:

- Communicate and demonstrate to our customers the value of our proprietary DUNSRight quality process and, as a result, improve customer satisfaction;
- Maintain and develop proprietary information and services such as analytics (*e.g.*, scoring), and sources of data not publicly available;
- Demonstrate value through our decision-making tools and integration capabilities;
- Leverage our brand perception and the value of our D&B Worldwide Network;
- Continue to implement the Financial Flexibility component of our strategy and effectively reallocate our spending to activities that drive revenue growth;
- Deliver reliable and high-quality business information through various media and distribution channels in formats tailored to customer requirements;

- Attract and retain a high-performing workforce;
- Enhance our existing services and introduce new services; and
- Improve our International business model and data quality through the successful management of strategic partner relationships in our International segment that are part of our D&B Worldwide Network.

We may not be able to successfully complete undertaking various initiatives in our International segment that are critical to increasing our international revenues and enhancing our operating margins.

We are undertaking a number of initiatives in our International Segment that are primarily focused on improving our competitive position, growing our revenues and improving our operating margins.

Examples of initiatives we are currently undertaking or will seek to undertake in the near future include:

- Implementing subscription plan pricing for customers to increase their access to our Risk Management reports and data, to help them increase profitability while mitigating risk;
- Improving the management of our D&B Worldwide Network in order to, among other things, optimize revenue and profits realized by the sale of data collected by strategic partner organizations in certain markets; and
- Implementing specific process re-engineering projects designed to improve efficiency and productivity in our business.

These and other initiatives we undertake may not be successful in attaining a consistent and sustainable level of improved International financial performance. For example, we may not be able to reduce costs of our operations through re-engineering to the extent expected due to challenges in implementing our technology plans, or the efforts by our partner organizations to increase the value of the data they provide us may not result in significant improvements in data quality.

If we fail to improve the performance of our International segment, the market value of our common stock could be materially adversely affected.

We rely on annual contract renewals for a substantial part of our revenue and our quarterly results may be significantly impacted by the timing of these renewals.

We derive a substantial portion of our revenue from annual customer contracts. If we are unable to renew a significant number of these contracts, our revenue and results of operations would be harmed. In addition, our results of operations from period to period may vary due to the timing of customer contract renewals.

Changes in the legislative, regulatory and commercial environments in which we operate may adversely impact our ability to collect, manage, aggregate and use data.

Certain types of information we gather, compile and publish are subject to regulation by governmental authorities in certain markets in which we operate, particularly in Europe and other international markets. In addition, there is increasing awareness and concern among the general public regarding marketing and privacy matters, particularly as they relate to individual privacy interests and the ubiquity of the Internet. These concerns may result in new laws and regulations. In general, compliance with existing laws and regulations has not to date seriously affected our business, financial condition or results of operations. Nonetheless, future laws and regulations with respect to the collection, management and use of information, and adverse publicity or litigation concerning the commercial use of such information, could affect our operations. This could result in substantial regulatory compliance or litigation expense or a loss of revenue.

In addition, governmental agencies may seek, from time to time, to increase the fees or taxes that we must pay to acquire, use and/or redistribute data that such governmental agencies collect. While we would seek to pass along any such price increases to our customers, there is no guarantee that we would be able to do

so, given competitive pressures or other considerations. In addition, any such price increases to our customers may result in reduced usage by our customers and/or loss of market share.

We may be unable to achieve our revenue and earnings per share growth targets, which could negatively impact our stock price.

We have established revenue and earnings per share growth targets for 2006 and aspirations for 2007. Our growth is dependent upon successfully executing our strategy to reduce our expense base and reallocating a portion of the savings into new initiatives with higher revenue growth. Our initiatives and investments may not be sufficient to achieve and maintain such growth targets. A failure to reach and maintain our desired revenue growth or our earnings per share growth targets could have a material adverse affect on the market value of our common stock.

We may be unable to adapt successfully to changes in our customers' preferences for our solutions, which could adversely impact our revenues.

Our success depends in part on our ability to adapt our solutions to our customers' preferences. Advances in information technology and uncertain or changing economic conditions are changing the way our customers use business information. As a result, our customers are demanding both lower prices and more features from our solutions, such as decision-making tools like credit scores and electronic delivery formats. If we do not successfully adapt our solutions to our customers' preferences, our business, financial condition and results of operations would be materially adversely affected. Specifically, for our larger customers, our continued success will be dependent on our ability to satisfy more of their needs by providing solutions beyond data, such as enhanced analytics and assisting with their data integration efforts. For our smaller customers, our success will depend in part on our ability to simplify our solutions and pricing offerings and enhancing our marketing efforts to these customers.

To address customer needs for pricing certainty and increased access to our solutions, in the fourth quarter of 2003 we began to rollout a subscription pricing plan. The subscription pricing plan provides expanded access to our Risk Management Solutions in a way that provides more certainty over related costs to the customer, which in turn generally results in customers increasing their spend on our solutions. This plan has been an important driver of our growth in 2005. Our success moving forward is dependent, in part, on the continued penetration of this offering and the successful rollout of similar programs in various markets around the world. Similarly, our continued success is dependent on customers' acceptance of DNBi.

Our operations in the International segment are subject to various risks associated with operations in foreign countries, which could adversely impact our operating results.

Our success depends in part on our various operations outside the United States. For the three years ended December 31, 2005, 2004 and 2003, our International segment accounted for 25%, 29% and 33% of total revenue. Our International business is subject to many challenges, the most significant being:

- Our competition is primarily local, and our customers may have greater loyalty to our local competitors;

- Credit insurance is a significant credit risk mitigation tool in certain markets, thus reducing the demand for our Risk Management Solutions; and

- In some markets, key data elements are generally available from public-sector sources, thus reducing a customers' need to purchase our data.

Our International strategy includes forming strategic partner relationships in certain markets with third parties to improve our data quality. We form and manage these strategic partner alliances to create a competitive advantage for us over the long term, however, these strategic partnerships may not be successful.

The issue of data privacy is an increasingly important area of public policy in various International markets, and we operate in an evolving regulatory environment that could adversely impact aspects of our business or the business of our partners on whom we depend.

Our operating results could also be negatively affected by a variety of other factors affecting our foreign operations, many of which are beyond our control. These factors include currency fluctuations, economic, political or regulatory conditions in a specific country or region, trade protection measures and other regulatory requirements. Additional risks inherent in International business activities generally include, among others:

- Longer accounts receivable payment cycles;
- The costs and difficulties of managing international operations and strategic partnership alliances; and
- The need to comply with a broader array of regulatory and licensing requirements, the failure of which could result in fines, penalties or business suspensions.

A failure in the integrity of our database could harm our brand and result in a loss of sales and an increase in legal claims.

The reliability of our solutions is dependent upon the integrity of the data in our global database. We have in the past been subject to customer and third-party complaints and lawsuits regarding our data, which have occasionally been resolved by the payment of money damages. A failure in the integrity of our database could harm us by exposing us to customer or third-party claims or by causing a loss of customer confidence in our solutions.

Also, we have licensed, and we may license in the future, proprietary rights to third parties. While we attempt to ensure that the quality of our brand is maintained by the business partners to whom we grant non-exclusive licenses and by customers, they may take actions that could materially and adversely affect the value of our proprietary rights or our reputation. In addition, it cannot be assured that these licensees and customers will take the same steps we have taken to prevent misappropriation of our data solutions or technologies.

We may lose key business assets, including loss of data center capacity or the interruption of telecommunications links, the Internet, or power sources which could significantly impede our ability to do business.

Our operations depend on our ability, as well as that of third-party service providers to whom we have outsourced several critical functions, to protect data centers and related technology against damage from fire, power loss, telecommunications failure, impacts of terrorism, breaches in security (such as the actions of computer hackers), natural disasters, or other disasters. The on-line services we provide are dependent on links to telecommunications providers. In addition, we generate a significant amount of our revenue through telesales centers and websites that we utilize in the acquisition of new customers, fulfillment of solutions and services and responding to customer inquiries. We may not have sufficient redundant operations to cover a loss or failure in all of these areas in a timely manner. Any damage to our data centers, failure of our telecommunications links or inability to access these telesales centers or websites could cause interruptions in operations that materially adversely affect our ability to meet customers' requirements, resulting in decreased revenue, net income and earnings per share.

We are involved in tax and legal proceedings that could have a material adverse impact on us.

We are involved in tax and legal proceedings, claims and litigations that arise in the ordinary course of business. As discussed in greater detail under "Note 13 Contingencies (Legal Proceedings)" in "Notes to Consolidated Financial Statements" herein in Part II, Item 8 of this Annual Report on Form 10-K, certain of these matters could have a material adverse impact on our results of operations, cash flows or financial position.

We may be unable to reduce our expense base through our Financial Flexibility Program, and the related reinvestments from savings from this program may not produce the level of desired revenue growth which would negatively impact our financial results.

Successful execution of our Blueprint for Growth strategy includes reducing our expense base through our Financial Flexibility Program, and reallocating our expense base reductions into initiatives to produce our desired revenue growth. The success of this program may be affected by:

- Our ability to implement all of the actions required under this program within the established timeframe;
- Our ability to implement actions which require process or technology changes to reduce our expense base;
- Entering into or amending agreements with third-party vendors to renegotiate terms beneficial to us;
- Managing third-party vendor relationships effectively;
- Completing agreements with our local works councils and trade unions related to potential reengineering actions in certain International markets; and
- Maintaining quality around key business processes utilizing our reduced and/or outsourced resources.

If we fail to reduce our expense base, or if we do not achieve our desired level of revenue growth from new initiatives, the market value of our common stock may suffer.

We may not be able to attract and retain qualified personnel which could impact the quality of our performance and customer satisfaction.

Our success also depends on our continuing ability to attract, retain and motivate highly qualified personnel at all levels and to appropriately utilize the time and resources of such personnel. Competition for this personnel is intense, and we may not be able to retain our key personnel or attract, assimilate or retain other highly qualified personnel in the future. We have from time to time experienced, and we expect to continue to experience, difficulty in hiring and retaining employees with appropriate qualifications.

Acquisitions may disrupt or otherwise have a negative impact on our business.

As part of our strategy, we may seek to acquire other complementary businesses, products and technologies. Acquisitions are subject to the following risks:

- Acquisitions may cause a disruption in our ongoing business, distract our management and make it difficult to maintain our standards, controls and procedures;
- We may not be able to integrate successfully the services, content, products and personnel of any acquisition into our operations; and
- We may not derive the revenue improvements, cost savings and other intended benefits of any acquisition.

Item 1B. *Unresolved Staff Comments*

Not applicable.

Item 2. *Properties*

Our executive offices are located at 103 JFK Parkway, Short Hills, New Jersey, in a 123,000-square-foot property that we lease. This property also serves as the executive offices of our U.S. segment.

Our other properties are geographically distributed to meet sales and operating requirements worldwide. We generally consider these properties to be both suitable and adequate to meet current operating

requirements, and most of the space is being utilized. As of December 31, 2005, the most important of these other properties include the following sites:

- a 302,000-square-foot leased space in Bethlehem, Pennsylvania, which houses various sales, finance and data acquisition personnel (approximately one-third of this space is subleased to a third party);
- a 147,000-square-foot office building that we own in Parsippany, New Jersey, housing personnel from our U.S. sales, marketing and technology groups (approximately one-third of this space is leased to a third party);
- a 78,000-square-foot office building that is leased in Austin, Texas, which houses a majority of Hoover's employees; and
- a 70,000-square-foot leased space in High Wycombe, England, which houses operational and technology services for Europe and serves as the executive office for our European operations.

In addition to the above locations, we also conduct operations from 43 other offices located throughout the U.S., of which 42 are leased, and 33 non-U.S. office locations, of which 32 are leased.

Item 3. *Legal Proceedings*

We are involved in tax and legal proceedings, claims and litigation arising in the ordinary course of business. We periodically assess our liabilities and contingencies in connection with these matters based upon the latest information available. For those matters where it is probable that we have incurred a loss and the loss or range of loss can be reasonably estimated, we have recorded reserves in our consolidated financial statements. In other instances, we are unable to make a reasonable estimate of any liability because of the uncertainties related to the probability of the outcome and/or amount or range of loss. As additional information becomes available, we adjust our assessment and estimates of such liabilities accordingly. It is possible that the ultimate resolution of our liabilities and contingencies could be at amounts that are different from our currently recorded reserves and that such differences could be material.

Based on our review of the latest information available, we believe our ultimate liability in connection with pending tax and legal proceedings, claims and litigation will not have a material effect on our results of operations, cash flows or financial position, with the possible exception of the matters described below.

In order to understand our exposure to the potential liabilities described below, it is important to understand the relationship between us and Moody's Corporation, our predecessors and other parties that, through various corporate reorganizations and contractual commitments, have assumed varying degrees of responsibility with respect to such matters.

In November 1996, the company then known as The Dun & Bradstreet Corporation ("D&B1") separated through a spin off into three separate public companies: D&B1, ACNielsen Corporation ("ACNielsen") and Cognizant Corporation ("Cognizant") (the "1996 Distribution"). This was accomplished through a spin-off by D&B1 of its stock in ACNielsen and Cognizant. In September 1998, D&B1 separated through a spin off into two separate public companies: D&B1, which changed its name to R.H. Donnelley Corporation ("Donnelley/D&B1"), and a new company named The Dun & Bradstreet Corporation ("D&B2") (the "1998 Distribution"). During 1998, Cognizant separated into two separate public companies: IMS Health Incorporated ("IMS") and Nielsen Media Research, Inc. ("NMR") (the "1998 Cognizant Distribution"). In September 2000, D&B2 separated through a spin-off into two separate public companies: D&B2, which changed its name to Moody's Corporation ("Moody's" and also referred to elsewhere in this Annual Report on Form 10-K as "Moody's/D&B2"), and a new company named The Dun & Bradstreet Corporation ("we" or "D&B3" and also referred to elsewhere in this Annual Report on Form 10-K as "D&B") (the "2000 Distribution").

Tax Matters

Moody's/D&B2 and its predecessors entered into global tax-planning initiatives in the normal course of business, principally through tax-free restructurings of both their foreign and domestic operations. As further

described below, we undertook contractual obligations to be financially responsible for a portion of certain liabilities arising from certain historical tax-planning initiatives ("Legacy Tax Matters").

As of the end of 2005, settlement agreements have been executed with the IRS with respect to the Legacy Tax Matters previously referred to in our SEC filings as "Utilization of Capital Losses" and "Royalty Expense Deductions." With respect to the Utilization of Capital Losses matter, the settlement agreement resolved the matter in its entirety. For the Royalty Expense Deductions matter, the settlement covered tax years 1995 and 1996, which represented approximately 90% of the total potential liability to the IRS, including penalties. We believe we are adequately reserved for the remaining exposure. In addition, with respect to these two settlement agreements, we believe that IMS and NMR did not pay their allocable share to the IRS under applicable agreements. Under our agreement with Donnelley/D&B1, we and Moody's were each required to cover the shortfall, and each of us paid to the IRS approximately $12.8 million in excess of our respective allocable shares. If we are unable to resolve our dispute with IMS and NMR through the negotiation process contemplated by our agreements, we will commence arbitration to enforce our rights and collect these amounts from IMS and NMR. We believe that the resolution of the remaining exposure to the IRS under the Royalty Expense Deduction matter and the foregoing disputes with IMS and NMR will not have a material adverse impact on D&B's financial position, results of operations or cash flows.

Our remaining Legacy Tax Matter is referred to as ***"Amortization and Royalty Expense Deductions/ Royalty Income — 1997-2005"***.

Beginning in the fourth quarter of 2003, we received a series of notices with respect to a partnership agreement entered into in 1997. In these notices the IRS asserted, among other things, that certain amortization expense deductions claimed by Donnelley/D&B1, Moody's/D&B2 and D&B3 on applicable tax returns for years 1997-2002 should be disallowed. In addition to the foregoing, the IRS has asserted that royalty expense deductions claimed for 1997-2002 for royalties paid to the partnership should be disallowed. We have filed protests with the IRS with respect to these notices. The IRS has also asserted that the receipt of these same royalties by the partnership should be reallocated to and reported as royalty income by the taxpayers, including the portions of the royalties that were allocated to third-party partners in the partnership, and thus included in their taxable income. We believe that the IRS' positions with respect to the treatment of the royalty expense and royalty income are mutually inconsistent. If the IRS prevails on one of the positions, we believe that it is unlikely that it will prevail on the other. In addition to the foregoing, the IRS has asserted that certain business expenses incurred by Moody's/D&B2 and D&B3 during 1999-2002 should be capitalized and amortized over a 15-year period, if (but only if) the proposed adjustments described above are not sustained.

We estimate that the net impact to cash flow as a result of the disallowance of the 1997-2002 amortization expense deductions and the disallowance of such deductions claimed from 2003 to date could be up to $69.0 million (tax, interest and penalties, net of tax benefits but not taking into account the Moody's/ D&B2 repayment to us of $32.9 million described below). This transaction is scheduled to expire in 2012 and, unless terminated by us, the net impact to cash flow, based on current interest rates and tax rates would increase at a rate of approximately $2.3 million per quarter (including potential penalties) as future amortization expenses are deducted. We anticipate making a deposit to the IRS of approximately $40 million in the first quarter of 2006 in order to stop the accrual of statutory interest on potential tax deficiencies up to or equal to that amount with respect to tax years 1997-2002. This deposit would not impact our free cash flow and will be a component of other assets on our consolidated balance sheet.

We also estimate that, with regard to the possible disallowance of deductions for royalty expenses paid to the partnership and the reallocation of royalty income from the partnership, after taking into account certain other tax benefits resulting from the IRS' position on the partnership, it is unlikely that there will be any net impact to cash flow in addition to the amounts noted above related to the amortization expense deduction disallowance. In the unlikely event the IRS were to prevail on both positions with respect to the royalty expense and royalty income, we estimate that the net impact to cash flow as a result of the disallowance of the 1997-2002 royalty expense deductions, and the inclusion of the reallocated royalty income for all relevant

years, could be up to $146.5 million (tax, interest, and penalties, net of tax benefits). This $146.5 million would be in addition to the $69.0 million noted above related to the amortization expense deduction.

At the time of the 2000 Distribution, we paid Moody's/D&B2 approximately $55.0 million in cash representing the discounted value of future tax benefits associated with this transaction. Pursuant to the terms of the 2000 Distribution, should the transaction be terminated, Moody's/D&B2 would be required to repay us an amount equal to the discounted value of its 50% share of the related future tax benefits. If the transaction was terminated at December 31, 2005, the amount of such repayment from Moody's/D&B2 to us would be approximately $32.9 million and would decrease by approximately $4.0 million to $5.0 million per year.

We are attempting to resolve this matter with the IRS before proceeding to litigation, if necessary. If we, on behalf of Donnelley/D&B1, Moody's/D&B2, and D&B3 were to challenge, at any time, any of these IRS positions for years 1997-2002 in U.S. District Court or the U.S. Court of Federal Claims, rather than in U.S. Tax Court, the disputed amounts for each applicable year would need to be paid in advance for the court to have jurisdiction over the case.

We have considered the foregoing Legacy Tax Matters and the merits of the legal defenses and the various contractual obligations in our overall assessment of potential tax liabilities. As of December 31, 2005, we have net $69.2 million of reserves recorded in the consolidated financial statements, made up of the following components: $6.0 million in Accrued Income Tax and $63.2 million in Other Non-Current Liabilities. We believe that these reserves are adequate for our share of the liabilities in these Legacy Tax Matters. Any payments that would be made for these exposures could be significant to our cash from operations in the period a cash payment took place, including any payments for the purpose of obtaining jurisdiction in U.S. District Court or the U.S. Court of Federal Claims to challenge any of the IRS's positions.

Legal Proceedings

Information Resources, Inc.

On or about February 16, 2006, this antitrust lawsuit was settled and mutual releases were signed by the parties. The dismissal of the lawsuit is subject to Court approval and the mutual releases are being held in escrow pending dismissal of the lawsuit. As more fully explained below, we were fully indemnified for this matter and therefore did not contribute to the settlement payment.

Under an Amended Joint Defense Agreement, VNU N.V., a publicly-traded Dutch company and certain of its U.S. subsidiaries (collectively, the "VNU Parties"), assumed exclusive joint and several liability for any judgment or settlement of this lawsuit. Because of this indemnity obligation, D&B did not have any exposure to a judgment or settlement of this lawsuit unless the VNU Parties defaulted on their obligations, which did not occur. Accordingly, the VNU Parties paid the entire settlement amount of $55 million.

By way of background, in 1996, IRI filed a complaint, subsequently amended in 1997, in federal court in New York that named as defendants a company then known as The Dun & Bradstreet Corporation and now known as R.H. Donnelley (referred to in this Annual Report on Form 10-K as Donnelley/D&B1), A.C. Nielsen Company (a subsidiary of ACNielsen) and IMS International, Inc. (a subsidiary of the company then known as Cognizant Corporation). At the time of the filing of the complaint, each of the other defendants was a wholly-owned subsidiary of Donnelley/D&B1. The amended complaint alleged various violations of US antitrust laws. IRI sought damages in excess of $650 million, which IRI asked to be trebled, as well as punitive damages and attorneys fees.

As noted above, we did not contribute to the settlement payment and, therefore, the resolution of this matter did not impact our results of operations, cash flows or financial position. No amount in respect of this matter had been accrued in our consolidated financial statements.

Hoover's — Initial Public Offering Litigation

On November 15, 2001, a putative shareholder class action lawsuit was filed against Hoover's, certain of its then current and former officers and directors (the "Individual Defendants"), and one of the investment banks that was an underwriter of Hoover's July 1999 initial public offering ("IPO"). The lawsuit was filed in the

United States District Court for the Southern District of New York and purports to be a class action filed on behalf of purchasers of the stock of Hoover's during the period from July 20, 1999 through December 6, 2000.

A Consolidated Amended Complaint, which is now the operative complaint, was filed on April 19, 2002. The purported class action alleges violations of Sections 11 and 15 of the Securities Act of 1933, as amended, (the "1933 Act") and Sections 10(b), Rule 10b-5 and 20(a) of the Securities Exchange Act of 1934, as amended, against Hoover's and the Individual Defendants. Plaintiffs allege that the underwriter defendant agreed to allocate stock in Hoover's IPO to certain investors in exchange for excessive and undisclosed commissions and agreements by those investors to make additional purchases of stock in the aftermarket at predetermined prices above the IPO price. Plaintiffs allege that the Prospectus for Hoover's IPO was false and misleading in violation of the securities laws because it did not disclose these arrangements. The action seeks damages in an unspecified amount. The defense of the action is being coordinated with more than 300 other nearly identical actions filed against other companies. On July 15, 2002, Hoover's moved to dismiss all claims against it and the Individual Defendants. On October 9, 2002, the Court dismissed the Individual Defendants from the case based upon Stipulations of Dismissal filed by the plaintiffs and the Individual Defendants. On February 19, 2003, the Court denied the motion to dismiss the complaint against Hoover's. On October 13, 2004, the Court certified a class in six of the approximately 300 other nearly identical actions and noted that the decision is intended to provide strong guidance to all parties regarding class certification in the remaining cases. Plaintiffs have not yet moved to certify a class in the case involving Hoover's.

Hoover's has approved a settlement agreement and related agreements that set forth the terms of a settlement between Hoover's, the plaintiff class and the vast majority of the other approximately 300 issuer defendants. Among other provisions, the settlement provides for a release of Hoover's and the Individual Defendants for the conduct alleged in the action to be wrongful. Hoover's would agree to undertake certain responsibilities, including agreeing to assign away, not assert, or release certain potential claims Hoover's may have against its underwriters. The settlement agreement also provides a guaranteed recovery of $1 billion to plaintiffs for the cases relating to all of the approximately 300 issuers. To the extent that the underwriter defendants settle all of the cases for at least $1 billion, no payment will be required under the issuers' settlement agreement. To the extent that the underwriter defendants settle for less than $1 billion, the issuers are required to make up the difference. It is anticipated that any potential financial obligation of Hoover's to plaintiffs pursuant to the terms of the settlement agreement and related agreements will be covered by existing insurance. Hoover's currently is not aware of any material limitations on the expected recovery of any potential financial obligation to plaintiffs from its insurance carriers. Its carriers are solvent, and Hoover's is not aware of any uncertainties as to the legal sufficiency of an insurance claim with respect to any recovery by plaintiffs. Therefore, we do not expect that the settlement will involve any payment by Hoover's. If material limitations on the expected recovery of any potential financial obligation to the plaintiffs from Hoover's insurance carriers should arise, Hoover's maximum financial obligation to plaintiffs pursuant to the settlement agreement is less than $3.4 million. On February 15, 2005, the court granted preliminary approval of the settlement agreement, subject to certain modifications consistent with its opinion. Those modifications have been made. There is no assurance that the court will grant final approval to the settlement. A further hearing with regard to the settlement is scheduled for April 24, 2006.

As previously noted, if the settlement is ultimately approved and implemented in its current form, Hoover's reasonably foreseeable exposure in this matter, if any, would be limited to amounts that would be covered by existing insurance. If the settlement is not approved in its current form, we cannot predict the final outcome of this matter or whether such outcome or ultimate resolution of this matter could materially affect our results of operations, cash flows or financial position. No amount in respect of any potential judgment in this matter has been accrued in our consolidated financial statements.

Pension Plan Litigation

March 2003 Action

In March 2003, a lawsuit seeking class action status was filed against us in federal court in Connecticut on behalf of 46 specified former employees relating to our retirement plans. As noted below, during the fourth

quarter of 2004, most of the counts in the complaint were dismissed. The complaint, as amended in July 2003 (the "Amended Complaint"), sets forth the following putative class:

- Current D&B employees who are participants in The Dun & Bradstreet Corporation Retirement Account and were previously participants in its predecessor plan, The Dun & Bradstreet Master Retirement Plan;
- Current employees of Receivable Management Services Corporation ("RMSC") who are participants in The Dun & Bradstreet Corporation Retirement Account and were previously participants in its predecessor plan, The Dun & Bradstreet Master Retirement Plan;
- Former employees of D&B or D&B's Receivable Management Services ("RMS") operations who received a deferred vested retirement benefit under either The Dun & Bradstreet Corporation Retirement Account or The Dun & Bradstreet Master Retirement Plan; and
- Former employees of D&B's RMS operations whose employment with D&B terminated after the sale of the RMS operations but who are not employees of RMSC and who, during their employment with D&B, were "Eligible Employees" for purposes of The Dun & Bradstreet Career Transition Plan.

The Amended Complaint estimates that the proposed class covers over 5,000 individuals.

There are four counts in the Amended Complaint. Count 1 claims that we violated ERISA by not paying severance benefits to plaintiffs under our Career Transition Plan. Count 2 claims a violation of ERISA in that our sale of the RMS business to RMSC and the resulting termination of our employees constituted a prohibited discharge of the plaintiffs and/or discrimination against the plaintiffs for the "intentional purpose of interfering with their employment and/or attainment of employee benefit rights which they might otherwise have attained." Count 3 claims that the plaintiffs were materially harmed by our alleged violation of ERISA's requirements that a summary plan description reasonably apprise participants and beneficiaries of their rights and obligations under the plans and that, therefore, undisclosed plan provisions (in this case, the actuarial deduction beneficiaries incur when they leave D&B before age 55 and elect to retire early) cannot be enforced against them. Count 4 claims that the 6.60% interest rate (the rate is actually 6.75%) used to actuarially reduce early retirement benefits is unreasonable and, therefore, results in a prohibited forfeiture of benefits under ERISA.

In the Amended Complaint, the plaintiffs sought payment of severance benefits; equitable relief in the form of either reinstatement of employment with D&B or restoration of employee benefits (including stock options); invalidation of the actuarial reductions applied to deferred vested early retirement benefits, including invalidation of the plan rate of 6.60% (the actual rate is 6.75%) used to actuarially reduce former employees' early retirement benefits; attorneys' fees and such other relief as the court may deem just.

We deny all allegations of wrongdoing and are aggressively defending the case. In September 2003, we filed a motion to dismiss Counts 1, 3 and 4 of the Amended Complaint on the ground that plaintiffs cannot prevail on those claims under any set of facts, and in February 2004, the Court heard oral argument on our motion. With respect to Count 4, the court requested that the parties conduct limited expert discovery and submit further briefing. In November 2004, after completion of expert discovery on Count 4, we moved for summary judgment on Count 4 on the ground that an interest rate of 6.75% is reasonable as a matter of law. On November 30, 2004, the Court issued a ruling granting our motion to dismiss Counts 1 and 3. Shortly after that ruling, plaintiffs' counsel stipulated to dismiss with prejudice Count 2 (which challenged the sale of the RMS business as an intentional interference with employee benefit rights, but which the motion to dismiss did not address). Plaintiffs' counsel also stipulated to a dismissal with prejudice of Count 1, the severance pay claim, agreeing to forego any appeal of the Court's dismissal of that claim. Plaintiffs' counsel did file a motion to join party plaintiffs and to amend the Amended Complaint to add a new count challenging the adequacy of the retirement plan's mortality tables. The Court granted the motion and we filed our objections. On June 6, 2005, the Court granted D&B's motion for summary judgment as to Count 4 (the interest rate issue) and also denied the plaintiffs' motion to further amend the Amended Complaint to add a new claim challenging the mortality tables. On July 8, 2005, the plaintiffs filed their notice of appeal; they are appealing the ruling granting the motion to dismiss, the ruling granting summary judgment, and the denial of leave to amend their Amended Complaint. Oral Argument before the Second Circuit took place on February 15, 2006. A decision is expected within six weeks.

While we believe we have strong defenses in this matter, we are unable to predict at this time the final outcome of this matter or whether the resolution of this matter could materially affect our results of operations, cash flows or financial position. No amount in respect of this matter has been accrued in our consolidated financial statements.

September 2005 Action

In addition to the foregoing proceeding, a lawsuit seeking class action status was filed in September of 2005 against us in federal court in the Northern District of Illinois on behalf of a current employee relating to our retirement plans. The complaint (the "Complaint") seeks certification of the following putative class: Current or former D&B employees (other than employees who on December 31, 2001 (i) were at least age 50 with 10 years of vesting service, (ii) had attained an age which, when added to his or her years of vesting service, was equal to or greater than 70; or (iii) had attained age 65), who participated in The Dun & Bradstreet Master Retirement Plan before January 1, 2002 and who have participated in The Dun & Bradstreet Corporation Retirement Account at any time since January 1, 2002.

The Complaint estimates that the proposed class covers over 1,000 individuals.

There are five counts in the Complaint. Count 1 claims that we violated ERISA by reducing the rate of an employee's benefit accrual on the basis of age. Count 2 claims a violation of ERISA's non-forfeitability requirement, because the plan allegedly conditions receipt of cash balance benefits on foregoing the early retirement benefits plaintiff earned prior to the adoption of the cash balance amendment. Count 3 claims that the cash balance plan violates ERISA's "anti-backloading" rule. Count 4 claims that D&B failed to supply advance notice of a significant benefit decrease. Count 5 claims that D&B failed to provide an adequate Summary Plan Description.

In the Complaint, the plaintiff seeks (1) a declaration that (a) D&B's cash balance plan is ineffective and that the D&B Master Retirement Plan is still in force and effect, and (b) plaintiff's benefit accrual under the cash balance plan must be unconditional and not reduced because of age, (2) an injunction (a) prohibiting the application of the cash balance plan's reduction in the rate of benefit accruals because of age and its conditions of benefits due under the plan, and (b) ordering appropriate equitable relief to determine plan participant losses caused by D&B's payment of benefits under the cash balance plan's terms and requiring the payment of additional benefits as appropriate, (3) attorneys' fees and costs, (4) interest, and (5) such other relief as the court may deem just.

A Motion to Transfer Venue to the District of New Jersey was filed on January 27, 2006. A decision is expected by the end of March 2006.

We believe we have strong defenses in this matter and we will deny all allegations of wrongdoing and aggressively defend the case.

We are unable to predict at this time the final outcome of this matter or whether the resolution of this matter could materially affect our results of operations, cash flows or financial position. No amount in respect of this matter has been accrued in our consolidated financial statements.

Other

In addition, in the normal course of business, 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 of the Company. 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.

Item 4. ***Submission of Matters to a Vote of Security Holders***

No matters were submitted to a vote of security holders in the fourth quarter of fiscal year 2005.

PART II

Item 5. ***Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities***

Our common stock is listed on the New York Stock Exchange and trades under the symbol DNB. We had 3,706 shareholders of record as of December 31, 2005.

The following table summarizes the high and low sales prices for our common stock, as reported in the periods shown:

	2005		2004	
	High	Low	High	Low
First Quarter	$62.69	$55.04	$57.01	$47.85
Second Quarter	$64.71	$58.97	$56.19	$50.97
Third Quarter	$66.27	$61.08	$59.50	$51.45
Fourth Quarter	$67.88	$62.30	$60.80	$56.00

We did not pay any dividends on our common stock during the years ended December 31, 2005 and 2004 and we do not currently have plans to pay dividends to shareholders in 2006.

Issuer Purchases of Equity Securities

The following table provides information about purchases made by or on our behalf during the quarter ended December 31, 2005 of shares of equity that are registered pursuant to Section 12 of the Exchange Act:

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)
October 1-31, 2005	281,200	$65.35	281,200	—	—
November 1-30, 2005	534,200	$64.28	534,200	—	—
December 1-31, 2005	542,800	$65.03	542,800	—	—
Quarter Ended December 31, 2005	1,358,200	$64.80	1,358,200	2,730,234	$200,000,000

(a) During the fourth quarter of 2005, we repurchased 593,741 shares of stock for $38.6 million to mitigate the dilutive effect of the shares issued under our stock incentive plans and Employee Stock Purchase Plan. This program was announced in July 2003 and expires in September 2006. The maximum amount authorized for repurchase under this program is 6.0 million shares, of which 3,269,766 shares have been repurchased as of December 31, 2005.

(b) During the fourth quarter of 2005, we repurchased 764,459 shares for $49.4 million related to a previously announced $400 million two-year share repurchase program approved by our board in February, 2005. This program expires in February 2007. We have repurchased $200.0 million in shares under this program as of December 31, 2005. On January 31, 2006, our Board of Directors approved the addition of $100 million to this repurchase program.

Item 6. *Selected Financial Data*

Five-Year Selected Financial Data

	For the Years Ended December 31,				
	2005	2004	2003	2002	2001
	(Amounts in millions, except per share data)				
Results of Operations:					
Operating Revenues	$1,443.6	$1,414.0	$1,386.4	$1,275.6	$1,304.6
Costs and Expenses(1)	1,079.6	1,095.2	1,094.6	1,019.7	1,081.0
Operating Income	364.0	318.8	291.8	255.9	223.6
Non-Operating (Expense) Income — Net(2)	(9.9)	22.0	(11.4)	(16.7)	30.0
Income from Continuing Operations before Provision for Income Taxes	354.1	340.8	280.4	239.2	253.6
Provision for Income Taxes	133.6	129.2	106.2	94.1	100.2
Equity in Net Income (Losses) of Affiliates	0.7	0.2	0.3	(1.7)	(3.5)
Net Income	$ 221.2	$ 211.8	$ 174.5	$ 143.4	$ 149.9
Basic Earnings Per Share of Common Stock	$ 3.31	$ 3.01	$ 2.37	$ 1.93	$ 1.89
Diluted Earnings Per Share of Common Stock	$ 3.19	$ 2.90	$ 2.30	$ 1.87	$ 1.84
Other Data:					
Weighted Average Number of Shares Outstanding — Basic	66.8	70.4	73.5	74.5	79.4
Weighted Average Number of Shares Outstanding — Diluted	69.4	73.1	75.8	76.9	81.5
Balance Sheet:					
Total Assets	$1,613.4	$1,635.5	$1,624.7	$1,527.7	$1,462.6
Long-Term Debt	$ 0.1	$ 300.0	$ 299.9	$ 299.9	$ 299.6
Equity	$ 77.6	$ 54.2	$ 48.4	$ (18.8)	$ (19.0)

(1) 2005 included a charge of $30.7 million for restructuring related to the 2005 and 2004 Financial Flexibility Programs and a charge of $0.4 million for the final resolution of all disputes on the sale of our French business. 2004 included a charge of $32.0 million for restructuring related to the 2004 Financial Flexibility Program. 2003 included charges of $17.4 million for restructuring related to the 2003 Financial Flexibility Program and $13.8 million for the loss on the sale of our High Wycombe, England facility. 2002 included a charge of $30.9 million for restructuring related to the 2002 Financial Flexibility Program. 2001 included charges of $28.8 million for restructuring related to the 2001 Financial Flexibility Program, $6.2 million resulting from an impairment of capitalized software and the write-off of certain assets made obsolete or redundant during 2001, $1.0 million of asset write-offs for the World Trade Center attack and $6.5 million resulting from an impairment of our Murray Hill facility, which we sold during 2002. Partially offsetting these charges in 2001, was a $7.0 million reversal of excess accrued reorganization costs incurred in connection with the separation of D&B and Moody's in 2000 (the "2000 Distribution").

(2) 2005 included a $3.5 million gain on the sale of a 5% investment in a South African company, a $0.8 million gain as a result of lower costs related to the 2004 sale of Iberia (Spain and Portugal) and a charge of $3.7 million for the final resolution of all disputes on the sale of our French business. 2004 included gains on the sales of operations in the Nordic region (Sweden, Denmark, Norway and Finland) of $7.9 million; India and Distribution Channels in Pakistan and the Middle East of $3.8 million; Central Europe (Germany, Switzerland, Poland, Hungary and Czech Republic) of $5.6 million; France of $12.9 million; and Iberia (Spain and Portugal) of $0.1 million. 2003 included gains of $7.0 million on the

settlement of an insurance claim to recover losses related to the events of September 11, 2001 and $1.8 million on the sale of equity interests in our Singapore business. Partially offsetting these gains was a $4.3 million loss on the sale of our Israel business. 2002 included gains of $2.6 million on the sale of a portion of our equity interest in our Singapore operation and $2.4 million on the sale of our Korean operation, partially offset by a charge of $2.9 million for the write-off of our remaining investment in Avantrust LLC. 2001 included gains of $36.4 million for the sale of our Receivable Management Services business, $17.7 million for the sale of a majority stake in our Australia/New Zealand operations and $2.2 million for the sale of a major portion of our minority investment in a South African company. These gains were partially offset by a charge of $6.1 million for the write-off of certain investments.

Item 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations*

How We Manage Our Business

For internal management purposes, we refer to "core revenue" which we calculate as total revenue less the revenue of divested businesses. Core revenue is used to manage and evaluate the performance of our business segments and to allocate resources because this measure provides an indication of the underlying direction of 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. Divested business revenue for the three years of results included in this Annual Report on Form 10-K includes the revenue from our operations in:

- Israel (sold in the third quarter of 2003);
- the Nordic region (Sweden, Denmark, Norway and Finland, all sold in the first quarter of 2004);
- India and other Distribution Channels in Pakistan and the Middle East (sold in the first quarter of 2004);
- Central Europe (Germany, Austria, Switzerland, Poland, Hungary and the Czech Republic, all sold in the second quarter of 2004);
- Iberia (Spain and Portugal, both sold in the fourth quarter of 2004); and
- France (sold in the fourth quarter of 2004).

These divested businesses have been classified as "Divestitures" in Note 3 to our consolidated financial statements included in Item 8. of this Annual Report on Form 10-K. Management believes that this measure provides valuable insight into our revenue from ongoing operations and enables investors to evaluate business performance and trends by facilitating a comparison of results of ongoing operations with past reports of financial results.

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. 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 "revenue growth before the effects of foreign exchange."

We 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. In addition, with respect to our Italian real estate data business, we analyze core revenue both before and after the impact of price increases.

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 and charges 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 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 quality, efficiency and cost, in order to generate savings primarily to invest for growth. Such charges are variable from period-to-period based upon actions identified and taken during each period. Management reviews operating results before such 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 such measures and a significant percentage weight is placed upon such measures in determining whether performance objectives have been achieved. Management believes that by eliminating restructuring 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 14 to our consolidated financial statements included in Item 8. of this Annual Report on Form 10-K 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 should not be concluded from our presentation of non-core gains and charges that the items that result in non-core gains and charges will not occur in the future.

Other components of how we manage our business are "free cash flow" and "net debt position":

- 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 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.
- We define net debt position as cash, cash equivalents and marketable securities minus short-term debt and long-term debt. We believe net debt position to be relevant and useful to our investors as this measure is used by our management in evaluating our liquidity on a global consolidated basis.

Free cash flow and net debt position should not be considered as a substitute measure for net cash flows provided by operating activities, investing activities or financing activities, or cash, cash equivalents, marketable securities, short-term debt and long-term debt, respectively. Therefore, we believe it is important to view free cash flow and net debt position as complements to our consolidated statements of cash flows and consolidated balance sheets, respectively.

The adjustments discussed herein to our results as determined under generally accepted accounting principles in the United States ("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 (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.

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

Overview

On January 1, 2005, we began managing and reporting our operations in Canada as part of our International segment. As part of this change, our results are reported under the following two segments:

- United States ("U.S."); and
- International (which consists of operations in Europe, Canada, Asia Pacific, and Latin America).

The financial statements of our subsidiaries outside the United States and Canada reflect a fiscal year ended November 30 to facilitate timely reporting of our consolidated financial results and financial position.

Prior to January 1, 2005, we reported our business through the following segments:

- North America (which consisted of operations in the United States and Canada); and
- International (which consisted of operations in Europe, Asia Pacific, and Latin America).

In accordance with GAAP, throughout this Annual Report on Form 10-K, we have reclassified prior period presentations to conform to our current segment reporting.

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

	For the Years Ended December 31,		
	2005	**2004**	**2003**
Core Revenue:			
U.S.	75%	75%	76%
International	25%	25%	24%
Total Revenue:			
U.S.	75%	71%	67%
International	25%	29%	33%

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

	For the Years Ended December 31,		
	2005	**2004**	**2003**
Core Revenue:			
Risk Management Solutions	66%	66%	67%
Sales & Marketing Solutions	27%	28%	28%
E-Business Solutions	4%	3%	2%
Supply Management Solutions	3%	3%	3%
Total Revenue(1):			
Risk Management Solutions	66%	62%	58%
Sales & Marketing Solutions	27%	26%	25%
E-Business Solutions	4%	4%	2%
Supply Management Solutions	3%	2%	3%

(1) Divested businesses contributed 6% and 12% of our total revenue for the years December 31, 2004 and 2003, respectively. There were no divestitures for the year ended December 31, 2005.

These customer solution sets are discussed in greater detail in "Item 1. Business."

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

Risk Management Solutions

Our Traditional Risk Management Solutions generally consist of reports derived from our database which our customers use primarily to make 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 Years Ended December 31,		
	2005	2004	2003
Risk Management Solutions Revenue	81%	82%	81%
Total Revenue	53%	51%	47%
Core Revenue	53%	54%	54%

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 Years Ended December 31,		
	2005	2004	2003
Risk Management Solutions Revenue	19%	18%	19%
Total Revenue	13%	11%	11%
Core Revenue	13%	12%	12%

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 direct marketing activities. Our Traditional Sales & Marketing Solutions constituted the following percentages of total Sales & Marketing Solutions Revenue, Total Revenue and Core Revenue:

	For the Years Ended December 31,		
	2005	2004	2003
Sales & Marketing Solutions Revenue	45%	47%	51%
Total Revenue	12%	12%	13%
Core Revenue	12%	13%	14%

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

	For the Years Ended December 31,		
	2005	2004	2003
Sales & Marketing Solutions Revenue	55%	53%	49%
Total Revenue	15%	15%	12%
Core Revenue	15%	15%	14%

Our Flexible Business Model and Restructuring

Since the launch of our Blueprint for Growth strategy, we have implemented Financial Flexibility Programs. In each of these Programs, we identified ways to reduce our expense base, then reallocated some of the identified spending to other areas of our operations to improve revenue growth. With each program we have incurred a restructuring charges (which generally consists of employee severance and termination costs,

contract terminations, asset write-offs, and/or costs to terminate lease obligations, less assumed sublease income) and transition costs (which consist of other costs necessary to accomplish the process changes such as consulting fees, costs of temporary workers, relocation costs and stay bonuses).

Our Financial Flexibility Programs are continuing. On January 31, 2006, our Board of Directors approved our 2006 Financial Flexibility Program. This Program will create financial flexibility through initiatives including the following:

- Eliminating, standardizing, and consolidating redundant technology platforms, software licenses and maintenance agreements;
- Standardizing and consolidating customer service teams and processes to increase productivity and capacity utilization;
- Consolidating our vendors to improve purchasing power; and
- Improving operating efficiencies of facilities.

We expect to complete all actions under the 2006 program by December 2006. On an annualized basis, these actions are expected to create $70 million to $75 million of financial flexibility, of which approximately $50 million to $55 million will be generated in 2006, before any transition costs and restructuring charges and before any reallocation of spending. To implement these initiatives, we expect to incur transition costs of approximately $15 million. In addition, we expect to incur non-core charges, totaling $23 million to $28 million pre-tax, of which $10 million to $14 million relate to severance, approximately $9 million to $10 million relate to lease termination obligations and approximately $4 million relate to other exit costs in 2006. Approximately $36 million to $41 million of these transition costs and restructuring charges are expected to result in cash expenditures. In addition, as a result of this re-engineering program, we expect that approximately 125 to 150 positions will be eliminated globally.

Our Critical Accounting Policies and Estimates

In preparing our consolidated financial statements and accounting for the underlying transactions and balances reflected therein, we have applied the significant accounting policies described in Note 1 to our consolidated financial statements included in Item 8. of this Annual Report on Form 10-K. Of those policies, we consider the policies described below to be critical because they are both most important to the portrayal of our financial condition and results, and they require management's subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. We base our estimates on historical experience and on various other factors that we believe to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions.

If actual results ultimately differ from previous estimates, the actual results could have a material impact on such period.

We have discussed the selection and application of our critical accounting policies and estimates with the Audit Committee of our Board of Directors, and the Audit Committee has reviewed the disclosure regarding critical accounting policies and estimates as well as the other sections in this "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Pension and Postretirement Benefit Obligations

We offer substantially all of our U.S.-based employees coverage in a defined benefit plan called The Dun & Bradstreet Corporation Retirement Account (the "U.S. Qualified Plan"). The defined benefit plan covers active and retired employees including retired individuals from spin-off companies (see Note 13 to our consolidated financial statements included in Item 8. of this Annual Report on Form 10-K for further discussion of spin-off companies). Pension costs are determined actuarially and funded in accordance with the Internal Revenue Code. We also maintain supplemental and excess plans in the United States (the "U.S. Non-Qualified Plans") to provide additional retirement benefits to certain key employees. These plans are unfunded, pay-as-you-go plans. The U.S. Qualified Plan and the U.S. Non-Qualified Plans account for

approximately 73% and 15% of our pension obligations, respectively, at December 31, 2005. Our employees in certain of our international operations are also provided retirement benefits through defined benefit plans representing the remaining balance of our pension obligations.

In addition to providing pension benefits, we provide various health care and life insurance benefits for retirees. U.S. based employees who retire with 10 years of vesting service after age 45 are eligible to receive benefits. Postretirement benefit costs and obligations are determined actuarially.

In accordance with Statement of Financial Accounting Standards ("SFAS") No. 87, "Employers' Accounting for Pensions," our pension benefit obligations and the related effects on operations are calculated using actuarial assumptions and methodologies. Other postretirement benefits (i.e., health care) are accounted for in accordance with SFAS No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions," and are also dependent on the application of our assumptions by our outside actuaries. The key assumptions used in the measurement of the pension and postretirement obligations and net periodic pension and postretirement costs are;

- *Expected long-term rate of return on pension plan assets* — which is based on current and expected asset allocations as well as expected returns on asset categories of plan investments;
- *Discount rate* — which is used to measure the present value of pension plan obligations and postretirement health care obligations. The discount rates are derived by using a yield curve approach which matches projected plan benefit payment streams with an applicable yield curve developed from high quality bond portfolios;
- *Rates of compensation increase and cash balance accumulation/conversion rates* — which are based on an evaluation of internal plans and external market indicators; and
- *Health care cost trends* — which are based on historical cost data, the near-term outlook and an assessment of likely long-term trends.

We believe that the assumptions used are appropriate, though changes in these assumptions would affect our pension and other postretirement benefit costs. The factor with the most immediate impact on our financial statements is a change in the expected long-term rate of return on pension plan assets for the U.S. Qualified Plan. For 2006, we will lower this assumption to 8.25% from 8.50% in 2005 and from 8.75% in 2004. The 8.25% assumption represents our best estimate of the expected long-term future investment performance of the U.S. Qualified Plan, after considering expectations for future capital market returns and the plan's asset allocation. As of December 31, 2005, the plan was 66% invested in publicly traded equity securities, 26% invested in debt securities and 8% invested in real estate investments. We expect this one-quarter percentage-point decrease in the long-term rate of return will reduce our 2006 annual operating income by approximately $3.1 million by reducing our net periodic pension income.

Changes in the discount rate, rate of compensation increase and cash balance accumulation/conversion rates also have an effect on our annual operating income. The discount rate is adjusted at each remeasurement date while other assumptions are reviewed annually, based on the factors noted above. For example, as of December 31, 2005, for all of our U.S. pension plans, we lowered the discount rate to 5.50% from 5.75% used at December 31, 2004. We expect that this one-quarter-percentage-point decrease in the discount rate applied with respect to the U.S. Qualified and Non-Qualified Plans will reduce our 2006 annual operating income by approximately $4.4 million by reducing our net periodic pension income. As of December 31, 2005, we increased the discount rate for our Postretirement Benefit Plan to 5.30% from 5.25% used at December 31, 2004. The discount rate has a minimal effect on the postretirement cost and, therefore, we do not expect this five basis point increase in the discount rate to have a significant impact on our 2006 annual operating income.

Differences between the assumptions stated above and actual experience could affect our pension and other postretirement benefit costs. When actual plan experience differs from the assumptions used, actuarial gains or losses arise in accordance with SFAS No. 87 and SFAS No. 106. These gains and losses are aggregated and amortized generally over the average future service periods of employees to the extent that such gains or losses exceed a "corridor" as defined in SFAS No. 87. The purpose of the corridor is to average

the volatility caused by the difference between actual experience and the pension-related assumptions noted above, on a plan-by-plan basis. For all of our pension plans, total unrecognized actuarial losses as of December 31, 2005 and 2004 were $597.0 million and $551.7 million, respectively, of which $392.7 million and $360.6 million, respectively, was attributable to the U.S. Qualified Plan, $114.0 million and $99.1 million, respectively, was attributable to the U.S. Non-Qualified Plans, and the remainder was attributable to the non-U.S. pension plans. (Also see discussion in Note 10 to our consolidated financial statements included in Item 8. of this Annual Report on Form 10-K). We expect to recognize such losses in our 2006 net periodic pension cost of approximately $21.2 million, $6.8 million and $2.2 million, for the U.S. Qualified Plan, U.S. Non-Qualified Plans and non-U.S. plans, respectively, compared to $16.7 million, $6.6 million and $1.9 million, respectively, in 2005. The increased amortization of actuarial loss of $4.5 million related to the U.S. Qualified Plan, which will be included in our pension cost in 2006, is primarily due to higher amortization of unrecognized actuarial losses exceeding the corridor threshold under SFAS No. 87 at January 1, 2006.

Differences between the expected long-term rate of return assumption and actual experience could affect our net periodic pension cost. We recorded net periodic cost for our pension plans of $12.9 million for 2005 and net periodic pension income of $11.7 million and $18.2 million for the years 2004 and 2003, respectively. A major component of the net periodic pension cost is the expected return on plan assets, which was $119.2 million, $126.8 million and $128.1 million in 2005, 2004 and 2003, respectively. The expected return on plan assets was determined by multiplying the expected long-term rate of return assumption by the market-related value of plan assets. The market-related value of plan assets recognizes asset gains and losses over five years to reduce the effects of short-term market fluctuations on net periodic cost. In 2005, 2004 and 2003, we recorded investment gains of $112.6 million, $128.0 million and $235.6 million, respectively, in our pension plans, of which $90.2 million, $116.2 million and $228.6 million, respectively, were attributable to the U.S. Qualified Plan and $22.4 million, $11.8 million and $7.0 million, respectively, were attributable to the non-U.S. plans. At January 1, 2006, the market-related value of plan assets of our U.S. Qualified Plan and the non-U.S. plans was $1,285.3 million and $137.5 million, respectively, which excludes $25.0 million of unrecognized investment loss and $4.7 million of unrecognized investment gain, respectively, from prior periods. If the unrecognized losses are not recovered in future years, our market-related value of assets will decrease, causing our expected return on plan assets to fall and our net periodic pension costs to rise.

Changes in the funded status of our pension plans could result in a significant future charge to our equity. Under the requirements of SFAS No. 87, if the plan asset value falls below the related accumulated benefit obligation, we would be required to record a minimum pension liability for the difference between the two amounts and reverse our prepaid pension cost. This charge would be recorded against a component of shareholders' equity, net of applicable deferred taxes. We recognized charges of $5.6 million, $14.0 million and $5.9 million, net of applicable taxes, to shareholders' equity for minimum pension liabilities related to our U.S. Non-Qualified Plans and non-U.S. plans for 2005, 2004 and 2003, respectively.

The U.S. Qualified Plan, our principal plan, is currently over-funded. The excess of the fair value of plan assets over the related accumulated benefit obligation was $102.0 million at December 31, 2005, compared with $120.9 million at December 31, 2004. The prepaid pension cost associated with this plan was $470.4 million and $452.3 million at December 31, 2005 and December 31, 2004, respectively.

A change in the discount rate assumption could result in a change in the funded status of our pension plans by changing the amount of the accumulated benefit obligation. For the U.S. Qualified Plan, every one-quarter percentage-point increase or decrease in the discount rate reduces or increases our accumulated benefit obligation by approximately $39.0 million. For the Non-Qualified Plans, every one-quarter percentage-point increase or decrease in the discount rate reduces or increases our accumulated benefit obligation by approximately $6.0 million.

For information on pension and Postretirement Benefit Plan contribution requirements, please see "Future Liquidity — Sources and Uses of Funds — Pension Plan and Postretirement Benefit Plan Contribution Requirements" in the Contractual Cash Obligations table included in this Annual Report on Form 10-K.

Also see Note 10 to our consolidated financial statements included in Item 8. of this Annual Report on Form 10-K for more information regarding costs of, and assumptions for, our pension and postretirement benefit obligations and costs.

Contingencies and Litigation

We establish reserves in connection with tax and legal proceedings, claims and litigation when it is probable that a loss has been incurred and the amount of loss is reasonably estimable. Contingent liabilities are often resolved over long periods of time. Estimating probable losses requires analyses of multiple forecasts that often depend on judgments concerning potential actions by third parties and regulators. This is an inherently subjective and complex process, and actual results may differ from our estimates by material amounts. For more information, see Note 13 to our consolidated financial statements included in Item 8. of this Annual Report on Form 10-K.

Revenue Recognition

Our Risk Management Solutions are generally sold under monthly or annual contracts that enable a customer to purchase our information solutions during the period of contract at prices per an agreed price list, up to the contracted dollar limit. Revenue on these contracts is recognized as solutions are delivered to the customer, based on the per-solution price. Any additional solutions purchased over this limit may be subject to pricing variations and revenue is recognized as the solutions are delivered. If customers do not use the full value of their contract and forfeit the unused portion, we recognize the forfeited amount as revenue at contract expiration.

We have fixed price subscription contracts for larger customers that allow those customers unlimited use within predefined ranges, subject to certain conditions. In these instances, we recognize revenue ratably over the term of the contract, which is generally one year.

Revenue related to services provided over the contract term, such as monitoring services, is recognized ratably over the contract period, which is typically one year.

For Sales & Marketing Solutions and Supply Management Solutions, we generally recognize revenue upon delivery of the information file to the customer. For arrangements that include periodic updates to that information file over the contract term, the portion of the revenue related to updates expected to be delivered is deferred as a liability on the balance sheet and recognized as the updates are delivered, usually on a quarterly or monthly basis. For subscription solutions that provide continuous access to our generic marketing information and business reference databases, as well as any access fees or hosting fees related to enabling customers' access to our information, revenue is recognized ratably over the term of the contract, which is typically one year.

We have certain solution offerings that are sold as multi-element arrangements. The multiple elements may include information files, file updates for certain solutions, software, services, trademarks and/or other intangibles. Revenue for each element is recognized when that element is delivered to the customer, based upon the relative fair value for each element. For offerings that include software that is considered to be more than incidental, we recognize revenue when a non-cancelable license agreement has been signed and the software has been shipped and installed. Maintenance revenue, which consists of fees for ongoing support and software updates, is recognized ratably over the term of the contract, which is typically one year, when the maintenance for the software is considered significant. When maintenance is insignificant, we recognize the revenue when the agreement is signed and the software is shipped.

Revenue from consulting and training services is recognized as the services are performed.

For E-Business Solutions, which consists of Hoover's, Inc., we provide subscription solutions that provide continuous access to our business information databases. Revenue is recognized ratably over the term of the contract, which is generally one year. Any additional solutions purchased are recognized once they are delivered and billed to the customer.

Amounts billed in advance are recorded as a liability on the balance sheet. The deferred revenue is recognized as the services are performed.

Recently Issued Accounting Standards

See Note 2 — Recent Accounting Pronouncements to our consolidated financial statements included in Item 8. of this Annual Report on Form 10-K for disclosure of the impact that recently issued accounting standards may have on our audited consolidated financial statements.

Results of Operations

The following discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements. They should be read in conjunction with the consolidated financial statements and related footnotes set forth in Item 8 of this Annual Report on Form 10-K, which have been prepared in accordance with GAAP.

Consolidated Revenue

The following table presents our revenue by segment:

	For the Years Ended December 31,		
	2005	2004	2003
	(Amounts in millions)		
Revenue:			
U.S.	$1,087.8	$1,004.9	$ 927.6
International	355.8	329.6	286.1
Core Revenue	1,443.6	1,334.5	1,213.7
Divested Businesses	—	79.5	172.7
Total Revenue	$1,443.6	$1,414.0	$1,386.4

The following table presents our revenue by customer solution set:

	For the Years Ended December 31,		
	2005	2004	2003
	(Amounts in millions)		
Revenue:			
Risk Management Solutions	$ 953.2	$ 882.0	$ 804.3
Sales & Marketing Solutions	382.8	368.2	342.4
E-Business Solutions	70.0	50.0	29.0
Supply Management Solutions	37.6	34.3	38.0
Core Revenue	1,443.6	1,334.5	1,213.7
Divested Businesses	—	79.5	172.7
Total Revenue	$1,443.6	$1,414.0	$1,386.4

Year ended December 31, 2005 vs. Year ended December 31, 2004

Total revenue increased $29.6 million, or 2% (1% increase before the effect of foreign exchange), for the year ended December 31, 2005 as compared to the year ended December 31, 2004. The increase in total revenue was primarily driven by an increase in total U.S. revenue of $82.9 million, or 8% increase, partially offset by a decrease in total International revenue of $53.3 million, or 13% decrease (15% decrease before the effect of foreign exchange).

This $29.6 million increase is primarily attributed to:

- growth in the U.S. subscription plan for existing customers willing to increase the level of business they do with us. The subscription plan provides our customers' unlimited use of our Risk Management reports and data, within pre-defined ranges, provided such customers commit to an increased level of spend from their historical levels;
- growth in our E-Business Solutions, representing the results of Hoover's, Inc. The increase was primarily due to continued growth in subscription revenue and increased advertising sales;
- growth in our Italian real estate data business, which contributed two percentage points of total revenue growth, mainly due to a price increase and the acquisition of a controlling interest in RIBES S.p.A., a leading provider of business information to Italian banks; and
- an increase in our Self Awareness Solutions, which allow our small business customers to establish, improve and protect their own credit;

partially offset by:

- our having divested certain businesses in 2004, which accounted for $79.5 million of revenue for the year ended December 31, 2004; and
- a decrease in revenues from our United Kingdom ("UK") market.

Core revenue, which reflects total revenue less revenue from divested businesses, increased $109.1 million or 8% (8% increase before the effect of foreign exchange), for the year ended December 31, 2005, as compared to the year ended December 31, 2004.

Customer Solution Set

On a customer solution set basis, the $109.1 million increase in core revenue reflects:

- a $71.2 million, or 8%, increase in Risk Management Solutions (7% increase before the effect of foreign exchange). The increase was driven by growth in the U.S. of $42.7 million, or 7%, and growth in International of $28.5 million, or 11% (8% increase before the effect of foreign exchange). International includes our Italian real estate data business, which contributed two percentage points of total Risk Management Solutions growth with the majority of the growth due to a price increase and the acquisition of a controlling interest in RIBES S.p.A.;
- a $14.6 million, or 4%, increase in Sales & Marketing Solutions (4% increase before the effect of foreign exchange). The increase was driven by growth in the U.S. of $19.2 million, or 6%, partially offset by a decrease in International of $4.6 million, or 8% (9% decrease before the effect of foreign exchange);
- a $20.0 million, or 40%, increase in E-Business Solutions (40% increase before the effect of foreign exchange). The increase was driven by growth in the U.S. of $17.3 million, or 35%, and growth in International of $2.7 million. We first began offering our Hoover's solution to customers in Europe in the fourth quarter of 2004; and
- a $3.3 million, or 10%, increase in Supply Management Solutions, (9% increase before the effect of foreign exchange). The increase was driven by growth in the U.S. of $3.7 million, or 13%, partially offset by a decrease in International of $0.4 million or 11% (12% decrease before the effect of foreign exchange).

Year ended December 31, 2004 vs. Year ended December 31, 2003

Total revenue increased $27.6 million, or 2% (1% decrease before the effect of foreign exchange), for the year ended December 31, 2004, as compared to the year ended December 31, 2003. The increase in total revenue was primarily driven by an increase in total U.S. revenue of $77.3 million, or 8%, partially offset by a

decrease in total International revenue of $49.7 million, or 11% (19% decrease before the effect of foreign exchange).

This $27.6 million increase is primarily attributed to:

- an increase in our Self Awareness Solutions, which allows our small business customers to establish, improve and protect their own credit;
- growth in the U.S. subscription plan for existing customers that are willing to increase the level of business they do with us; and
- acquisitions of Hoover's, Inc., in the first quarter of 2003, and our Italian real estate data companies in the second quarter of 2003;

partially offset by:

- our having divested certain businesses, which for the two years ended December 31, 2004 and 2003, accounted for $79.5 million and $172.7 million of revenue, respectively.

Core revenue, which reflects total revenue less revenue from divested businesses, increased $120.8 million, or 10% (8% increase before the effect of foreign exchange), for the year ended December 31, 2004, as compared to the year ended December 31, 2003.

Customer Solution Set

On a customer solution set basis, the $120.8 million increase in core revenue reflects:

- a $77.7 million, or 10%, increase in Risk Management Solutions (7% increase before the effect of foreign exchange). The increase was driven by growth in the U.S. of $35.7 million, or 6%, and growth in International of $42.0 million, or 18% (9% increase before the effect of foreign exchange);
- a $25.8 million, or 8%, increase in Sales & Marketing Solutions (6% decrease before the effect of foreign exchange). The increase was driven by growth in the U.S. of $24.1 million, or 8%, and growth in International of $1.7 million, or 3% (6% decrease before the effect of foreign exchange);
- a $21.0 million, or 72%, increase in E-Business Solutions, representing the results of Hoover's, Inc. The increase was driven by growth in the U.S. of $20.9 million, or 72%, which includes twenty percentage points of growth from the purchase accounting adjustments on the 2003 results. We acquired Hoover's, Inc. in the first quarter of 2003. This increase was also driven by $0.1 million of International revenue. We first began offering Hoover's solution to customers in Europe in the fourth quarter of 2004; and
- a $3.7 million, or 10%, decline in Supply Management Solutions (11% decrease before the effect of foreign exchange). The decrease was driven by a decline in the U.S. of $3.4 million, or 11%, and a decrease in growth in International of $0.3 million, or 2% (10% decrease before the effect of foreign exchange).

Consolidated Operating Costs

The following table presents our consolidated operating costs and operating income:

	For the Years Ended December 31,		
	2005	2004	2003
	(Amounts in millions)		
Operating Expenses	$ 412.0	$ 403.9	$ 433.3
Selling and Administrative Expenses	600.8	612.0	579.9
Depreciation and Amortization	36.1	47.3	64.0
Restructuring Charges	30.7	32.0	17.4
Operating Costs	$1,079.6	$1,095.2	$1,094.6
Operating Income	$ 364.0	$ 318.8	$ 291.8

As described above in the section "Management's Discussion and Analysis of Financial Condition and Results of Operations — How We Manage Our Business," when we evaluate the performance of our business as a whole, we focus on our operating income (and, therefore, operating costs) before non-core gains and (charges), because we do not view these items as reflecting our underlying business operations. We have identified under the caption "Non-Core Gains and (Charges)" below, such non-core gains and charges that are included in our GAAP results.

Operating Expenses

Operating expenses increased by $8.1 million, or 2%, for the year ended December 31, 2005 as compared to December 31, 2004. The increase was primarily due to the following:

- certain tax legislation in Italy which has increased the operating costs of our Italian real estate data business in 2005;
- investments in our DUNSRight quality process; and
- the impact of foreign exchange;

partially offset by:

- reduced costs as a result of the sale of our divested businesses to strategic partners in 2004 as part of our international market leadership strategy; and
- improved efficiency and a reduction in the number of employees as a result of our process of continuous reengineering.

Operating expenses decreased by $29.4 million, or 7%, for the year ended December 31, 2004 as compared to December 31, 2003. The decrease was primarily due to the following:

- improved efficiency and a reduction in the number of employees in our data collection, fulfillment and technology areas as a result of our process of continuous reengineering;
- reduced costs as a result of the sale of our divested businesses to strategic partners in 2003 and 2004 as part of our international market leadership strategy; and
- a $13.8 million loss on the sale of a building in High Wycombe, England in July 2003 with no comparable loss in 2004;

partially offset by:

- an increased expense base as a result of the acquisition of three Italian real estate data companies; and
- the impact of foreign exchange.

Selling and Administrative Expenses

Selling and administrative expenses decreased $11.2 million, or 2%, for the year ended December 31, 2005 as compared to December 31, 2004. The decrease was primarily due to the following:

- reduced costs associated with the sale of our divested businesses; and
- administrative cost savings, such as lower compensation costs achieved through our Financial Flexibility Programs and lower spending for Sarbanes-Oxley related expenses;

partially offset by:

- the impact of foreign exchange.

Selling and administrative expenses increased $32.1 million, or 6%, for the year ended December 31, 2004 as compared to December 31, 2003. The increase was primarily due to the following:

- additional costs related to revenue-generating investments as well as additional variable costs (such as commissions and bonuses) incurred as a result of increased revenues;
- consulting costs associated with our reengineering initiatives and costs associated with achieving compliance with Sarbanes-Oxley requirements;
- an increase in our expense base as a result of the acquisition of three Italian real estate data companies; and
- the impact of foreign exchange;

partially offset by:

- cost savings, such as lower compensation costs, achieved through our Financial Flexibility Programs; and
- the sale of our divested businesses to strategic partners in 2003 and 2004 as part of our international market leadership strategy.

We had a net pension cost of $12.9 million for the year ended December 31, 2005 and net pension income of $11.7 million and $18.2 million for the years ended December 31, 2004 and 2003, respectively, for all of our global pension plans. The increase in pension cost or decrease in pension income from 2003 to 2005 was primarily due to increased actuarial loss amortizations included in annual expense as required by SFAS No. 87. Actuarial loss amortizations included in annual pension expense for all global plans were $25.2 million, $11.4 million and $8.2 million for the years ended December 31, 2005, 2004 and 2003, respectively, of which $23.3 million, $8.1 million and $5.4 million was attributable, respectively for such years, to our U.S. plans. The losses subject to amortization are primarily the result of asset losses from 2000 through 2002, and the impact of lower discount rates. Additionally, a one-quarter percentage-point decrease in the long-term rate of return assumption for our U.S. Qualified Plan, and a three-quarter percent decrease in the discount rate used to value our U.S. plans also contributed to the increase in expense during the period. We lowered the long-term rate of return assumption to 8.50% in 2005 from 8.75% for the years ended December 31, 2004 and 2003. The discount rate used to measure the pension costs for our U.S. plans for the years ended December 31, 2005, 2004 and 2003 was 5.75%, 6.00% and 6.50%, respectively.

We expect that the net pension cost will be approximately $25.4 million in 2006 for all of our global pension plans. The increase in pension cost from 2005 to 2006 is primarily driven by increased actuarial loss amortization included in 2006, a one-quarter percentage-point decrease in the long-term rate of return for our U.S. Qualified Plan, and a one-quarter percentage-point decrease in the discount rate applied to our U.S. plans at January 1, 2006.

We had postretirement benefit income of $5.7 million and $3.0 million for the years ended December 31, 2005 and 2004, respectively, and postretirement benefit costs of $14.9 million for the year ended December 31, 2003. The increase in postretirement benefit income or decrease in cost for the years ended December 31, 2005 and 2004 was due to the employer contribution cap that we put in place effective at January 1, 2004 as

well as the impact of Medicare Reform Act. Specifically, in the fourth quarter of 2003, we amended our Postretirement Benefit Plan and starting January 1, 2004, we began to limit the amount of our insurance premium contribution based on the amount we contributed in 2003 per retiree. This change is expected to reduce our annual postretirement benefit costs by approximately $11 million a year for five to six years, starting in 2004. The impact of the Medicare Reform Act in the third quarter of 2004 also contributed to the decreased postretirement benefit cost. Postretirement benefit income was greater in 2005 than in 2004 primarily due to the savings from Medicare Reform for a full year as well as an actuarial gain from the 2005 plan valuation.

We expect postretirement benefit income will be approximately $3 million for the year ended December 31, 2006. The expected decrease in 2006 postretirement benefit income is primarily due to a portion of the negative unrecognized prior service cost recognized immediately in 2005 as a one-time curtailment gain as a result of the 2004 and 2005 Financial Flexibility Program. The curtailment gain is included within "Restructuring Charges."

We consider net pension income and postretirement benefit 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. See the discussion of "Our Critical Accounting Policies and Estimates — *Pension and Postretirement Benefit Obligations*," above, and Note 10 to our consolidated financial statements included in Item 8. of this Annual Report on Form 10-K.

Depreciation and Amortization

Depreciation and amortization decreased $11.2 million, or 24%, for the year ended December 31, 2005 as compared to December 31, 2004. This decrease is primarily driven by changes in our business model, which have enabled us to reduce the capital requirements of our business through continuous reengineering, leveraging strategic partners in key markets and outsourcing capital intensive activities.

Depreciation and amortization decreased $16.7 million, or 26%, for the year ended December 31, 2004 as compared to December 31, 2003. This decrease was largely driven by changes in our business model which have enabled us to reduce the capital requirements of our business through continuous reengineering, leveraging strategic partners in key markets and outsourcing capital intensive activities. Also, contributing to the decrease was the sale of our building in High Wycombe, England, in July 2003. The decrease for the year ended December 31, 2004 as compared to December 31, 2003 was partially offset by the acquisition of three Italian real estate data companies and the impact of foreign exchange.

Restructuring Charge

During the year ended December 31, 2005, we recorded a $30.8 million restructuring charge in connection with the Financial Flexibility Program announced in February 2005 ("2005 Financial Flexibility Program") and a $0.1 million net restructuring gain in connection with the Financial Flexibility Program announced in February 2004 ("2004 Financial Flexibility Program"). The restructuring charges were recorded in accordance with SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities." The curtailments were recorded in accordance with SFAS No. 87, "Employers' Accounting for Pension," SFAS No. 88, "Employers' Accounting for Settlements and Curtailments of Defined Benefit Pension Plans and for Termination Benefits" and SFAS 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions." The components of these charges and gains included:

- severance and termination costs of $23.3 million associated with approximately 425 employees related to the 2005 Financial Flexibility Program and $5.7 million associated with approximately 310 employees related to the 2004 Financial Flexibility Program;
- lease termination obligations, other costs to consolidate or close facilities and other exit costs of $4.7 million related to the 2005 Financial Flexibility Program;
- curtailment charges of $3.1 million related to our pension plans and an immediate reduction to ongoing pension income of $3.4 million related to the U.S. Qualified Plan resulting from employee actions for

the 2005 Financial Flexibility Program. In accordance with SFAS No. 87 and SFAS No. 88 we were required to recognize immediately a pro-rata portion of the unrecognized prior service cost as a result of the employee terminations and the pension plan was required to be re-measured which reduced our periodic pension income; and

- curtailment gains of $3.7 million and $5.8 million related to the U.S. postretirement benefit plan resulting from employee actions for the 2005 Financial Flexibility Program and 2004 Financial Flexibility Program, respectively. In accordance with SFAS No. 106, we were required to recognize immediately a pro-rata portion of the unrecognized prior service cost as a result of the employee terminations.

At December 31, 2005, all actions under these programs were substantially completed.

During the year ended December 31, 2004, we recorded $32.0 million of restructuring charges in connection with the 2004 Financial Flexibility Program. The components of the restructuring charges included:

- severance and termination costs of $28.4 million associated with approximately 900 employees;
- lease termination obligations, other costs to consolidate or close facilities and other exit costs of $3.1 million;
- curtailment charges (in accordance with SFAS No. 87 and SFAS No. 88) of $0.9 million and an immediate reduction to ongoing pension income of $3.3 million related to our pension plans; and
- curtailment gain (in accordance with SFAS No. 106) of $3.7 million related to the U.S. postretirement benefit plan.

In October 2004, as part of the 2004 Financial Flexibility Program, we entered into an agreement with International Business Machines Corporation ("IBM") to outsource certain portions of our data acquisition and delivery, customer service and financial processes. Under the terms of the agreement, approximately 220 employees who primarily performed certain customer service functions in the United States, Canada, United Kingdom and the Netherlands were transitioned to IBM. We made total payments of approximately $1.8 million to IBM as full satisfaction of any of our existing liabilities for future severance benefits related to the transitioned employees. The severance benefits for the employees who transitioned to IBM are included in the restructuring charges for the years ended December 31, 2005 and 2004.

During the year ended December 31, 2004, approximately 650 employees (including 220 employees who transitioned to IBM as part of the outsourcing agreement discussed below) were terminated in connection with the 2004 Financial Flexibility Program. During the year ended December 31, 2005, approximately 310 employees were terminated in connection with the 2004 Financial Flexibility Program which resulted in 960 employees terminated for this program in total.

During the year ended December 31, 2003, we recorded $17.4 million of restructuring charges in connection with the Financial Flexibility Program announced in February 2003 ("2003 Financial Flexibility Program"). The components of the restructuring charges included:

- severance and termination costs of $16.6 million associated with approximately 500 employees;
- lease termination obligations of $0.3 million; and
- curtailment charge (in accordance with SFAS No. 87 and SFAS No. 88) of $0.5 million related to the U.S. Qualified Plan.

During the year ended December 31, 2003, all of the approximately 500 employees had been terminated in connection with the 2003 Financial Flexibility Program.

See Note 3 to our consolidated financial statements included in Item. 8 of this Annual Report on Form 10-K.

Interest Income (Expense) — Net

The following table presents our "Interest Income (Expense) — Net:"

	For the Years Ended December 31,		
	2005	2004	2003
	(Amounts in millions)		
Interest Income	$ 10.6	$ 8.4	$ 4.2
Interest Expense	(21.1)	(18.9)	(18.6)
Interest Income (Expense) — Net	$(10.5)	$(10.5)	$(14.4)

Interest income increased $2.2 million, or 26%, for the year ended December 31, 2005 as compared to December 31, 2004, primarily due to higher investment balances in marketable securities, as well as higher interest rates. Interest income increased $4.2 million, or 100%, for the year ended December 31, 2004 as compared to December 31, 2003, primarily due to higher investment balances in cash and marketable securities, as well as higher interest rates.

We expect a significant reduction in interest income in 2006, due to a decision to target lower cash balances.

Interest expense increased by $2.2 million, or 11%, for the year ended December 31, 2005 as compared to December 31, 2004, primarily due to higher interest rates. Interest expense increased by $0.3 million, or 2%, for the year ended December 31, 2004 as compared to December 31, 2003, primarily due to higher interest rates.

Other Income (Expense) — Net

The following table presents the components of "Other Income (Expense) — Net:"

	For the Years Ended December 31,		
	2005	2004	2003
	(Amounts in millions)		
Miscellaneous Other Income (Expense) — Net(a)	$ —	$ 1.0	$(1.9)
Gains (Losses) on Sales of Businesses(b)	—	30.3	(2.5)
Gains on Sales of Investments(c)	3.5	1.2	0.4
Final Resolution of All Disputes on the Sale of our French Business(d)	(3.7)	—	—
Lower Costs Related to the Sale of the Iberian Business(e)	0.8	—	—
Insurance Recovery(f)	—	—	7.0
Other Income (Expense) — Net	$ 0.6	$32.5	$ 3.0

(a) "Miscellaneous Other Income (Expense) — Net" decreased for the year ended December 31, 2005 as compared to December 31, 2004, primarily due to lower foreign currency transaction gains partially offset by lower bank fees. "Miscellaneous Other Income (Expense) — Net" increased for the year ended December 31, 2004 as compared to December 31, 2003, primarily due to foreign currency transaction gains.

(b) During the year ended December 31, 2004, we sold the following businesses and recognized the following non-operating gains:

- our operation in France during the fourth quarter, resulting in a pre-tax gain of $12.9 million;
- our operations in Iberia (Spain and Portugal) during the fourth quarter, resulting in a pre-tax gain of $0.1 million;
- our operations in Central Europe (Germany, Austria, Switzerland, Poland, Hungary and the Czech Republic) during the second quarter, resulting in a pre-tax gain of $5.6 million;

- our operations in the Nordic region (Sweden, Denmark, Norway and Finland) during the first quarter, resulting in a pre-tax gain of $7.9 million; and
- our operation in India and Distribution Channels in Pakistan and the Middle East during the first quarter, resulting in a pre-tax gain of $3.8 million.

During the year ended December 31, 2003, we sold the following businesses and recognized the following non-operating gains (losses):

- our operation in Israel, resulting in a pre-tax loss of $4.3 million; and
- the equity interest in our Singapore investment, resulting in a pre-tax gain of $1.8 million.

(c) During the year ended December 31, 2005, we sold a 5% investment in a South African company for a pre-tax gain of $3.5 million. During the year ended December 31, 2004, we sold an investment in the U.S. for a pre-tax gain of $1.2 million. During the year ended December 31, 2003, we sold an investment in Italy for a pre-tax gain of $0.4 million.

(d) During the year ended December 31, 2005, we recorded a $3.7 million charge, related to the final resolution of all disputes on the sale of our French business.

(e) During the year ended December 31, 2005, we recorded a reversal of $0.8 million of costs as a result of lower than expected costs related to the sale of our Iberian business.

(f) During the year ended December 31, 2003, we recorded a settlement on an insurance claim to recover losses related to the events of September 11, 2001.

Provision for Income Taxes

For the year ended December 31, 2005, our effective tax rate was 37.8% as compared to 37.9% for the year ended December 31, 2004. The effective tax rate for 2005 as compared to 2004 was positively impacted by 4.5 points for foreign income taxes primarily related to the liquidation of dormant international entities that remained after the sale of our divested businesses in the Nordic region (Sweden, Denmark, Norway and Finland) and Iberia, by 0.7 points for interest expense on tax reserves, and by 0.1 points for global tax initiatives and was negatively impacted by 2.6 points for the tax associated with the repatriation of foreign cash in connection with the adoption of Financial Accounting Standards Board ("FASB") issued FASB Staff Position ("FSP") No. FAS 109-2, "Accounting and Disclosure Guidance for the Foreign Earnings Repatriation Provision within the American Jobs Creation Act of 2004" (see Note 2 to our consolidated financial statements included in Item 8. of this Annual Report on Form 10-K), by 0.8 points resulting from the non-deductibility in some countries of certain items included within the restructuring charges and by 1.0 point for state and local income taxes. The effective tax rate for the year ended December 31, 2004 had been positively impacted by 0.8 points related to research and development tax credits.

For the year ended December 31, 2004, our effective tax rate remained the same at 37.9% as compared to the year ended December 31, 2003. The effective tax rate for the year ended December 31, 2004 as compared to the year ended December 31, 2003 was positively impacted by 0.5 points for foreign income taxes primarily related to tax benefits in the UK, by 0.1 points for valuation allowances primarily related to capital and net operating losses, and by 0.9 points for research and development tax credits, and was negatively impacted by 1.4 points for interest expense on tax reserves and by 0.1 points for other items.

Equity in Net Income (Loss) of Affiliates

We recorded $0.7 million, $0.2 million and $0.3 million as Equity in Net Income of Affiliates for the years ended December 31, 2005, 2004 and 2003, respectively.

Earnings Per Share

We reported the following earnings per share ("EPS"):

	For the Years Ended December 31,		
	2005	2004	2003
Basic Earnings Per Share	$3.31	$3.01	$2.37
Diluted Earnings Per Share	$3.19	$2.90	$2.30

Basic EPS and diluted EPS each increased 10% for the year ended December 31, 2005 as compared to the year ended December 31, 2004, reflecting a 5% reduction in the weighted average number of shares outstanding and a 4% increase in net income. Basic EPS and diluted EPS increased 27% and 26%, respectively, for the year ended December 31, 2004 as compared to the year ended December 31, 2003, reflecting a 4% reduction in the weighted average number of shares outstanding and a 21% increase in net income. Shares outstanding were reduced as a result of our repurchase of shares, as described in "Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Financial Position — Cash Used in Financing Activities."

Non-Core Gains and (Charges)

For internal management purposes, we treat certain gains and charges that are included in "Consolidated Operating Costs", "Other Income (Expense) — Net" and "Provision for Income Taxes" as non-core gains and (charges). These non-core gains and (charges) are summarized in the table below. We exclude non-core gains and (charges) when evaluating our financial performance because we do not consider these items to reflect our underlying business performance.

	For the Years Ended December 31,		
	2005	2004	2003
	(Amounts in millions)		
Non-core gains and (charges) included in Operating Costs:			
Restructuring costs related to our Financial Flexibility Programs	$(30.7)	$(32.0)	$(17.4)
Final resolution of all disputes on the sale of our French business	$ (0.4)	$ —	$ —
Loss on the sale of High Wycombe, England building	$ —	$ —	$(13.8)
Non-core gains and (charges) included in Other Income (Expense) — Net:			
Gain on sale of an investment in a South African Company	$ 3.5	$ —	$ —
Final resolution of all disputes on the sale of our French business	$ (3.7)	$ —	$ —
Lower costs related to the sale of Iberia	$ 0.8	$ —	$ —
Gains on sales of operations in the Nordic region, Central Europe, Iberia, France and India, and Distribution Channels in Pakistan and the Middle East	$ —	$ 30.3	$ —
Insurance recovery related to the events of September 11, 2001	$ —	$ —	$ 7.0
Non-core gains and (charges) included in Provision for Income Taxes:			
Increase in Tax Legacy Reserve for "Utilization of Capital Losses — 1989-1990"	$ —	$ (4.5)	$ —
Restructuring costs related to our Financial Flexibility Programs	$ 8.1	$ 11.2	$ 5.8
Tax benefits recognized upon the liquidation of dormant international entities	$ 16.3	$ —	$ —
Gain on sale of an investment in a South African Company	$ (1.5)	$ —	$ —

	For the Years Ended December 31,		
	2005	2004	2003
	(Amounts in millions)		
Final resolution of all disputes on the sale of our French business	$ 1.5	$ —	$ —
Tax charge related to our repatriation of foreign cash	$ (9.3)	$ —	$ —
Increase in Tax Legacy Reserve for "Royalty Expense Deductions 1993-1997"	$ (6.3)	$ —	$ —
Tax Legacy Refund for "Utilization of Capital Losses — 1989-1990"	$ 0.9	$ —	$ —
Loss on the sale of High Wycombe, England building	$ —	$ —	$ 2.7
Gains on sales of operations in the Nordic region, Central Europe, Iberia, France and India, and Distribution Channels in Pakistan and the Middle East	$ —	$(10.9)	$ —
Insurance recovery related to the events of September 11, 2001	$ —	$ —	$ (2.7)

Segment Results

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. On January 1, 2005, we began managing and reporting our operations in Canada as part of our International segment. As part of this change, our results are reported under the following two segments: U.S. and International. We have conformed historical amounts to reflect the new segment structure.

United States

U.S. is our largest segment, representing 75%, 71% and 67% of our total revenue for the years ending December 31, 2005, 2004 and 2003, respectively, and 75%, 75%, and 76% of our core revenue for the years ending December 31, 2005, 2004 and 2003, respectively.

There were no divestitures within this segment during the years ended December 31, 2005, 2004 and 2003. The following table presents our U.S. revenue by customer solution set and U.S. operating income:

	For the Years Ended December 31,		
	2005	2004	2003
	(Amounts in millions)		
Revenue:			
Risk Management Solutions	$ 655.7	$ 613.0	$577.3
Sales & Marketing Solutions	331.5	312.3	288.2
E-Business Solutions	67.2	49.9	29.0
Supply Management Solutions	33.4	29.7	33.1
Total and Core U.S. Revenue	$1,087.8	$1,004.9	$927.6
Operating Income	$ 405.5	$ 354.9	$320.3

Year ended December 31, 2005 vs. Year ended December 31, 2004

U.S. Overview

U.S. total and core revenue increased $82.9 million, or 8%, for the year ended December 31, 2005 as compared to the year ended December 31, 2004. The increase is primarily due to increased revenue in all of our customer solution sets.

U.S. Customer Solution Set

On a customer solutions set basis, the $82.9 million increase in core revenue for the year ended December 31, 2005 as compared to the year ended December 31, 2004 reflects:

Risk Management Solutions

- a $42.7 million, or 7%, increase in Risk Management Solutions. For the year ended December 31, 2005, Traditional Risk Management Solutions, which accounted for 77% of total U.S. Risk Management Solutions, increased 5%. There were two main drivers of this growth:
  - the continued growth in our subscription plan for existing customers who are willing to increase the level of business they do with us. The subscription plan provides our customers' unlimited use of our Risk Management reports and data, within pre-defined ranges, provided such customers commit to an increased level of spend from their historical levels; and
  - our Self Awareness Solutions, which allow our small business customers to establish, improve and protect their own credit.
- For the year ended December 31, 2005, Value-Added Risk Management Solutions, which accounted for 23% of total U.S. Risk Management Solutions, increased 15%. The increase was primarily attributable to higher renewal rates on software, and the sale of tailored, customized solutions and services that meet our customers' needs.

Sales & Marketing Solutions

- a $19.2 million, or 6%, increase in Sales & Marketing Solutions. For the year ended December 31, 2005, Traditional Sales & Marketing Solutions, which accounted for 43% of total U.S. Sales & Marketing Solutions, increased 7%. The increase was primarily driven by growth in our third party channels.
- For the year ended December 31, 2005, Value-Added Sales & Marketing Solutions, which accounted for 57% of total U.S. Sales & Marketing Solutions increased by 6%. The increase was primarily driven by new customer acquisition and retention rates in our existing customer base.

E-Business Solutions

- a $17.3 million, or 35%, increase in E-Business Solutions, representing the results of Hoover's, Inc. The increase was primarily due to continued growth in subscription revenue and increased advertising sales.

Supply Management Solutions

- a $3.7 million, or 13%, increase in Supply Management Solutions is due to an increase in acquisition of new customers and increased value of our customer contract renewals.

U.S. operating income for the year ended December 31, 2005 was $405.5 million, as compared to $354.9 million for the year ended December 31, 2004, an increase of $50.6 million, or 14%. The increase in operating income was due to an 8% increase in U.S. revenue for the year ended December 31, 2005 and the benefits of our reengineering efforts, partially offset by related investments made to drive revenue growth.

Year ended December 31, 2004 vs. Year ended December 31, 2003

U.S. Overview

U.S. total and core revenue increased $77.3 million, or 8%, for the year ended December 31, 2004 as compared to the year ended December 31, 2003. The increase is primarily driven by increases in our three largest customer solution sets.

U.S. Customer Solution Set

On a customer solutions set basis, the $77.3 million increase in total and core revenue for the year ended December 31, 2004 as compared to the year ended December 31, 2003 reflects:

Risk Management Solutions

- a $35.7 million, or 6%, increase in Risk Management Solutions. For the year ended December 31, 2004, Traditional Risk Management Solutions, which accounted for 79% of total U.S. Risk Management Solutions, increased 7%. There were two main drivers of this growth:
  - our Self Awareness Solutions; and
  - the subscription plan we introduced in the United States in the fourth quarter of 2003.
- For the year ended December 31, 2004, Value-Added Risk Management Solutions, which accounted for 21% of total U.S. Risk Management Solutions, increased only 4%, due to product and customer care execution problems.

Sales & Marketing Solutions

- a $24.1 million, or 8%, increase in Sales & Marketing Solutions. For the year ended December 31, 2004, Value-Added Solutions revenue, which accounted for 57% of total U.S. Sales & Marketing Solutions, increased 21%. There were two main drivers of this growth:
  - double-digit growth in our Customer Information Management ("CIM") solutions; and
  - our planned migration of our customers from our Traditional solutions to our more automated Value-Added Solutions.
- For the year ended December 31, 2004, our Value-Added Sales & Marketing Solutions growth was partially offset by the 5% decrease in Traditional Sales & Marketing Solutions, which accounted for 43% of total U.S. Sales & Marketing Solutions. The decline was primarily attributed to continued weakness in certain of our Traditional list and label businesses.

E-Business Solutions

- a $20.9 million, or 72%, increase in E-Business Solutions, representing the results of Hoover's, Inc. The increase was primarily due to continued growth in subscription revenue and the benefit of our marketing efforts, which have driven increased traffic to the Hoover's Web site and strong ad sales. Additionally, this increase includes twenty percentage points of growth from the purchase accounting adjustments on the 2003 results.

Supply Management Solutions

- a $3.4 million, or 11%, decrease in Supply Management Solutions. This decline was primarily due to product delivery and customer renewal issues.

U.S. operating income increased $34.6 million, or 11%, for the year ended December 31, 2004 as compared to the year ended December 31, 2003, primarily due to the increase in revenue and the benefits of our reengineering initiatives, partially offset by increased investments to drive revenue growth.

International

International represented 25%, 29% and 33% of our total revenue for the three years ending December 31, 2005, 2004 and 2003, respectively, and 25%, 25% and 24% of our core revenue for the three years ending December 31, 2005, 2004 and 2003, respectively. The following table presents our International revenue by customer solution set and International operating income:

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

	For the Years Ended December 31,		
	2005	2004	2003
	(Amounts in millions)		
Revenue:			
Risk Management Solutions	$297.5	$269.0	$227.0
Sales & Marketing Solutions	51.3	55.9	54.2
E-Business Solutions	2.8	0.1	—
Supply Management Solutions	4.2	4.6	4.9
Core International Revenue	355.8	329.6	286.1
Divested Businesses	—	79.5	172.7
Total International Revenue	$355.8	$409.1	$458.8
Operating Income	$ 62.2	$ 74.7	$ 69.5

Year ended December 31, 2005 vs. Year ended December 31, 2004

International Overview

International total revenue decreased $53.3 million, or 13% (15% decrease before the effect of foreign exchange), for the year ended December 31, 2005, as compared to the year ended December 31, 2004. The decline is primarily a result of:

- our having divested certain businesses, which for the year ended December 31, 2004, accounted for $79.5 million of revenue; and
- a decrease in revenues from our United Kingdom ("UK") market;

partially offset by:

- our Italian real estate data business, which contributed six percentage points of revenue growth, mainly due to a price increase and the acquisition of a controlling interest in RIBES S.p.A., a leading provider of business information to Italian banks; and
- an aggregate increase in revenue from our other International markets.

International core revenue, which reflects International total revenue less revenue from businesses divested in 2004, increased $26.2 million or 8% (6% increase before the effect of foreign exchange), for the year ended December 31, 2005, as compared to the year ended December 31, 2004.

International Customer Solution Set

On a customer solution set basis, the $26.2 million increase in International core revenue for the year ended December 31, 2005 versus the year ended December 31, 2004 reflects:

Risk Management Solutions

- a $28.5 million, or 11%, increase in Risk Management Solutions (8% increase before the effect of foreign exchange). For the year ended December 31, 2005, Traditional Risk Management Solutions,

which accounted for 89% of International Risk Management Solutions, increased 10% (8% increase before the effect of foreign exchange). This growth was attributable primarily to:

- our Italian real estate data business, which contributed eight percentage points of such growth, mainly due to a price increase and the acquisition of a controlling interest in RIBES S.p.A.; and
- an increase in revenue in our other International markets, primarily resulting from increased product usage by existing customers;

partially offset by:

- a decrease in revenue in the UK resulting primarily from the continued impact of lower customer product usage due to our insufficient focus on customer renewals in late 2004 and the first quarter of 2005.

In the second half of 2005, we introduced a subscription plan in our European markets, leveraging our success in rolling out a similar program in the U.S. This new plan provides our customers' unlimited use, within pre-defined ranges, of our Risk Management reports and data, provided such customers commit to an increased level of spend from their historical levels. We believe that the subscription plan will be an important contribution to our revenue growth in future years.

- For the year ended December 31, 2005, Value-Added Risk Management Solutions, which accounted for 11% of total International Risk Management Solutions, increased 14% (12% increase before the effect of foreign exchange). The increase was primarily driven by new project oriented business in our Canadian and Asia Pacific markets.

Sales & Marketing Solutions

- a $4.6 million, or 8%, decrease in Sales & Marketing Solutions (9% decrease before the effect of foreign exchange). For the year ended December 31, 2005, Traditional Sales & Marketing Solutions, which accounted for 56% of our International Sales & Marketing Solutions, decreased 24% (25% decrease before the effect of foreign exchange). Such decrease was primarily attributed to lower revenues in the UK, resulting from a highly competitive marketplace.
- For the year ended December 31, 2005, our Value-Added Sales & Marketing Solutions, which accounted for 44% of our total International Sales & Marketing Solutions, increased 23% (22% increase before the effect of foreign exchange). This was primarily attributable to an increase in purchases by customers' utilizing our new value-added solutions and revenue from our international partners.

E-Business Solutions

- International revenue also benefited from $2.8 million of revenue from E-Business Solutions. We first began offering our Hoover's solution to customers in Europe in the fourth quarter of 2004.

Supply Management Solutions

- a $0.4 million, or 11% decrease in Supply Management Solutions (12% decrease before the effect of foreign exchange).

International operating income decreased $12.5 million, or 17%, for the year ended December 31, 2005 as compared to the year ended December 31, 2004, primarily due to:

- a decline in revenue in the UK;
- the loss of income from our divested businesses; and
- increased expenses related to the investigation and final resolution of a dispute arising out of the sale of our French business;

partially offset by:

- the benefits of our reengineering efforts; and
- an increase in revenue from other International markets.

The following factors affecting International create particular challenges to our international business:

- Our competition is primarily local, and our customers may have greater loyalty to our local competitors;
- Credit insurance is a significant credit risk mitigation tool in certain markets. This reduces the demand for our Risk Management Solutions;
- In certain local markets, key data elements are generally available from public-sector sources, thus reducing a customers' need to purchase our data; and
- Governmental agencies, which may seek, from time to time, to increase the fees or taxes that we must pay to acquire, use and/or redistribute data. For example:
  - In February 2005, regulations implementing new tax legislation became effective in Italy that significantly increased data acquisition costs for our Italian real estate data business and required that we pay a fee each time we resell that data. In response to this, we instituted a combination of price increases to our customers and reengineering efforts. As a result, both our revenue and our operating costs increased, without a material impact to our operating income. We believe that aspects of the regulations are illegal and, therefore, are challenging them in court and with anti-trust authorities. We cannot predict the outcome of these efforts.
  - Similar to its actions at the end of 2004, which led to the February 2005 regulations set forth above, the Italian government is considering legislation that could seek to increase the data acquisition costs and re-use fees for other public data that we currently use to support our Italian Risk Management Solutions business. At this time we cannot predict whether any such legislation will be enacted or its final form or the impact of any such legislation on our results of operations.

We continue to monitor our Italian operations and we are continuing to consider our strategic alternatives with respect to this business.

As we continue to implement our international market leadership strategy, we will continue to use different approaches to improve our competitive position from market to market worldwide. In some markets, we are investing to strengthen our position, either through organic growth or by acquisition. In other markets, we have established strategic relationships to strengthen our global data coverage and our customer value propositions. Additionally, we will continue to leverage our DUNSRight quality process to establish leadership positions in our International markets.

Year ended December 31, 2004 vs. Year ended December 31, 2003

International Overview

International total revenue decreased $49.7 million, or 11% (19% decrease before the effect of foreign exchange), for the year ended December 31, 2004, as compared to the year ended December 31, 2003, primarily as a result of:

- our having divested certain businesses, which, for the two years ended December 31, 2004 and 2003, accounted for $79.5 million and $172.7 million of revenue, respectively;

partially offset by:

- the success of our monitoring solution, e-Portfolio; and
- the impact of having a full year of revenue from our 2003 acquisitions of Italian real estate data companies, which contributed two percentage points of growth in 2004.

International core revenue, which reflects International total revenue less revenue from businesses divested, increased $43.5 million or 15% (6% increase before the effect of foreign exchange), for the year ended December 31, 2004, as compared to the year ended December 31, 2003.

International Customer Solution Set

On a customer solution set basis, the $43.5 million increase in International core revenue for the year ended December 31, 2004 as compared to the year ended December 31, 2003 reflects:

Risk Management Solutions

- a $42.0 million, or 18%, increase in Risk Management Solutions (9% increase before the effect of foreign exchange). For the year ended December 31, 2004, Traditional Risk Management Solutions, which accounted for 90% of total International Risk Management Solutions, increased 19% (9% increase before the effect of foreign exchange). The two main drivers of this growth were:
  - the success of our monitoring solution, e-Portfolio; and
  - the full-year benefit from our acquisition of the Italian real estate data companies, which contributed two percentage points of the growth in Traditional Risk Management Solutions.
- For the year ended December 31, 2004, our Value-Added Risk Management Solutions, which accounted for 10% of total International Risk Management Solutions, increased 17% (8% increase before the effect of foreign exchange). This increase was driven by our customers' preference to continue to automate their decisioning processes through solutions such as Global Decision Maker™, and to integrate existing systems using our Toolkit solutions.

Sales & Marketing Solutions

- a $1.7 million, or 3%, increase in Sales & Marketing Solutions (6% decrease before the effect of foreign exchange). For the year ended December 31, 2004, Traditional Sales & Marketing Solutions, which accounted for 67% of our total International Sales & Marketing Solutions, increased 7% (3% decrease before the effect of foreign exchange), reflecting the highly competitive local marketplace for traditional solutions.
- For the year ended December 31, 2004, our Value-Added Sales & Marketing Solutions, which accounted for 33% of our total International Sales & Marketing Solutions, decreased 4% (11% decrease before the effect of foreign exchange). Such decrease was primarily attributed to our need to:
  - enhance our value propositions for our customers by offering the same value-added solutions that have been successfully leveraged in our U.S. segment; and
  - our focus on migrating our customers to value-added solutions from traditional solutions.

E-Business Solutions

- $0.1 million of revenue from E-Business Solutions. We first began offering our Hoover's solution to customers in Europe in the fourth quarter of 2004.

Supply Management Solutions

- a $0.3 million, or 2%, decrease in Supply Management Solutions (10% decrease before the effect of foreign exchange).

International operating income increased $5.2 million, or 7%, for the year ended December 31, 2004 as compared to the year ended December 31, 2003, primarily due to:

- the increase in core revenue;
- reduced operating expenses as a result of divested businesses;

- the benefits of our reengineering initiatives; and
- the positive effect of foreign exchange.

Market Risk

We are exposed to the impact of interest rate changes, foreign currency fluctuations and changes in the market value of certain of our investments.

We employ established policies and procedures to manage our exposure to changes in interest rates and foreign currencies. 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. In addition, we use interest rate swap agreements to hedge a portion of the interest rate exposure on our outstanding fixed-rate notes, as discussed under "Interest Rate Risk," below.

A discussion of our accounting policies for financial instruments is included in the summary of significant accounting policies in Note 1 to our consolidated financial statements included in Item 8. of this Annual Report on Form 10-K, and further disclosure relating to financial instruments is included in Note 7 to our consolidated financial statements included in Item 8. of this Annual Report on Form 10-K.

Interest Rate Risk

Our objective in managing exposure to interest rates is to limit the impact of interest rate changes on 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 achieve our policy objectives, we may use fixed-rate debt, floating-rate debt and/or interest rate swaps.

In 2001, we issued $300 million in principal of five-year, fixed-rate notes that mature in March 2006 (see Note 7 to our consolidated financial statements included in this Annual Report on Form 10-K). In connection with that note issuance, we entered into fixed to floating interest rate swap agreements in the third quarter of 2001 with notional principal amounts totaling $100 million (see Note 7 to our consolidated financial statements included in Item 8. of this Annual Report on Form 10-K), and designated these swaps as fair value hedges against the long-term, fixed-rate notes. The arrangement is considered a highly effective hedge and therefore, the accounting for these hedges has no impact on earnings. The changes in the fair value of the hedge and the designated portion of the notes are reflected in our consolidated balance sheets. At December 31, 2005, we had no floating-rate debt outstanding.

During September 2005, we entered into an interest rate derivative transaction with the objective of hedging a portion of the variability of future cash flows from market changes in treasury rates in the anticipation of a future debt issuance during the first half of 2006. This transaction was accounted for as a cash flow hedge. As such, changes in fair value of the swap that take place through the date of debt issuance are recorded in accumulated other comprehensive income. As of December 31, 2005, the derivative transaction had a mark-to-market value of $0.8 million recorded to accumulated other comprehensive income.

Foreign Exchange Risk

We have offices in 13 countries outside the U.S. and conduct operations through minority equity investments and strategic relationships with local players in more than 20 additional countries. Our International operations generated approximately 25% and 29% of total revenue for the years ended December 31, 2005 and 2004, respectively. Approximately 29% and 31% of our assets, as of December 31, 2005 and 2004, respectively, were located outside the U.S., and no country outside the U.S., other than the UK, had a significant concentration of our aggregate cash balances.

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 executed with creditworthy institutions and are denominated primarily in the British pound sterling and the Euro. The gains and losses on the forward contracts associated with the balance sheet position hedges are recorded in "Other Income (Expense) — Net" in our consolidated financial statements and are essentially offset by the gains and losses on the underlying foreign currency transactions. The gains and losses on the forward contracts associated with net investment hedges are recorded in "Cumulative Translation Adjustment" in our consolidated financial statements.

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, from time to time we use foreign exchange option contracts to hedge certain foreign earnings and foreign exchange forward contracts to hedge certain net investment positions. As of December 31, 2005 and 2004, there were no option contracts outstanding. 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.

At December 31, 2005 and 2004, we had a notional amount of approximately $212.1 million and $241.4 million, respectively, of foreign exchange forward contracts outstanding that offset foreign currency-denominated intercompany loans. Gains and losses associated with these contracts were $0.2 million and $0.5 million, respectively, at December 31, 2005, $0.4 million and $1.0 million, respectively, at December 31, 2004, and $0.7 million and $0.2 million, respectively, at December 31, 2003. In addition, at December 2004, we had $91.9 million of foreign exchange forward contracts outstanding associated with our international investments. Losses associated with these contracts were $3.6 million at December 31, 2004. These contracts typically have various expiration dates within three months of entry into such contracts.

If exchange rates on average were to increase 10% from year-end levels, the unrealized loss would be approximately $6.3 million. If exchange rates on average were to decrease 10% from year-end levels, the unrealized gain would be approximately $7.7 million. However, the estimated potential gain and loss on these contracts is expected to be offset substantially by changes in the dollar value of the underlying transactions.

Subsequent to the completion of our $150.0 million foreign cash repatriation in the fourth quarter of 2005, we had a notional amount of approximately $170.8 million in foreign exchange forward contracts outstanding, with net unrealized gain of $0.1 million. If exchange rates on average were to increase 10% from those levels, the unrealized loss would be approximately $8.7 million. If exchange rates on average were to decrease 10% from those levels, the unrealized gain would be approximately $10.9 million. However, the estimated potential gain and loss on these contracts is expected to be offset substantially by changes in the dollar value of the underlying transactions.

Liquidity and Financial Position

In accordance with our Blueprint for Growth strategy, we have used our cash for three primary purposes: investments in the current business, acquisitions, as appropriate, and our share repurchase programs.

We believe that cash provided by operating activities, supplemented as needed with readily available financing arrangements, are sufficient to meet our short-term and long-term needs, including the cash cost of our restructuring charges, transition costs, contractual obligations and contingencies (see Note 13 to our consolidated financial statements included in Item 8. of this Annual Report on Form 10-K), excluding the legal matters identified therein for which the exposures are not estimable. In addition, our $300 million debt obligation under our fixed-rate notes is repayable in March 2006, and we believe that we will refinance such

debt during the first half of 2006. We have the ability to access the short-term borrowings market from time to time to fund working capital needs, acquisitions and share repurchases, if needed. Such borrowings would be supported by our bank credit facilities.

Cash Flow for the Years Ended December 31, 2005, 2004 and 2003

Cash Provided by Operating Activities

Net cash provided by operating activities was $261.5 million, $267.6 million and $235.7 million for the years ended December 31, 2005, 2004 and 2003, respectively.

Year ended December 31, 2005 vs. Year ended December 31, 2004

Net cash provided by operating activities decreased by $6.1 million for the year ended December 31, 2005 compared to the year ended December 31, 2004. This decline was driven by increased tax payments due to the settlement of certain legacy tax matters. In addition, restructuring payments for the year ended December 31, 2005 related to our Financial Flexibility Programs were higher than those made for the year ended December 31, 2004. Partially offsetting these increased uses of cash were increased profitability of our underlying business, increased tax refunds, a decline in outflows in accrued liabilities due to timing of amounts due and an increase in deferred revenue resulting from higher sales.

Year ended December 31, 2004 vs. Year ended December 31, 2003

Net cash provided by operating activities increased by $31.9 million to $267.6 million for the year ending December 31, 2004 as compared to the year ended December 31, 2003, primarily due to the increased profitability of our underlying business and improved working capital primarily due to an increase in deferred revenue resulting from higher sales and a slight improvement to trade days sales outstanding in accounts receivable. In addition, restructuring payments made for the year ended December 31, 2004 related to our Financial Flexibility Program actions were lower than those made for the year ended December 31, 2003. Partially offsetting these increases were increased payments relating to taxes for the year ended December 31, 2004 and the impact of a $7.0 million receipt for the settlement of the World Trade Center business interruption claim we filed in 2002 and tax refunds of $7.0 million relating to the 1998 spin-off of R.H. Donnelley, which were both received during the year ended December 31, 2003.

Cash Used in Investing Activities

Our business is not capital-intensive, and most of our spending to grow the business is funded by operating cash flow. As a result of our Financial Flexibility Programs, we have sold non-core businesses and real estate assets. Proceeds from these sales have partially (or in some cases, fully) offset our capital expenditures and additions to computer software and other intangibles, as described below.

Net cash used in investing activities was $54.1 million, $39.2 million and $65.3 million for the years ended December 31, 2005, 2004 and 2003, respectively.

Year ended December 31, 2005 vs. Year ended December 31, 2004

Net cash used in investing activities totaled $54.1 million for the year ended December 31, 2005, compared with net cash used in investing activities of $39.2 million for the year ended December 31, 2004. This increase primarily relates to the following activities in both years.

During the year ended December 31, 2005, we increased our net investment in marketable securities by $26.8 million. During the year ended December 31, 2004, we increased our net investment in marketable securities by $70.8 million.

For the years ended December 31, 2005 and 2004, we received net proceeds of $16.5 million and $65.8 million, respectively, primarily due to the sale of the following:

- During the first quarter of 2005, we sold our equity investment in South Africa for net proceeds of $5.0 million.
- During the second quarter of 2005, we collected the remaining $2.0 million other receivables balance related to the sale in May 2004 of our Central European operations to Bonnier Affarsinformation AB ("Bonnier"). Proceeds were $25.7 million, consisting of $18.1 million in cash and $7.6 million in other receivables, of which $5.6 million was collected in June 2004.
- During the year ended December 31, 2005, we collected $9.5 million related to the sale in October 2004 of our operations in France to Base D'Informations Legales Holding S.A.S. ("BIL Holding"). Proceeds from the sale were $30.1 million, primarily consisting of $15.0 million in cash ($2.1 million net of cash divested), $14.0 million in other receivables and $1.1 million in other assets.
- During the first quarter of 2004, we sold our operations in India and our Distribution Channels in Pakistan and the Middle East for $7.7 million. We received proceeds of $7.3 million (net of withholding tax), consisting of cash of $6.5 million and an investment in the amount of $0.8 million representing a 10% remaining interest in the divested entity.
- During the first quarter of 2004, we sold our operations in the Nordic region to Bonnier. We received proceeds from the sale of $42.7 million, consisting of cash of $35.9 million, notes receivable of $5.9 million, of which $0.8 million had been collected in 2004 and another receivable of $0.9 million. In the second quarter of 2004, we wrote-off the other receivable of $0.9 million related to this transaction.
- During the second quarter of 2004, we completed the sale of our Central European operations to Bonnier. Proceeds were $25.7 million, consisting of $18.1 million in cash ($7.6 million net of cash divested) and $7.6 million in other receivables, of which $5.6 million was collected in June 2004.
- During the fourth quarter of 2004, we completed the sale of our operations in Iberia. Proceeds from the sale of our Iberian operations to Informa S.A. were $13.5 million which consisted of $13.2 million in cash ($6.3 million net of cash divested) and $0.3 million in other assets.

For the years ended December 31, 2005 and 2004, we made payments of $18.1 million and $2.0 million, respectively, primarily due to the following:

- During the third quarter of 2005, we acquired LiveCapital, Inc. We paid $16.7 million, net of cash acquired of $0.5 million.
- During the third quarter of 2005, we paid the remaining balance of $1.4 million to RIBES S.p.A relating to the 2004 acquisition of an additional 16% interest in RIBES S.p.A. This additional interest resulted in a 51% ownership interest in RIBES S.p.A. During the fourth quarter of 2004, we acquired the additional 16% interest in RIBES S.p.A. for $3.4 million (net of cash acquired), of which $2.0 million was paid during the fourth quarter of 2004. For the year ended December 31, 2003, we invested $1.9 million to acquire 17.5% of RIBES S.p.A.

Investments in total capital expenditures, including computer software and other intangibles were $28.6 million and $28.8 million, for the year ended December 31, 2005 and 2004, respectively, primarily in the U.S. segment for both periods.

Cash settlements of our foreign currency contracts for our hedged transactions were $2.0 million cash inflow for the year ended December 31, 2005 as compared to a cash outflow of $4.8 million for the year ended December 31, 2004. See Note 7 to the consolidated financial statements in Item 8. of this Annual Report on Form 10-K related to our financial instruments.

Year ended December 31, 2004 vs. Year ended December 31, 2003

Net cash used in investing activities totaled $39.2 million for the year ended December 31, 2004, compared with $65.3 million for the year ended December 31, 2003. This change primarily relates to the following activities in both years.

During the year ended December 31, 2004, we increased our net investment in marketable securities by $70.8 million. During the year ended December 31, 2003, we had a net redemption of $4.3 million in marketable securities.

During the years December 31, 2004 and 2003, we received net proceeds of $65.8 million and $83.8 million, respectively, related to the sale of the following:

- During the first quarter of 2004, we sold our operations in India and our Distribution Channels in Pakistan and the Middle East for $7.7 million. We received proceeds of $7.3 million (net of withholding tax), consisting of cash of $6.5 million and an investment in the amount of $0.8 million representing a 10% remaining interest in the divested entity.

- During the second quarter of 2004, we completed the sale of our Central European operations to Bonnier. Proceeds were $25.7 million, consisting of $18.1 million in cash ($7.6 million net of cash divested) and $7.6 million in other receivables, of which $5.6 million was collected in June 2004.

- During the fourth quarter of 2004, we completed the sale of our operations in France and Iberia. Proceeds from the sale of our operations in France to BIL Holding were $30.1 million which consisted of $15.0 million in cash ($2.1 million net of cash divested), $14.0 million in other receivables, and $1.1 million in other assets. Proceeds from the sale of our Iberian operations to Informa S.A. were $13.5 million which consisted of $13.2 million in cash ($6.3 million net of cash divested) and $0.3 million in other assets.

- During the first quarter of 2004, we sold our operations in the Nordic region to Bonnier. We received proceeds from the sale of $42.7 million, consisting of cash of $35.9 million, notes receivable of $5.9 million of which $0.8 million had been collected in 2004 and another receivable of $0.9 million. In the second quarter of 2004, we wrote-off the other receivable of $0.9 million related to this transaction.

- During the year ended December 31, 2003, we received proceeds of $80.2 million from the sale of our European headquarters building in High Wycombe, England.

- During the year ended December 31, 2003, we received $1.9 million in connection with the sale of our interest in Singapore in the third quarter of 2003, collection of $1.3 million on a note receivable received during the sale of our Korean operations in the fourth quarter of 2002, and $0.4 million received in connection with the sale of our equity interest in our Italian operations during the first quarter of 2003.

For the years ended December 31, 2004 and 2003, we made payments of $2.0 million and $98.0 million, respectively, related to the following:

- We acquired an additional 16% of RIBES S.p.A., a leading provider of business information to Italian banks for $3.4 million (net of cash acquired), of which $2.0 million was paid during the fourth quarter of 2004. For the year ended December 31, 2003, we invested $1.9 million to acquire 17.5% of RIBES S.p.A.

- During 2003, we used $92.5 million of cash generated from operations to acquire Hoover's, Inc. and $5.5 million to obtain a controlling interest in three Italian real estate data companies, net of cash acquired.

Investments in total capital expenditures, including computer software, and other intangibles were $28.8 million and $30.3 million for the years ended December 31, 2004 and 2003, respectively, primarily in the U.S. segment for both periods.

Cash settlements of our foreign currency contracts for our hedged transactions were $4.8 cash outflow for the year ended December 31, 2004 as compared to a cash outflow of $14.6 million for the year ended December 31, 2003. See Note 7 to the consolidated financial statements in Item 8. of this Annual Report on Form 10-K related to our financial instruments.

Cash Used in Financing Activities

Net cash used in financing activities was $241.2 million, $233.5 million and $132.8 million for the years ended December 31, 2005, 2004 and 2003, respectively.

We have notes with a face value of $300 million and a five-year term maturing in March 2006. These notes bear interest at a fixed annual rate of 6.625%, payable semi-annually. During the first quarter of 2005, these notes were reclassified from long-term debt to short-term debt because they will mature within one year. Since the third quarter of 2001, we have entered into interest rate swap agreements to hedge a portion of this long-term debt (see Note 7 to our consolidated financial statements included in Item 8. of this Annual Report on Form 10-K). The weighted average interest rates on the long-term notes, including the benefit of the swaps on December 31, 2005 and 2004, were 6.21% and 5.62%, respectively. The notes and the fair value of the interest rate swaps are recorded as "Short-Term Debt" and "Long-Term Debt," at December 31, 2005 and 2004, respectively.

At December 31, 2005 and 2004, we had a total of $300 million of bank credit facilities available at prevailing short-term interest rates, which will expire in September 2009. These facilities also support our commercial paper borrowings. We have not drawn on the facilities and we did not have any borrowings outstanding under these facilities at December 31, 2005 and 2004. We also have not borrowed under our commercial paper program for the years ended December 31, 2005 and 2004. The facility requires the maintenance of interest coverage and total debt to EBITDA ratios (each as defined in the agreement). We were in compliance with these requirements at December 31, 2005 and 2004.

We believe that cash flows generated from operations, supplemented as needed with readily available financing arrangements, are sufficient to meet our short-term and long-term needs, including any payments that may be required in connection with our Financial Flexibility Program restructuring charges discussed in Note 3 to our consolidated financial statements included in Item 8. of this Annual Report on Form 10-K; to meet commitments and contractual obligations as presented in Note 12 to our consolidated financial statements included in Item 8. of this Annual Report on Form 10-K, and to settle or resolve the contingencies discussed in Note 13 to consolidated financial statements included in Item 8. of this Annual Report on Form 10-K, excluding our legal matters identified therein for which the exposures are not estimable.

Year ended December 31, 2005 vs. Year ended December 31, 2004

Net cash used in financing activities was $241.2 million for the year December 31, 2005 and $233.5 million for December 31, 2004.

During the years ended December 31, 2005 and 2004, respectively, cash used in financing activities was largely attributable to the purchase of treasury shares. For the year ended December 31, 2005, we repurchased 1,517,835 shares of our stock for $95.6 million to mitigate the dilutive effect of the shares issued under our stock incentive plans and Employee Stock Purchase Plan. Additionally, we repurchased 3,179,840 shares for $200.0 million related to a previously announced $400 million two-year share repurchase program approved by our Board of Directors in February 2005. For the year ended December 31, 2004, we repurchased 971,654 shares of stock for $51.8 million to mitigate the dilutive effect of the shares issued under our stock incentive plans and Employee Stock Purchase Plan. Additionally, we repurchased 3,601,986 shares for $200.0 million related to a $200 million one-year share repurchase program approved by our Board of Directors in February 2004. This program was completed by December 31, 2004.

For the year ended December 31, 2005, net proceeds from our employee stock plans were $64.5 million, compared to $18.0 million for the year ended December 31, 2004. The increase was driven by increased stock option exercise activity during 2005.

As part of our spin-off from Moody's/D&B2 in 2000, Moody's and D&B entered into a Tax Allocation Agreement dated as of September 30, 2000. Based on the Tax Allocation Agreement, we made a payment of $9.2 million to Moody's/D&B2 during the second quarter of 2005. See "Future Liquidity — Sources and Uses of Funds — Contractual Cash Obligations" for further detail.

Year ended December 31, 2004 vs. Year ended December 31, 2003

Net cash used in financing activities was $233.5 million for the year ended December 31, 2004 and $132.8 million for the year ended December 31, 2003.

During the years ended December 31, 2004 and 2003, respectively, cash used in financing activities was largely attributable to the purchase of treasury shares. For the year ended December 31, 2004, we repurchased 971,654 shares of our stock for $51.8 million to mitigate the dilutive effect of the shares issued under our stock incentive plans and Employee Stock Purchase Plan. Additionally, we repurchased 3,601,986 shares for $200.0 million related to a previously announced $200 million one-year share repurchase program approved by our Board of Directors in February 2004. For the year ended December 31, 2003, we repurchased 1,381,276 shares of stock for $56.1 million to mitigate the dilutive effect of the shares issued under our stock incentive plans and Employee Stock Purchase Plan. Additionally, for the year ended December 31, 2003, we repurchased 2,377,924 shares for $100.0 million to complete a previously announced $100 million two-year share repurchase program approved by our Board in October 2002. This program was completed by December 31, 2003.

For the year ended December 31, 2004, net proceeds from our employee stock plans were $18.0 million, compared with $23.4 million for the year ended December 31, 2003.

Future Liquidity — Sources and Uses of Funds

Contractual Cash Obligations

The following table quantifies as of December 31, 2005, our contractual obligations that will require the use of cash in the future.

	Payments Due by Period						
Contractual Obligations	**Total**	**2006**	**2007**	**2008**	**2009**	**2010**	**Thereafter**
			(Amounts in millions)				
Short-Term Debt(1)	$ 300.0	$300.0	$ —	$ —	$ —	$ —	$ —
Operating Leases(2)	$ 88.2	$ 23.0	$17.4	$14.1	$10.9	$ 8.4	$ 14.4
Obligations to Outsourcers(3)	$ 540.3	$ 91.8	$82.4	$82.6	$81.7	$80.4	$121.4
Pension and Other Postretirement Benefits Payments/Contributions(4)	$1,082.5	$ 44.8	$36.3	$32.6	$31.8	$33.7	$903.3
Spin-off Obligation(5)	$ 35.0	$ 35.0	$ —	$ —	$ —	$ —	$ —

(1) Our $300 million debt obligation under our fixed-rate notes is repayable in March 2006. On September 30, 2005, we entered into an interest rate derivative transaction with an aggregate notional amount of $200 million. The objective of the hedge is to mitigate the variability of future cash flows from market changes in treasury rates in the anticipation of a future debt issuance during the first half of 2006. This transaction has been accounted for as a cash flow hedge. As such, changes in fair value of the swap that take place through the date of debt issuance are recorded in accumulated other comprehensive income. At December 31, 2005, the derivative had a fair value of approximately $0.8 million.

(2) Most of our operations are conducted from leased facilities, which are under operating leases that expire over the next 10 years, with the majority expiring within five years. We also lease certain computer and other equipment under operating leases that expire over the next three years. These computer and other equipment leases are frequently renegotiated or otherwise changed as the lease terms expire and as advancements in computer technology present opportunities to lower costs and improve performance.

(3) In July 2002, we outsourced certain technology functions to CSC under a 10-year agreement, which we may terminate for a fee at any time and under certain conditions. Under the terms of the agreement, CSC is responsible for the data center operations, technology help desk, network management functions and for certain application development and maintenance in the U.S. and UK. For the year ended December 31, 2005, we incurred $65.4 million under this contract and have a remaining commitment of approximately $436 million.

In December 2003, we signed a three-year agreement with ICT Group, Inc. ("ICT"), effective January 2004, to outsource certain marketing calling activities. We may terminate this agreement for a fee at any time. Under the terms of the agreement, ICT will be responsible for performing certain marketing and credit-calling activities previously performed by D&B's own call centers in North America. The obligation under the contract is based upon transmitted call volumes, but shall not be less than $3 million per contract year. For the year ended December 31, 2005, we incurred $5.2 million under this contract and have a remaining commitment of approximately $3 million.

On October 15, 2004, we entered into a seven-year outsourcing agreement with IBM. Under the terms of the agreement, we have transitioned certain portions of our data acquisition and delivery, customer service, and financial processes to IBM. In addition, we may terminate this agreement for a fee at any time. For the year ended December 31, 2005, we incurred $24.4 million under this contract and have a remaining commitment of approximately $80 million.

(4) Pension and Other Postretirement Benefits Payments/Contributions:

Represents projected contributions to our non-U.S. defined benefit plans as well as projected benefit payments related to our unfunded plans, including the U.S. Non-Qualified Plans and our postretirement benefit plan. We do not expect to make any contributions to our U.S. Qualified Plan. The expected benefits are estimated based on the same assumptions used to measure our benefit obligation at the end of 2005 and include benefits attributable to estimated future employee service. A closed group approach is used in calculating the projected benefit payments, assuming that only the participants who are currently in the valuation population are included in the projection and the projected benefits continue for up to approximately 99 years.

(5) As part of our spin-off from Moody's/D&B2 in 2000, Moody's and us entered into a Tax Allocation Agreement dated as of September 30, 2000 (the "TAA"). Under the TAA, Moody's/D&B2 and D&B agreed that Moody's/D&B2 would be entitled to deduct compensation expense associated with the exercise of Moody's/D&B2 stock options (including Moody's/D&B2 options exercised by D&B employees) and we would be entitled to deduct the compensation expense associated with the exercise of D&B stock options (including D&B options exercised by employees of Moody's/D&B2). In other words, the tax deduction goes to the company that issued the stock options. The TAA provides, however, that if the IRS issues rules, regulations or other authority contrary to the agreed upon treatment of the tax deductions thereunder, then the party that becomes entitled under such new guidance to take the deduction may be required to reimburse the tax benefit it has realized, in order to indemnify the other party for its loss of such deduction. The IRS issued rulings discussing an employer's entitlement to stock option deductions after a spin-off or liquidation that appear to require that the tax deduction belongs to the employer of the optionee and not the issuer of the option. Accordingly, under the TAA, we received the benefit of additional tax deductions and under the TAA we may be required to reimburse Moody's/D&B2 for the loss of income tax deductions relating to 2002 to 2005 of approximately $35.0 million in the aggregate for such years. This potential reimbursement is a reduction to shareholders' equity and has no impact on EPS.

Capital Structure

Every year we examine our capital structure and review our plans. For 2006, we have made decisions to target:

- returning all excess cash to shareholders; and
- maintaining our current debt rating.

In the past, we had chosen to keep excess cash on our balance sheet so it would be available to us as we worked through our legacy matters. Given that we have significantly reduced our exposure to these matters and have visibility into our cash requirements for 2006, we are comfortable with the position of no excess cash on hand. In addition, we have the ability to access the short-term borrowings market from time to time to fund working capital needs, acquisitions and share repurchases, if needed. Such borrowings would be supported by our bank credit facilities. The lower cash position will decrease our interest income in 2006.

Share Repurchases and Dividends

On January 31, 2006, our Board of Directors approved the addition of $100 million to our existing $400 million two-year special share repurchase program, of which $200.0 million was repurchased during the year ended December 31, 2005. The program is to be completed by the end of fiscal year 2006 and we plan to buy a total of $300 million under our special share repurchase program in 2006. This amount is in addition to the existing repurchase program to offset the dilutive effect of shares issued under our stock incentive plans and Employee Stock Purchase Plan. For the year ended December 31, 2005, we repurchased 3,179,840 shares associated with this two-year special share repurchase program at an aggregate cost of $200.0 million.

In addition, we continued to repurchase shares, subject to market conditions, to offset the dilutive effect of the shares issued under our stock incentive plans and Employee Stock Purchase Plan. For the year ended December 31, 2005, we repurchased 1,517,835 shares of stock for $95.6 million. Partially offsetting the cash used for repurchase is $64.5 million of net proceeds from employees related to the stock incentive plans and Employee Stock Purchase Plan. In 2006, we expect to see a significant increase in share repurchases to offset dilution from our equity plans.

We did not pay any dividends on our common stock during the years ended December 31, 2005 and 2004, respectively, and we do not currently have plans to pay dividends to shareholders in 2006.

Potential Payments in Tax and Legal Matters

We and our predecessors are involved in certain tax and 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 "Item 3. Legal Proceedings." We believe we have adequate reserves recorded in our consolidated financial statements for our share of current exposures in these matters.

Financial Flexibility Program

On January 31, 2006, our Board of Directors approved our 2006 Financial Flexibility Program. Through this program, we will create financial flexibility through a number of initiatives in 2006, including:

- Eliminating, standardizing, and consolidating redundant technology platforms, software licenses and maintenance agreements;
- Standardizing and consolidating customer service teams and processes to increase productivity and capacity utilization;
- Consolidating our vendors to improve purchasing power; and
- Improving operating efficiencies of facilities.

We expect to complete all actions under the 2006 program by December 2006. On an annualized basis, these actions are expected to create $70 million to $75 million of financial flexibility, of which approximately $50 million to $55 million will be generated in 2006, before any transition costs and restructuring charges and before any reallocation of spending. To implement these initiatives, we expect to incur transition costs of approximately $15 million. In addition, we expect to incur non-core charges totaling $23 million to $28 million pre-tax, of which $10 million to $14 million relate to severance, approximately $9 million to $10 million relate to lease termination obligations and approximately $4 million relate to other exit costs in 2006.

Approximately $36 million to $41 million of these transition costs and restructuring charges are expected to result in cash expenditures. In addition, as a result of this re-engineering program, we expect that approximately 125 to 150 positions will be eliminated globally.

Pension Plan and Postretirement Benefit Plan Contribution Requirements

For financial statement reporting purposes, the funded status of our pension plans, as determined in accordance with GAAP, was a surplus of $76.2 million for the U.S. Qualified Plan, a deficit of $247.4 million for the U.S. Non-Qualified Plans, and a deficit of $55.5 million for the non-U.S. plans at December 31, 2005, as compared to a surplus of $89.8 million, a deficit of $231.0 million, and a deficit of $58.4 million, respectively for such plans, at December 31, 2004. The reduction in funded status of the U.S. plans was due primarily to the higher projected benefit obligation at December 31, 2005 driven by a lower discount rate and other assumption changes and experience loss during the year, partially offset by the gains in the plans' equity investments. This is detailed further in Note 10 to our consolidated financial statements included in Item 8. of this Annual Report on Form 10-K.

For funding purposes, as governed by the Internal Revenue Service regulations, we are not required to contribute to the U.S. Qualified Plan, the largest of our plans in 2006, as the plan is considered "fully funded" under the provisions of the Internal Revenue Code.

If the U.S. Qualified Plan asset returns are flat and the assets decline by the amount of benefits paid to plan participants, and all other factors affecting when contributions are required remain the same, we would not be required to make contributions to this plan until 2010. If plan assets appreciate between now and 2010, the need to make a required contribution would be delayed beyond 2010. If plan assets depreciate, we could be required to make contributions sooner than 2010. In addition, if the U.S. Congress renews the Pension Funding Equity Act, we could delay contributions beyond 2010, assuming there is no return on plan assets. (This Act includes a provision governing the Current Liability Interest Rate to be used beginning in 2004 for calculating the Additional Funding Requirement under the Internal Revenue Code. However, the Act provides only two years of relief). Currently there are two pension reform bills in Congress that have been passed separately in the House and in the Senate. If either of these is passed into law, a contribution to the Retirement Account could be due sooner than 2010. Whether or not contributions are required, we may voluntarily make contributions to this plan sooner than 2010, if allowable under Internal Revenue Code funding provisions.

We expect to continue to make cash contributions to our other pension plans for the year ended December 31, 2006. The expected 2006 contribution is approximately $32.4 million, compared to $32.2 million in 2005. In addition, we expect to make benefit payments related to our postretirement benefit plan of approximately $12.4 million for the year ended December 31, 2006, compared to $14.7 million for the year ended December 31 2005. See the table of Contractual Cash Obligations above for projected contributions and benefit payments beyond 2006.

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. Additionally, we have not engaged in any significant related-party transactions.

Foreign Earnings Repatriation

During the third quarter of fiscal year 2005, our Chief Executive Officer and Board of Directors approved a domestic reinvestment plan as required by the American Jobs Creation Act of 2004. During the fourth quarter of fiscal year 2005, we repatriated $150.0 million in extraordinary dividends, as defined in the Act, and accordingly have recorded a tax liability of $9.3 million as of December 31, 2005. The $150.0 million of cash funds repatriated will be invested in the business to drive growth and to pay U.S. salary and wages pursuant to our Domestic Reinvestment Program approved by our Board of Directors.

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 Webcasts. These forward-looking statements can be identified by the use of words like "anticipates," "aspirations," "believes," "continues," "estimates," "expects," "goals," "guidance," "intends," "plans," "projects," "strategy," "targets," "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 partners in our D&B Worldwide Network, and outsourcing partners;
- Demand for our products is subject to intense competition, changes in customer preferences and, to a lesser extent, economic conditions which impact customer behavior;
- The profitability of our International segment depends on our ability to identify and execute on various initiatives, such as the implementation of subscription plan pricing 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;
- Our ability to renew large contracts and the timing thereof may impact our results of operations from period to period;
- Our results, including operating income, are subject to the effects of foreign economies, exchange rate fluctuations and U.S. and foreign legislative or regulatory requirements, and the adoption of new or changes in accounting policies and practices, including pronouncements by the Financial Accounting Standards Board or other standard setting bodies;
- Our solutions and brand image are dependent upon the integrity 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 data center capacity;
- We are involved in various tax matters and legal proceedings, the outcomes of which are unknown and uncertain with respect to the impact on our cash flow and profitability;
- Our ability to successfully implement our Blueprint for Growth Strategy requires that we successfully reduce our expense base through our Financial Flexibility Program, and reallocate certain of the expense base reductions into initiatives that produce desired revenue growth;
- Our future success requires that we attract and retain qualified personnel in regions throughout the world;

- Our ability to repurchase shares is subject to market conditions, including trading volume in our stock, and our ability to repurchase securities in accordance with applicable securities laws;
- Our projection for free cash flow in 2006 is dependent upon our ability to generate revenue, our collection processes, customer payment patterns and the amount and timing of payments related to the tax and other matters and legal proceedings in which we are involved; and
- Our ability to acquire and successfully integrate other complimentary businesses, products and technologies into our existing business, without significant disruption to our existing business or to our financial results.

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 this 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 this Annual Report on the Form 10-K should not be considered to be a complete discussion of all our potential trends, risks and uncertainties. Except as otherwise required by federal securities laws, we do not undertake to update any forward-looking statement we may make from time to time.

Item 7A. *Quantitative and Qualitative Disclosures About Market Risk*

Information in response to this Item is set forth under the caption "Market Risk" in Item 7, in this Annual Report on Form 10-K.

Item 8. ***Financial Statements and Supplementary Data***

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Schedules

These schedules are omitted as they are not required or inapplicable or because the required information is provided in our consolidated financial statements, including the notes to our consolidated financial statements.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

Management is responsible for the preparation of the consolidated financial statements and related information appearing in this report. Management believes that the consolidated financial statements fairly reflect the form and substance of transactions and that the financial statements reasonably present our financial position and results of operations in conformity with generally accepted accounting principles. Management also has included in the financial statements amounts that are based on estimates and judgements which it believes are reasonable under the circumstances.

The independent registered public accounting firm audits our consolidated financial statements in accordance with the standards of the Public Company Accounting Oversight Board and provides an objective, independent review of the fairness of reported operating results and financial position.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934. Management designed our internal control systems in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principals generally accepted in the United States of America. Our internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principals, and that receipts and expenditures are being made only in accordance with authorizations of management and directors; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of our assets that could have a material effect on the financial statements.

Our internal control systems are augmented by written policies, an organizational structure providing for division of responsibilities, careful selection and training of qualified financial personnel and a program of internal audits.

Management conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on its evaluation, our management concluded that our internal control over financial reporting was effective as of December 31, 2005.

Our management's assessment of the effectiveness of our internal control over financial reporting as of December 31, 2005 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their attestation report, which is included herein.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors of The Dun & Bradstreet Corporation:

We have completed integrated audits of The Dun & Bradstreet Corporation's 2005 and 2004 consolidated financial statements and of its internal control over financial reporting as of December 31, 2005, and an audit of its 2003 consolidated financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Our opinions based on our audits, are presented below.

Consolidated financial statements

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations, shareholders' equity and cash flows present fairly, in all material respects, the financial position of The Dun & Bradstreet Corporation at December 31, 2005 and December 31, 2004, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2005 in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Notes 2, 5 and 10, the Company adopted the provisions of FASB Staff Position No. 106-2, "Accounting and Disclosure Requirements Related to the Medicare Prescription Drug Improvement and Modernization Act of 2003" in 2004, and FASB Staff Position No. 109-2, "Accounting and Disclosure Guidance for the Foreign Earnings Repatriation Provision within the American Jobs Creation Act of 2004" in 2005.

Internal control over financial reporting

Also, in our opinion, management's assessment, included in "Management's Report on Internal Control Over Financial Reporting" appearing on page 62, that the Company maintained effective internal control over financial reporting as of December 31, 2005 based on criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), is fairly stated, in all material respects, based on those criteria. Furthermore, in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2005, based on criteria established in *Internal Control — Integrated Framework* issued by the COSO. The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting. Our responsibility is to express opinions on management's assessment and on the effectiveness of the Company's internal control over financial reporting based on our audit. We conducted our audit of internal control over financial reporting in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. An audit of internal control over financial reporting includes obtaining an understanding of internal control over financial reporting, evaluating management's assessment, testing and evaluating the design and operating effectiveness of internal control, and performing such other procedures as we consider necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control

over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PricewaterhouseCoopers LLP

Florham Park, New Jersey
February 28, 2006

THE DUN & BRADSTREET CORPORATION

CONSOLIDATED STATEMENTS OF OPERATIONS

	For the Years Ended December 31,		
	2005	2004	2003
	(Dollar amounts in millions, except per share data)		
Operating Revenues	$ 1,443.6	$ 1,414.0	$ 1,386.4
Operating Expenses	412.0	403.9	433.3
Selling and Administrative Expenses	600.8	612.0	579.9
Depreciation and Amortization	36.1	47.3	64.0
Restructuring Expense	30.7	32.0	17.4
Operating Costs	1,079.6	1,095.2	1,094.6
Operating Income	364.0	318.8	291.8
Interest Income	10.6	8.4	4.2
Interest Expense	(21.1)	(18.9)	(18.6)
Other Income — Net	0.6	32.5	3.0
Non-Operating (Expense) Income — Net	(9.9)	22.0	(11.4)
Income before Provision for Income Taxes	354.1	340.8	280.4
Provision for Income Taxes	133.6	129.2	106.2
Equity in Net Income of Affiliates	0.7	0.2	0.3
Net Income	$ 221.2	$ 211.8	$ 174.5
Basic Earnings Per Share of Common Stock	$ 3.31	$ 3.01	$ 2.37
Diluted Earnings Per Share of Common Stock	$ 3.19	$ 2.90	$ 2.30
Weighted Average Number of Shares Outstanding — Basic	66,843,000	70,415,000	73,490,000
Weighted Average Number of Shares Outstanding — Diluted	69,415,000	73,104,000	75,826,000

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

THE DUN & BRADSTREET CORPORATION

CONSOLIDATED BALANCE SHEETS

	At December 31, 2005	At December 31, 2004
	(Dollar amounts in millions, except per share data)	
ASSETS		
Current Assets		
Cash and Cash Equivalents	$ 195.3	$ 252.9
Marketable Securities	109.4	82.6
Accounts Receivable — Net of Allowance of $22.0 at December 31, 2005 and $19.4 at December 31, 2004	380.3	382.1
Other Receivables	36.0	16.8
Deferred Income Tax	22.3	15.9
Other Current Assets	16.0	11.8
Total Current Assets	759.3	762.1
Non-Current Assets		
Property, Plant and Equipment, Net of Accumulated Depreciation of $190.2 at December 31, 2005 and $202.5 at December 31, 2004	44.2	51.2
Prepaid Pension Costs	470.8	455.3
Computer Software, Net of Accumulated Amortization of $315.9 at December 31, 2005 and $328.0 at December 31, 2004	32.0	32.4
Goodwill	220.2	217.0
Deferred Income Tax	37.9	60.9
Other Non-Current Assets	49.0	56.6
Total Non-Current Assets	854.1	873.4
Total Assets	$1,613.4	$1,635.5
Current Liabilities		
Accounts Payable	$ 43.9	$ 50.2
Accrued Payroll	108.7	110.8
Accrued Income Tax	1.5	22.2
Short-Term Debt	300.8	—
Other Accrued and Current Liabilities	160.5	141.8
Deferred Revenue	413.7	388.6
Total Current Liabilities	1,029.1	713.6
Pension and Postretirement Benefits	432.6	468.0
Long-Term Debt	0.1	300.0
Other Non-Current Liabilities	74.0	99.7
Total Liabilities	1,535.8	1,581.3
Commitments and Contingencies (Note 12 and Note 13)		
Shareholders' Equity		
Series A Junior Participating Preferred Stock, $0.01 par value per share, authorized — 500,000 shares; — outstanding — none	—	—
Preferred Stock, $0.01 par value per share, authorized — 9,500,000 shares; — outstanding — none	—	—
Series Common Stock, $0.01 par value per share, authorized — 10,000,000 shares; — outstanding — none	—	—
Common Stock, $0.01 par value per share, authorized — 200,000,000 shares; — issued — 81,945,520	0.8	0.8
Unearned Compensation Restricted Stock	(5.4)	(1.4)
Capital Surplus	183.8	198.2
Retained Earnings	891.5	670.3
Treasury Stock, at cost, 14,888,499 shares at December 31, 2005 and 13,331,966 shares at December 31, 2004	(705.5)	(557.6)
Cumulative Translation Adjustment	(175.7)	(149.0)
Minimum Pension Liability Adjustment	(112.7)	(107.1)
Other Comprehensive Income	0.8	—
Total Shareholders' Equity	77.6	54.2
Total Liabilities and Shareholders' Equity	$1,613.4	$1,635.5

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

THE DUN & BRADSTREET CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Years Ended December 31,		
	2005	2004	2003
	(Dollar amounts in millions)		
Cash Flows from Operating Activities:			
Net Income	$ 221.2	$ 211.8	$ 174.5
Reconciliation of Net Income to Net Cash Provided by Operating Activities:			
Depreciation and Amortization	36.1	47.3	64.0
Loss from Sale of Real Estate	—	—	13.8
(Gain) Loss from Sales of Businesses and Investments	(0.6)	(31.5)	2.1
Income Tax Benefit due to Exercise of Stock Incentive Plans	74.7	6.9	12.4
Amortization of Restricted Stock	12.3	1.4	2.1
Restructuring Expense	30.7	32.0	17.4
Restructuring Payments	(32.5)	(27.5)	(30.0)
Deferred Income Taxes, Net	(4.0)	71.1	35.5
Accrued Income Taxes, Net	(39.4)	(16.5)	10.6
Changes in Current Assets and Liabilities:			
Increase in Accounts Receivable	(23.7)	(8.5)	(9.3)
Net (Increase) Decrease in Other Current Assets	(5.2)	8.4	(1.2)
Increase in Deferred Revenue	37.1	28.3	3.5
(Decrease) Increase in Accounts Payable	(2.8)	0.2	—
Net Increase (Decrease) in Accrued Liabilities	16.4	(6.9)	(24.9)
Net Decrease in Other Accrued and Current Liabilities	(6.0)	(6.8)	(7.2)
Changes in Non-Current Assets and Liabilities:			
Increase in Other Long-Term Assets	(18.4)	(37.5)	(36.7)
Net (Decrease) Increase in Long-Term Liabilities	(34.8)	(4.8)	9.4
Net, Other Non-Cash Adjustments	0.4	0.2	(0.3)
Net Cash Provided by Operating Activities	261.5	267.6	235.7
Cash Flows from Investing Activities:			
Proceeds from Sales of Real Estate	—	—	80.2
Investments in Marketable Securities	(225.6)	(223.2)	(0.2)
Redemptions of Marketable Securities	198.8	152.4	4.5
Proceeds from Sales of Businesses, Net of Cash Divested	16.5	65.8	3.6
Payments for Acquisitions of Businesses, Net of Cash Acquired	(18.1)	(2.0)	(98.0)
Cash Settlements of Foreign Currency Contracts	2.0	(4.8)	(14.6)
Capital Expenditures	(5.7)	(12.1)	(11.0)
Additions to Computer Software and Other Intangibles	(22.9)	(16.7)	(19.3)
Net Assets Held for Sales of Businesses	—	—	(9.9)
Investments in Unconsolidated Affiliates	—	—	(1.9)
Net, Other	0.9	1.4	1.3
Net Cash Used in Investing Activities	(54.1)	(39.2)	(65.3)
Cash Flows from Financing Activities:			
Payments for Purchase of Treasury Shares	(295.6)	(251.8)	(156.1)
Net Proceeds from Stock Plans	64.5	18.0	23.4
Spin-off Obligation	(9.2)	—	—
Decrease in Short-Term Borrowings	(1.0)	—	—
Net, Other	0.1	0.3	(0.1)
Net Cash Used in Financing Activities	(241.2)	(233.5)	(132.8)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(23.8)	19.0	9.5
(Decrease) Increase in Cash and Cash Equivalents	(57.6)	13.9	47.1
Cash and Cash Equivalents, Beginning	252.9	239.0	191.9
Cash and Cash Equivalents, End	$ 195.3	$ 252.9	$ 239.0
Supplemental Disclosure of Cash Flow Information:			
Cash Paid Year to Date for:			
Income Taxes, Net of Refunds	$ 102.4	$ 67.6	$ 47.5
Interest	$ 19.0	$ 17.2	$ 17.2

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

THE DUN & BRADSTREET CORPORATION

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

For the Years Ended December 31, 2005

(Dollar amounts in millions, except per share data)

	Common Stock ($0.01 Par Value)	Unearned Compensation Restricted Stock	Capital Surplus	Retained Earnings	Treasury Stock	Cumulative Translation Adjustment	Minimum Pension Liability Adjustment	Mark-to-Market Interest Rate Derivative	Total Shareholders' Equity	Comprehensive Income (Loss)
Balance, January 1, 2003	$0.8	$(0.6)	$218.7	$284.0	$(240.3)	$(194.2)	$ (87.2)	$ —	$ (18.8)	
Net Income				174.5					174.5	$174.5
Treasury Shares Reissued Under Stock Options, Deferred, and Other Compensation Plans and Restricted Stock Plan (1,545,362)		(5.1)	(14.3)		51.5				32.1	
Treasury Shares Reissued Under Employee Stock Purchase Plan (108,440)					3.6				3.6	
Treasury Shares Acquired (3,759,200)					(156.1)				(156.1)	
Amortization of Restricted Stock Awards		2.1							2.1	
Restricted Stock Surrendered		0.3			(0.3)				—	
Change in Cumulative Translation Adjustment						16.9			16.9	16.9
Change in Minimum Pension Liability Adjustment							(5.9)		(5.9)	(5.9)
Total Comprehensive Income										$185.5
Balance, December 31, 2003	0.8	(3.3)	204.4	458.5	(341.6)	(177.3)	(93.1)	—	48.4	
Net Income				211.8					211.8	$211.8
Treasury Shares Reissued Under Stock Options, Deferred, and Other Compensation Plans and Restricted Stock Plan (836,381)		0.5	(6.9)		32.0				25.6	
Treasury Shares Reissued Under Employee Stock Purchase Plan (97,295)			0.7		3.8				4.5	
Treasury Shares Acquired (4,573,640)					(251.8)				(251.8)	
Amortization of Restricted Stock Awards		1.4							1.4	
Change in Cumulative Translation Adjustment						28.3			28.3	28.3
Change in Minimum Pension Liability Adjustment							(14.0)		(14.0)	(14.0)
Total Comprehensive Income										$226.1
Balance, December 31, 2004	0.8	(1.4)	198.2	670.3	(557.6)	(149.0)	(107.1)	—	54.2	
Net Income				221.2					221.2	$221.2
Treasury Shares Reissued Under Stock Options, Deferred, and Other Compensation Plans and Restricted Stock Plan (3,046,981)		(16.3)	(15.2)		143.5				112.0	
Treasury Shares Reissued Under Employee Stock Purchase Plan (94,161)			0.8		4.2				5.0	
Treasury Shares Acquired (4,697,675)					(295.6)				(295.6)	
Amortization of Restricted Stock Awards		12.3							12.3	
Change in Cumulative Translation Adjustment						(26.7)			(26.7)	(26.7)
Change in Minimum Pension Liability Adjustment							(5.6)		(5.6)	(5.6)
Mark-to-Market Interest Rate Derivative								0.8	0.8	0.8
Total Comprehensive Income										$189.7
Balance, December 31, 2005	$0.8	$(5.4)	$183.8	$891.5	$(705.5)	$(175.7)	$(112.7)	$0.8	$ 77.6	

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

Notes to Consolidated Financial Statements
(Tabular dollar amounts in millions, except per share data)

Note 1. Description of Business and Summary of Significant Accounting Policies

Description of Business. The Dun & Bradstreet Corporation ("D&B" or "we" or "our") provides global business information, tools and insight, and has enabled customers to Decide with Confidence® for over 160 years. Our proprietary DUNSRight® quality process provides our customers with quality business information. This quality information is the foundation of our solutions that customers rely on to make critical business decisions. Customers use our Risk Management Solutions™ to mitigate credit risk, increase cash flow and drive increased profitability, our Sales & Marketing Solutions™ to increase revenue from new and existing customers, our E-Business Solutions™ to convert prospects to clients faster by enabling business professionals to research companies, executives and industries and our Supply Management Solutions™ to increase cash by generating ongoing savings from our customers' suppliers and protecting our customers from serious financial, operational and regulatory risk.

Basis of Presentation. The preparation of financial statements and related disclosures in conformity with accounting principles generally accepted in the United States of America requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period reported. As discussed throughout this Note 1, we base our estimates on historical experience, current conditions and various other factors that we believe to be reasonable under the circumstances. Significant items subject to such estimates and assumptions include valuation allowances for receivables and deferred income tax assets; liabilities for potential tax deficiencies and potential litigation claims and settlements; assets and obligations related to employee benefits; allocation of the purchase price in acquisition accounting; long-term asset and amortization recoverability; revenue deferrals; and restructuring charges. We review estimates and assumptions periodically and reflect the revisions in the consolidated financial statements in the period in which we determine any revisions to be necessary. Actual results could differ from those estimates under different assumptions or conditions.

The consolidated financial statements include our accounts, as well as those of our subsidiaries and investments in which we have a controlling interest. Investments in companies over which we have significant influence but not a controlling interest are carried under the equity method. Investments over which we do not have significant influence are recorded at cost. We periodically review our investments to determine if there has been any impairment judged to be other than temporary. Such impairments are recorded as write-downs in the statement of operations.

All intercompany transactions and balances have been eliminated in consolidation.

The financial statements of our subsidiaries outside the United States and Canada reflect a fiscal year ended November 30 to facilitate timely reporting of our consolidated financial results and financial position.

Certain prior-year amounts have been reclassified to conform to the current year presentation.

Significant Accounting Policies

Revenue Recognition. Our Risk Management Solutions are generally sold under monthly or annual contracts that enable a customer to purchase our information solutions during the period of contract at prices per an agreed price list, up to the contracted dollar limit. Revenue on these contracts is recognized as solutions are delivered to the customer based on the per-solution price. Any additional solutions purchased over this limit may be subject to pricing variations and revenue is recognized as the solutions are delivered. If customers do not use the full value of their contract and forfeit the unused portion, we recognize the forfeited amount as revenue at contract expiration.

We have fixed price subscription contracts for larger customers that allow those customers unlimited use within predefined ranges, subject to certain conditions. In these instances, we recognize revenue ratably over the term of the contract, which is generally one year.

Revenue related to services provided over the contract term, such as monitoring services, is recognized ratably over the contract period, which is typically one year.

For Sales & Marketing Solutions and Supply Management Solutions, we generally recognize revenue upon delivery of the information file to the customer. For arrangements that include periodic updates to that information file over the contract term, the portion of the revenue related to updates expected to be delivered is deferred and recognized as the updates are delivered, usually on a quarterly or monthly basis. For subscription solutions that provide continuous access to our generic marketing information and business reference databases, as well as any access fees or hosting fees related to enabling customers access to our information, revenue is recognized ratably over the term of the contract, which is typically one year.

We have certain solution offerings that are sold as multi-element arrangements. The multiple elements may include information files, file updates for certain solutions, software and/or services. Revenue for each element is recognized when that element is delivered to the customer based upon the relative fair value for each element. For offerings that include software that is considered to be more than incidental, we recognize revenue when a non-cancelable license agreement has been signed, the software has been shipped and installed. Maintenance revenues, which consist of fees for ongoing support and software updates, are recognized ratably over the term of the contract, typically one year, when the maintenance for the software is considered significant. When maintenance is insignificant, we recognize the revenue associated with the software and maintenance when the agreement is signed and product is shipped.

Revenues from consulting and training services are recognized as the services are performed.

For E-Business Solutions, which includes Hoover's, Inc., we provide subscription solutions that provide continuous access to our business information databases. Revenue is recognized ratably over the term of the contract, which is generally one year. Any additional solutions purchased are recognized once they are delivered and billed to the customer.

Amounts billed in advance are recorded as deferred revenue on the balance sheet. The deferred revenue is recognized as the services are performed.

Sales Cancellations. In determining sales cancellation allowances, we analyze historical trends, customer-specific factors, current economic trends and changes in customer demand.

Allowance For Bad Debts. With respect to estimating bad debt allowances, we analyze the aging of accounts receivable, historical bad debts, customer creditworthiness and current economic trends.

Restructuring Charges. We account for restructuring charges initiated after December 31, 2002, in accordance with Statement of Financial Accounting Standards ("SFAS") No. 146, "Accounting for Costs Associated with Exit or Disposal Activities." SFAS No. 146 addresses financial accounting and reporting for costs associated with restructuring activities, including severance and lease termination obligations, and other related exit costs. Under SFAS No. 146, we establish a liability for a cost associated with an exit or disposal activity, including severance and lease termination obligations, and other related exit 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.

Prior to January 1, 2003, we accounted for our restructuring activities in accordance with Emerging Issues Task Force ("EITF") Issue No. 94-3, "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring)."

Employee Benefit Plans. We offer defined benefit pension plans to substantially all of our employees in our operations in the U.S. as well as certain of our International operations. The plans provide benefits that are based on the employees' average annual compensation, age and years of service. We also provide various health care and life insurance benefits for our retired employees. We use actuarial assumptions to calculate pension and benefit costs as well as pension assets and liabilities included in our consolidated financial statements.

Income Taxes. Income taxes are determined in accordance with SFAS No. 109, "Accounting for Income Taxes," which requires recognition of deferred income tax liabilities and assets for the expected future tax consequences of events that have been included in the consolidated financial statements or tax returns. Under this method, deferred income tax liabilities and assets are determined based on the difference between financial statement and tax basis of liabilities and assets using enacted tax rates in effect for the year in which the differences are expected to reverse. SFAS No. 109 also provides for the recognition of deferred tax assets if it is more likely than not that the assets will be realized in future years. We have established a valuation allowance for deferred tax assets for which realization is not likely. In assessing the valuation allowance, we have considered future taxable income and ongoing prudent and feasible tax planning strategies.

Legal and Tax Contingencies. We are involved in tax and legal proceedings, claims and litigation arising in the ordinary course of business. We periodically assess our liabilities and contingencies in connection with these matters, based upon the latest information available. For those matters where it is probable that we have incurred a loss and the loss or range of loss can be reasonably estimated, we have recorded reserves in the consolidated financial statements. In other instances, because of the uncertainties related to both the probable outcome and amount or range of loss, we are unable to make a reasonable estimate of a liability, if any. As additional information becomes available, we adjust our assessment and estimates of such liabilities accordingly.

Cash and Cash Equivalents. We consider all investments purchased with an initial term to maturity of three months or less to be cash equivalents. These instruments are stated at cost, which approximates market value because of the short maturity of the instruments.

Marketable Securities. In accordance with SFAS No. 115, "Accounting for Certain Investments in Debt and Equity Securities," certain of our marketable securities are classified as "available for sale" and are reported at fair value, with net unrealized gains and losses reported in shareholders' equity. The fair value of the marketable securities is based on quoted market prices. Realized gains and losses on marketable securities are determined using the specific identification method.

Marketable "available for sale" securities classified as current assets were $109.4 million and $82.6 million at December 31, 2005 and 2004, respectively.

Restricted Assets. At December 31, 2005 and 2004, the restricted assets solely consisted of cash and cash equivalents. Such amounts are included in "Other Non-Current Assets." We had restricted assets of $13.6 million and $12.5 million at December 31, 2005 and 2004, respectively, held in grantor trusts primarily to fund certain pension obligations (see Note 10 to these consolidated financial statements included in this Annual Report on Form 10-K).

Property, Plant and Equipment. Property, plant and equipment are stated at cost, except for property, plant and equipment that have been impaired for which the carrying amount is reduced to the estimated fair value at the impairment date. Property, plant and equipment are depreciated principally using the straight-line method. Buildings are depreciated over a period of 40 years. Equipment is depreciated over a period of three to 10 years. Leasehold improvements are amortized on a straight-line basis over the shorter of the term of the lease or the estimated useful life of the improvement. The property, plant and equipment depreciation expense for the years ended December 31, 2005, 2004 and 2003 was $10.9 million, $13.2 million and $17.6 million, respectively.

Computer Software. We account for computer software used in our business in accordance with Statement of Position ("SOP") 98-1, "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use." In addition, certain computer software costs related to software sold to customers are capitalized in accordance with SFAS No. 86, "Accounting for the Costs of Computer Software to Be Sold, Leased or Otherwise Marketed." Capitalized computer software costs are amortized over its estimated useful life, typically three to five years, and are reported at the lower of unamortized cost or net realizable value. We review the valuation of capitalized software whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Factors that could trigger an impairment review include significant changes in the manner of use of the assets or strategic decisions made relating to future plans for those assets, as well as consideration of future operating results, significant negative industry trends or economic trends. The computer software amortization expense for the three years ended December 31, 2005, 2004 and 2003 was $22.7 million, $31.6 million and $43.1 million, respectively.

Goodwill and Other Intangible Assets. Pursuant to SFAS No. 142, "Goodwill and Other Intangible Assets," goodwill and intangibles with an indefinite life are not subject to regular periodic amortization.

Instead, the carrying amount of the goodwill and intangibles is tested for impairment at least annually, and between annual tests if events or circumstances warrant such a test. An impairment loss would be recognized if the carrying amount exceeded the fair value.

We consider our segments, U.S. and International, as our reporting units under SFAS No. 142 for consideration of potential impairment of goodwill. Goodwill and indefinite-lived intangibles are tested for impairment at least annually, or if an event or circumstance indicates that an impairment loss has been incurred. We assess the recoverability of our goodwill at the reporting unit level.

For goodwill, we perform a two-step impairment test. 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 revenue. If the market value of the reporting unit exceeds the carrying value of the net assets assigned to that reporting unit, goodwill is not impaired and no further test is performed. If the carrying value of the net assets assigned to the reporting unit exceeds the fair value of the reporting unit, then we must perform the second step of the impairment test in order to determine the implied fair value of the reporting unit's goodwill. If the carrying value of the reporting unit exceeds its implied fair value, we record an impairment loss equal to the difference.

For indefinite-lived intangibles, other than goodwill, the estimated fair value is determined by utilizing the expected present value of the future cash flows of the assets. An impairment is recognized if the carrying value exceeds the fair value. Based on our analyses at December 31, 2005 and 2004, no impairment charges related to goodwill and other intangible assets with indefinite lives have been recognized.

Other intangibles, which primarily include customer lists and relationships, resulting from acquisitions are being amortized over three to 15 years using the straight-line method. Other Intangibles amortization expense for the three years ended December 31, 2005, 2004, and 2003 was $2.5 million, $2.5 million, and $3.3 million, respectively.

The value of our customer lists in our Italian real estate data business in our International segment was negatively impacted by tax legislation enacted in Italy in 2005. This tax legislation increased the operating costs of our Italian real estate data business. For the year December 31, 2005, we recorded an impairment charge to our operating costs of $0.4 million related to customer lists.

Foreign Currency Translation. For all operations outside the United States where we have designated the local currency as the functional currency, assets and liabilities are translated using the end-of-year exchange rates, and revenues and expenses are translated using average exchange rates for the year. For these countries where we designate the local currency as the functional currency, translation adjustments are accumulated in a separate component of shareholders' equity. Transaction gains and losses are recognized in

earnings in "Other Income (Expense) — Net." Transaction gains were $1.0 million and $5.1 million for the years ended December 31, 2005 and 2004, respectively, and transaction losses were $0.3 million for the year ended December 31, 2003.

Earnings Per Share of Common Stock. In accordance with SFAS No. 128, "Earnings Per Share" ("EPS"), basic EPS is calculated based on the weighted average number of shares of common stock outstanding during the reporting period. Diluted EPS is calculated giving effect to all potentially dilutive common shares, assuming such shares were outstanding during the reporting period. The difference between basic and diluted EPS is solely attributable to stock options and restricted stock programs. We use the treasury stock method to calculate the impact of outstanding stock options.

Stock-Based Compensation. Our stock-based compensation plans are described more fully in Note 11 to these consolidated financial statements included in this Annual Report on Form 10-K. We account for those plans under the recognition and measurement principles of Accounting Principles Board Opinion No. 25 "Accounting for Stock Issued to Employees" ("APB No. 25"), and related interpretations. Accordingly, no stock-based employee compensation cost is reflected in net income for our outstanding stock options as all options granted under our plans had an exercise price equal to the market value of the underlying common stock on the date of grant. Also, no stock-based compensation cost is reflected in our net income for our Employee Stock Purchase Plan. The cost associated with our restricted stock grants, stock appreciation rights and restricted stock units is included in net income.

The following table summarizes the pro forma effect of stock-based compensation on net income and net income per share as if the fair value expense recognition provisions of SFAS No. 123, "Accounting for Stock-Based Compensation," as amended by SFAS No. 148, "Accounting for Stock-Based Compensation — Transition and Disclosure," had been adopted.

	For the Years Ended December 31,		
	2005	2004	2003
Net Income, as reported	$221.2	$211.8	$174.5
Add: Stock compensation cost included in net income, net of tax benefits	7.3	6.7	1.8
Deduct: Total stock compensation cost under fair-value method for all awards, net of tax benefits	(17.5)	(17.2)	(10.5)
Pro forma Net Income	$211.0	$201.3	$165.8
Basic EPS:			
As reported	$ 3.31	$ 3.01	$ 2.37
Pro forma	$ 3.16	$ 2.86	$ 2.25
Diluted EPS:			
As reported	$ 3.19	$ 2.90	$ 2.30
Pro forma	$ 3.04	$ 2.75	$ 2.18

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted average assumptions:

	2005	2004	2003
Expected dividend yield	0%	0%	0%
Expected stock volatility	30%	30%	30%
Risk-free interest rate	4.19%	3.83%	2.94%
Expected holding period (years)	6.9	7.0	4.9
Weighted average fair value of options granted	$25.14	$21.66	$11.08

Financial Instruments. We recognize all derivatives as either assets or liabilities on the balance sheet and measure those instruments at fair value.

We use foreign exchange forward and option contracts to hedge cross-border intercompany transactions and certain non-U.S. earnings. These forward and option contracts are marked-to-market and gains and losses are recorded as other income or expense. In addition, foreign exchange forward contracts are used to hedge certain of our foreign net investments. The gains and losses associated with these contracts are recorded in "Cumulative Translation Adjustments," a component of shareholders' equity.

We use interest rate swap agreements to hedge long-term fixed-rate debt. When executed, we designate the swaps as fair-value hedges and assess whether the swaps are highly effective in offsetting changes in the fair value of the hedged debt. We formally document all relationships between hedging instruments and hedged items, and we have documented policies for management of our exposures. Changes in fair values of interest rate swap agreements that are designated fair-value hedges are recognized in earnings as an adjustment of interest expense. The effectiveness of hedge accounting is monitored on an ongoing basis, and if considered ineffective, we discontinue hedge accounting prospectively.

We entered into an interest rate derivative transaction in 2005 with the objective to mitigate the variability of future cash flows from market changes in treasury rates in the anticipation of a future debt issuance during the first half of 2006. This transaction is accounted for as a cash flow hedge. As such, changes in fair value of the swap that take place through the date of debt issuance are recorded in accumulated other comprehensive income.

Note 2. Recent Accounting Pronouncements

On December 8, 2003, the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (the "Medicare Reform Act") was signed into law. The Medicare Reform Act expands Medicare, primarily by adding a prescription drug benefit for medicare-eligibles starting in 2006. The Medicare Reform Act provides employers currently providing postretirement prescription drug benefits with a range of options for coordinating with the new government-sponsored program potentially to reduce this benefit, including providing for a federal subsidy to sponsors of retiree health care benefit plans that provide a benefit that is at least actuarially equivalent to the benefit established by the law ("sharing strategy"). In connection with the Medicare Reform Act, the Financial Accounting Standards Board ("FASB") issued FASB Staff Position ("FSP") No. FAS 106-2, "Accounting and Disclosure Requirements Related to the Medicare Prescription Drug, Improvement and Modernization Act of 2003." FSP No. FAS 106-2 provides guidance on accounting for the effects of the new Medicare prescription drug legislation for employers whose prescription drug benefits are actuarially equivalent to the drug benefit under Medicare Part D and are therefore entitled to receive subsidies from the federal government beginning in 2006. The FSP was adopted for periods beginning after July 1, 2004. Under the FSP, if a company concludes that its defined benefit post-retirement benefit plan is actuarially equivalent to the Medicare Part D benefit, the employer should recognize subsidies from the federal government in the measurement of the accumulated postretirement benefit obligation ("APBO") under SFAS No. 106, "Employers' Accounting for Post-retirement Benefits Other Than Pensions." The

resulting reduction of the APBO should be accounted for as an actuarial gain. On January 21, 2005, the Centers for Medicare and Medicaid Services ("CMS") released final regulations implementing major provisions of the Medicare Reform Act of 2003. The regulations address key concepts, such as defining a plan, as well as the actuarial equivalence test for purposes of obtaining a government subsidy. Pursuant to the guidance in FSP No. FAS 106-2, we have assessed the financial impact of the regulations and concluded that our postretirement benefit plan will qualify for the direct subsidies for an additional seven years and that our APBO decreased by, approximately, an additional $5.8 million. As a result, our 2005 postretirement benefit cost decreased by, approximately, $2.5 million. The APBO as of December 31, 2005 decreased by a total of $37.1 million and our plan is expected to be actuarially equivalent in 2006 until 2023, before the impact of the sharing strategy.

In December 2004, the FASB issued SFAS No. 123 (revised 2004) or "SFAS No. 123R," "Share-Based Payments," which revises SFAS No. 123, "Accounting for Stock-Based Compensation," and supercedes APB Opinion No. 25, "Accounting for Stock Issued to Employees." This standard requires companies to recognize in the statement of operations the cost of employee services received in exchange for awards of equity instruments based on the grant-date fair value of the award (with limited exceptions). The cost will be recognized over the period that an employee provides service in exchange for the award, which normally would be the vesting period. The standard has two transition application methods to choose from. They are the Modified Prospective application or Modified Retrospective application. Under the Modified Prospective application, compensation cost is recognized for new grants and modifications made after the required effective date, plus the remaining unrecognized expense associated with previously issued awards that are not vested as of the date of adoption. Prior periods remain unchanged and pro forma disclosures previously required by SFAS No. 123 continue to be required. Under the Modified Retrospective application, a company is required to restate its financial statements back either (a) to all prior years for which SFAS No. 123 was effective or (b) to only prior interim periods in the year in which SFAS No. 123R is adopted. In April 2005, the Securities and Exchange Commission ("SEC") announced the adoption of a rule that defers the required effective date of SFAS No. 123R. The SEC rule provides that Statement No. 123R is now effective for registrants as of the beginning of the first fiscal year beginning after June 15, 2005, instead of at the beginning of the first quarter after June 15, 2005 (as prescribed originally by the FASB Statement). Accordingly, we have deferred the adoption of SFAS No. 123R until January 1, 2006 at which time we began to utilize the Modified Prospective application. Based on management assumptions, utilizing the Black Scholes model, we anticipate a full year impact to our Consolidated Statement of Operations of approximately $14 million in expenses. In addition, SFAS No. 123R also requires the benefits of tax deductions in excess of tax impact of recognized compensation expense to be reported as a financing cash flow, rather than as an operating cash flow. This requirement may reduce net operating cash flows and increase net financing cash flows in periods after adoption. The total change in cash and cash equivalents will remain the same.

In December 2004, the FASB issued FSP No. FAS 109-1, "Application of FASB Statement No. 109, "Accounting for Income Taxes," to the Tax Deduction on Qualified Production Activities Provided by the American Jobs Creation Act of 2004." On October 22, 2004, the American Jobs Creation Act of 2004 (the "Act") was signed into law. The Act provides a deduction from income for qualified domestic production activities, which will be phased in from 2005 through 2010. In return, the Act also provides for a two-year phase-out of the existing extra-territorial income exclusion ("ETI") for foreign sales. FSP No. FAS 109-1 provides guidance on the accounting implications of the Act related to the deduction for qualified domestic production activities. The deduction will be treated as a "special deduction" as described in SFAS No. 109. As such, the special deduction has no effect on deferred tax assets and liabilities existing at the enactment date. Rather, the impact of this deduction, if any, will be reported in the period in which the deduction is claimed on our tax return. Until final treasury regulations are issued on this matter, management will be unable to determine the full impact, if any, this will have on our effective income tax rate.

In December 2004, the FASB issued FSP No. FAS 109-2, "Accounting and Disclosure Guidance for the Foreign Earnings Repatriation Provision within the American Jobs Creation Act of 2004." FSP No. FAS 109-2 provides guidance under SFAS No. 109 with respect to recording the potential impact of the repatriation provisions of the Act in income tax expense and deferred tax liability. The Act provides for a temporary 85% dividends received deduction on certain foreign earnings repatriated from our controlled foreign corporations. To qualify for the deduction, the earnings must be reinvested in the United States pursuant to a domestic reinvestment plan established by our senior management and approved by the Board of Directors. During the third quarter of fiscal year 2005, our Chief Executive Officer and Board of Directors approved a domestic reinvestment plan as required by the Act. During the fourth quarter of fiscal year 2005, we repatriated approximately $150.0 million in extraordinary dividends, as defined in the Act, and accordingly have recorded a tax liability of $9.3 million as of December 31, 2005.

In December 2004, the FASB issued SFAS No. 153, "Exchanges of Nonmonetary Assets," which amended APB Opinion No. 29, "Accounting for Nonmonetary Transactions." The guidance in APB No. 29 is based on the underlying principle that the measurement of exchanges of nonmonetary assets should be based on the fair value of the assets exchanged. However, APB No. 29 included certain exceptions to that principle, including a requirement that exchanges of similar productive assets should be recorded at the carrying amount of the asset relinquished. SFAS No. 153 eliminates that exception and replaces it with a general exception for exchanges of nonmonetary assets that lack commercial substance. Only nonmonetary exchanges in which an entity's future cash flows are expected to significantly change as a result of the exchange will be considered to have commercial substance. SFAS No. 153 must be applied to nonmonetary asset exchanges occurring in fiscal periods beginning after June 15, 2005. The adoption of this statement did not have a material impact on our financial statements.

In May 2005, the FASB issued SFAS No. 154, "Accounting Changes and Error Corrections," which changes the accounting and reporting requirements for a change in accounting principle. APB Opinion 20, "Accounting Changes" and SFAS No. 3, "Reporting Accounting Changes in Interim Financial Statements," are superseded by SFAS No. 154 which requires retrospective application to prior periods' financial statements of changes in an accounting principle. SFAS No. 154 applies to changes required by an accounting pronouncement in the unusual instance that the pronouncement does not include specific transition provisions. When a pronouncement includes specific transition provisions, those provisions should be followed. SFAS No. 154 also defines a restatement as the revising of previously issued financial statements to reflect the correction of an error. SFAS No. 154 is effective for accounting changes and corrections of errors made in fiscal years beginning after December 15, 2005. We will apply the requirements of SFAS No. 154 on any changes in principle made on or after January 1, 2006. We do not anticipate that the adoption of this statement will have a material impact on our financial statements.

In January 2003, the Financial Accounting Standards Board ("FASB") issued FASB Interpretation ("FIN") No. 46, "Consolidation of Variable Interest Entities," which amended Accounting Research Bulletin No. 51, "Consolidated Financial Statements," and established standards for determining the circumstances under which a variable interest entity ("VIE") should be consolidated with its primary beneficiary. FIN No. 46 also requires disclosure about VIEs that we are not required to consolidate but in which we have a significant variable interest. In December 2003, the FASB issued FIN No. 46R which made some revisions and replaced the original FIN No. 46. The adoption of FIN No. 46R in the first quarter of 2004 did not have an impact on our consolidated financial statements as we did not have any VIE's.

In December 2003, the U.S. Securities and Exchange Commission ("SEC") issued Staff Accounting Bulletin ("SAB") No. 104, "Revenue Recognition," which supercedes SAB No. 101, "Revenue Recognition in Financial Statements." The primary purpose of SAB No. 104 is to rescind accounting guidance contained in SAB No. 101 related to multiple element revenue arrangements, superceded as a result of the issuance of EITF Issue No. 00-21, "Accounting for Revenue Arrangements with Multiple Deliverables." Additionally, SAB No. 104 rescinds the SEC's Revenue Recognition in Financial Statements Frequently Asked Questions

and Answers ("FAQ") issued with SAB No. 101. The adoption of SAB No. 104 in the first quarter of 2004 did not have a material impact on our consolidated financial statements.

In March 2004, the EITF Task Force reached a consensus on EITF No. 03-1, "The Meaning of Other-Than-Temporary Impairment and Its Application to Certain Investments." EITF 03-1 provides guidance for determining when an investment is other-than-temporarily impaired and disclosure requirements relating to those impairments. The adoption of EITF 03-1 in the first quarter of 2004 did not have an impact on our consolidated financial statements.

Note 3. Impact of Implementation of the Blueprint for Growth Strategy

Restructuring Charges

Since the launch of our Blueprint for Growth strategy, we have implemented Financial Flexibility Programs. In each of these Programs, we identified ways to reduce our expense base, then we reallocated some of the identified spending to other areas of our operations to improve revenue growth. With each Program, we have incurred restructuring charges (which generally consists 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, automating and/or outsourcing operations of our business. We have also incurred transition costs such as consulting fees, costs of temporary workers, relocation costs and stay bonuses to implement our Financial Flexibility Programs.

During the year ended December 31, 2005, we recorded a $30.8 million restructuring charge in connection with the Financial Flexibility Program announced in February 2005 ("2005 Financial Flexibility Program") and a $0.1 million net restructuring gain in connection with the Financial Flexibility Program announced in February 2004 ("2004 Financial Flexibility Program"). The restructuring charges were recorded in accordance with SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities." The curtailments were recorded in accordance with SFAS No. 87, "Employers' Accounting for Pension," SFAS No. 88, "Employers' Accounting for Settlements and Curtailments of Defined Benefit Pension Plans and for Termination Benefits" and SFAS 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions." The components of these charges and gains included:

- severance and termination costs of $23.3 million associated with approximately 425 employees related to the 2005 Financial Flexibility Program and $5.7 million associated with approximately 310 employees related to the 2004 Financial Flexibility Program;

- lease termination obligations, other costs to consolidate or close facilities and other exit costs of $4.7 million related to the 2005 Financial Flexibility Program;

- curtailment charges of $3.1 million related to our pension plans and an immediate reduction to ongoing pension income of $3.4 million related to the U.S. Qualified Plan resulting from employee actions for the 2005 Financial Flexibility Program. In accordance with SFAS No. 87 and SFAS No. 88 we were required to recognize immediately a pro-rata portion of the unrecognized prior service cost as a result of the employee terminations and the pension plan was required to be re-measured which reduced our periodic pension income; and

- curtailment gains of $3.7 million and $5.8 million related to the U.S. postretirement benefit plan resulting from employee actions for the 2005 Financial Flexibility Program and 2004 Financial Flexibility Program, respectively. In accordance with SFAS No. 106, we were required to recognize immediately a pro-rata portion of the unrecognized prior service cost as a result of the employee terminations.

At December 31, 2005, all actions under these programs were substantially completed.

During the year ended December 31, 2004, we recorded $32.0 million of restructuring charges in connection with the 2004 Financial Flexibility Program. The components of the restructuring charges included:

- severance and termination costs of $28.4 million associated with approximately 900 employees;
- lease termination obligations, other costs to consolidate or close facilities and other exit costs of $3.1 million;
- curtailment charges (in accordance with SFAS No. 87 and SFAS No. 88) of $0.9 million and an immediate reduction to ongoing pension income of $3.3 million related to our pension plans; and
- curtailment gain (in accordance with SFAS No. 106) of $3.7 million related to the U.S. postretirement benefit plan.

In October 2004, as part of the 2004 Financial Flexibility Program, we entered into an agreement with International Business Machines Corporation ("IBM") to outsource certain portions of our data acquisition and delivery, customer service, and financial processes. Under the terms of the agreement, approximately 220 employees who primarily performed certain customer service functions in the United States, Canada, United Kingdom and the Netherlands were transitioned to IBM. We made total payments of approximately $1.8 million to IBM as full satisfaction of any of our existing liabilities for future severance benefits related to the transitioned employees. The severance benefits for the employees who transitioned to IBM are included in the restructuring charges for the year ended December 31, 2005 and 2004.

During the year ended December 31, 2004, approximately 650 employees (including 220 employees who transitioned to IBM as part of the outsourcing agreement discussed below) were terminated in connection with the 2004 Financial Flexibility Program. During the year ended December 31, 2005, approximately 310 employees were terminated in connection with the 2004 Financial Flexibility Program which resulted in 960 employees terminated for this program in total.

During the year ended December 31, 2003, we recorded $17.4 million of restructuring charges in connection with the Financial Flexibility Program announced in February 2003 ("2003 Financial Flexibility Program"). The components of the restructuring charges included:

- severance and termination costs of $16.6 million associated with approximately 500 employees;
- lease termination obligations of $0.3 million; and
- curtailment charge (in accordance with SFAS No. 87 and SFAS No. 88) of $0.5 million related to the U.S. Qualified Plan.

During the year ended December 31, 2003, all of the approximately 500 employees had been terminated in connection with the 2003 Financial Flexibility Program.

As of December 31, 2005, we have eliminated approximately 4,900 positions which included 300 open positions and terminated (via attrition and termination) approximately 4,600 employees under our Financial Flexibility Programs since inception in October 2000. These figures include the 220 employees who were transitioned to IBM as part of the 2004 Financial Flexibility Program and the approximately 400 employees who were transitioned to Computer Sciences Corporation ("CSC") as part of the 2002 Financial Flexibility Program. Under the terms of the CSC agreement, we outsourced certain technology functions in which approximately 400 of our employees who performed data center operations, technology help desk and network management functions in the United States and in the United Kingdom were transitioned to CSC.

The following table sets forth, in accordance with SFAS No. 146, the restructuring reserves and utilization to date related to our 2005 Financial Flexibility Program.

	Severance and Termination	Pension Plan/ Postretirement Curtailment Charges (Gains)	Lease Termination Obligations and Other Exit Costs	Total
2005 Restructuring Charges				
Charge Taken during First Quarter 2005	$ 7.9	$ —	$ 0.3	$ 8.2
Payments during First Quarter 2005	(2.4)	—	(0.2)	(2.6)
Balance Remaining as of March 31, 2005	$ 5.5	$ —	$ 0.1	$ 5.6
Charge Taken during Second Quarter 2005	$ 8.2	$ 0.3	$ 0.8	$ 9.3
Payments/Pension Plan Curtailment Charge during Second Quarter 2005	(5.0)	(0.3)	(0.1)	(5.4)
Balance Remaining as of June 30, 2005	$ 8.7	$ —	$ 0.8	$ 9.5
Charge Taken during Third Quarter 2005	$ 4.1	$ 0.1	$ 0.3	$ 4.5
Payments/Pension Plan Curtailment Charge during Third Quarter 2005	(6.8)	(0.1)	(0.3)	(7.2)
Balance Remaining as of September 30, 2005	$ 6.0	$ —	$ 0.8	$ 6.8
Charge Taken during Fourth Quarter 2005	$ 3.1	$ 2.4	$ 3.3	$ 8.8
Payments/Pension Plan and Postretirement Curtailment, Net Charges during Fourth Quarter 2005	(2.2)	(2.4)	(3.1)	(7.7)
Balance Remaining as of December 31, 2005	$ 6.9	$ —	$ 1.0	$ 7.9

The following table sets forth, in accordance with SFAS No. 146, the restructuring reserves and utilization to date related to our 2004 Financial Flexibility Program.

	Severance and Termination	Pension Plan/ Postretirement Curtailment Charges (Gains)	Lease Termination Obligations and Other Exit Costs	Total
2004 Restructuring Charges:				
Charge Taken during First Quarter 2004	$ 9.3	$ —	$ 0.9	$10.2
Payments during First Quarter 2004	(3.8)	—	(0.9)	(4.7)
Balance Remaining as of March 31, 2004	$ 5.5	$ —	$ —	$ 5.5
Charge Taken during Second Quarter 2004	$ 7.5	$ —	$ 0.5	$ 8.0
Payments during Second Quarter 2004	(4.1)	—	—	(4.1)
Balance Remaining as of June 30, 2004	$ 8.9	$ —	$ 0.5	$ 9.4
Charge Taken during Third Quarter 2004	$ 2.6	$ —	$ 0.1	$ 2.7
Payments during Third Quarter 2004	(7.1)	—	(0.4)	(7.5)
Balance Remaining as of September 30, 2004	$ 4.4	$ —	$ 0.2	$ 4.6
Charge Taken during Fourth Quarter 2004	$ 9.0	$ 0.5	$ 1.6	$11.1
Payments/Pension Plan and Postretirement Net Charges during Fourth Quarter 2004	(6.2)	(0.5)	(1.1)	(7.8)
Balance Remaining as of December 31, 2004	$ 7.2	$ —	$ 0.7	$ 7.9
Charge Taken during First Quarter 2005	$ 5.0	$(2.8)	$ —	$ 2.2
Payments/Postretirement Gain during First Quarter 2005	(3.6)	2.8	—	(0.8)
Balance Remaining as of March 31, 2005	$ 8.6	$ —	$ 0.7	$ 9.3
Charge Taken during Second Quarter 2005	$ 0.1	$(2.9)	$ —	$(2.8)
Payments/Postretirement Gain during Second Quarter 2005	(4.6)	2.9	(0.1)	(1.8)
Balance Remaining as of June 30, 2005	$ 4.1	$ —	$ 0.6	$ 4.7
Charge Taken during Third Quarter 2005	$ 0.3	$(0.1)	$ —	$ 0.2
Payments/Postretirement Gain during Third Quarter 2005	(3.0)	0.1	(0.1)	(3.0)
Balance Remaining as of September 30, 2005	$ 1.4	$ —	$ 0.5	$ 1.9
Charge Taken during Fourth Quarter 2005	$ 0.3	$ —	$ —	$ 0.3
Payments during Fourth Quarter 2005	(0.8)	—	(0.2)	(1.0)
Balance Remaining as of December 31, 2005	$ 0.9	$ —	$ 0.3	$ 1.2

The following table sets forth, in accordance with SFAS No. 146, the restructuring reserves and utilization to date related to our 2003 Financial Flexibility Program.

	Severance and Termination	Pension Curtailment	Lease Termination Obligations	Total
2003 Restructuring Charges:				
Charge Taken during First Quarter 2003	$10.1	$ 0.5	$ 0.3	$10.9
Payments/Curtailment during First Quarter 2003	(2.6)	(0.5)	—	(3.1)
Balance Remaining as of March 31, 2003	$ 7.5	$ —	$ 0.3	$ 7.8
Charge Taken during Second Quarter 2003	$ 4.9	$ —	$ —	$ 4.9
Payments during Second Quarter 2003	(4.5)	—	(0.1)	(4.6)
Balance Remaining as of June 30, 2003	$ 7.9	$ —	$ 0.2	$ 8.1
Charge Taken during Third Quarter 2003	$ 1.6	$ —	$ —	$ 1.6
Payments during Third Quarter 2003	(4.0)	—	—	(4.0)
Balance Remaining as of September 30, 2003	$ 5.5	$ —	$ 0.2	$ 5.7
Payments during Fourth Quarter 2003	$(4.6)	$ —	$(0.1)	$(4.7)
Balance Remaining as of December 31, 2003	$ 0.9	$ —	$ 0.1	$ 1.0
Payments during First Quarter 2004	$(0.8)	$ —	$ —	$(0.8)
Balance Remaining as of March 31, 2004	$ 0.1	$ —	$ 0.1	$ 0.2
Payments during Second Quarter 2004	$ —	$ —	$(0.1)	$(0.1)
Balance Remaining as of June 30, 2004	$ 0.1	$ —	$ —	$ 0.1
Payments during Third Quarter 2004	$(0.1)	$ —	$ —	$(0.1)
Balance Remaining as of September 30, 2004	$ —	$ —	$ —	$ —

Additionally, on January 31, 2006, our Board of Directors approved our 2006 Financial Flexibility Program (see Note 17 to our consolidated financial statements included in this Annual Report of Form 10-K).

Divestitures

As part of our Blueprint for Growth Strategy, we implemented our international market leadership strategy which has led to various dispositions over the years.

On October 4, 2004, we sold our operations in Iberia to Informa S.A for $13.5 million, primarily consisting of cash, and recognized a pre-tax gain of $0.1 million in 2004 in "Other Income (Expense) — Net." Our Iberian operations generated approximately $24 million of revenue in 2003. During the year ended December 31, 2005, we recorded a $0.8 million gain in "Other Income (Expense)— Net" related to lower costs on the sale of Iberia.

On October 1, 2004, we completed the sale of our operation in France to Base D'Informations Legales Holding S.A.S. ("BIL Holding") for $30.1 million, consisting of $15.0 million in cash, $14.0 million in other receivables and $1.1 million in other assets. We recognized a pre-tax gain of $12.9 million in the fourth quarter of 2004 in "Other Income (Expense) — Net." Our French operation generated approximately $38 million of revenue in 2003. In May 2005, we were contacted by BIL Holding, regarding allegations of improper sales

related activities involving those operations consisting primarily of debits to customer accounts for product usage without appropriate documentation (the "Alleged Conduct"). Based on our investigation into the Alleged Conduct, including reviewing evidence that BIL Holding made available, we concluded that the evidence presented was insufficient to substantiate the Alleged Conduct and BIL Holding withdrew its allegations. In addition, we resolved the specified post-closing purchase adjustments under the purchase and sale agreement. The final resolution of the BIL Holding allegations and the post closing purchase price adjustments resulted in charges of $3.7 million and $0.4 million, respectively, recorded within "Other Income (Expense) — Net" and "Operating Costs," respectively, for the year ended December 31, 2005.

On May 10, 2004, we sold our operations in Germany, Austria, Switzerland, Poland, Hungary and the Czech Republic ("Central European Operations") to Bonnier Affarsinformation AB ("Bonnier") for $25.7 million, consisting of $18.1 million in cash and $7.6 million in other receivables, of which $5.6 million has been collected in 2004 and the remaining balance of $2.0 million was collected in 2005. We recognized a pre-tax gain of $5.6 million in the second quarter of 2004 in "Other Income (Expense) — Net." Our Central European Operations generated approximately $52 million in revenue in 2003.

On February 29, 2004, we sold our operations in India and our Distribution Channels in Pakistan and the Middle East for $7.7 million. We received proceeds of $7.3 million (net of withholding tax), consisting of cash of $6.5 million and an investment of $0.8 million representing a 10% interest in the newly formed entity. We recognized a pre-tax gain of $3.8 million in "Other Income (Expense) — Net" in the first quarter of 2004. In 2003, revenue generated from these operations and distribution channels was approximately $6.4 million.

During the third quarter of 2003, we sold our operations in Israel. We recorded a pre-tax loss of $4.3 million in "Other Income (Expense) — Net."

On December 1, 2003, we sold our operations in Sweden, Denmark, Norway, and Finland ("Nordic operations") to Bonnier, for $42.7 million. The proceeds consisted of cash of $35.9 million, notes receivable of $5.9 million and another receivable of $0.9 million. As a result of our International segment November 30 fiscal year end, we recognized a pre-tax gain of $7.9 million in "Other Income (Expense) — Net" in the first quarter of 2004. Additionally, we wrote-off the $0.9 million other receivable in the second quarter of 2004. Our Nordic operations generated approximately $50.9 million of revenue in 2003.

As part of the divestitures noted above, we established a strategic relationship in each of these countries where the buyer operates the acquired businesses under the D&B name, continues to distribute D&B-branded products and services, and provides us with data to support our global customer needs. All these divestitures were part of our International segment.

Other Transactions

During the first quarter of 2005, we sold our equity investment in a South African company. We received proceeds of $5.3 million and recognized a pre-tax gain of approximately $3.5 million in the second quarter of 2005 in "Other Income (Expense) — Net."

During the third quarter of 2003, we sold our equity interest in our Singapore investment and recognized a pre-tax gain of $1.8 million in "Other Income (Expense) — Net."

During the third quarter of 2003, we sold our High Wycombe, England, building and received proceeds of $80.2 million. We continue to occupy a portion of the building under a multi-year lease after the sale. We recognized a pre-tax loss on the sale of the building of $13.8 million within "Operating Costs."

Note 4. Acquisitions

LiveCapital, Inc.

During the third quarter of 2005, we acquired a 100% ownership interest in LiveCapital, Inc., located in San Mateo, California, with cash on hand. The results of LiveCapital Inc.'s, operations have been included in our consolidated financial statements. LiveCapital, Inc. is a provider of online credit management software that enables users to manage the entire credit process within an enterprise-wide system. The acquisition is part of our ongoing effort to improve our customers' access to our DUNSRight quality process, so that they can make confident business decisions.

The transaction was valued at $17.2 million, inclusive of cash acquired of $0.5 million, and $0.3 million of transaction costs recorded in accordance with SFAS No. 141, "Business Combinations." The acquisition was accounted for under the purchase method of accounting. As a result, we recognized goodwill and intangible assets of $11.9 million and $1.8 million, respectively. The remaining purchase price was allocated to the acquired tangible assets and liabilities on the basis of their respective fair values. The goodwill was assigned to our U.S. segment. The intangible asset acquired for $1.8 million was related to module technology with a useful life of four years. The acquisition would not have had a material impact on our results had the acquisition occurred at the beginning of 2005 and 2004, and, as such, the pro forma results have not been presented.

We are in the process of finalizing the valuation of the acquired deferred tax asset in connection with the acquisition. As a result, the allocation of the purchase price is subject to future adjustment.

Italian Real Estate Data Companies

During the second quarter of 2003, we paid $6.2 million to acquire controlling interests in three privately held Italian real estate data companies: 100% interest in Italservice Bologna S.r.l. and Datanet S.r.l. and a 51% interest in RDS S.r.l. In addition, we paid $1.9 million to acquire 17.5% of RIBES S.p.A., a leading provider of business information to Italian banks. Together with the 17.5% interest held by our subsidiary, Datahouse, we had a 35% interest at December 31, 2003. During the fourth quarter of 2004, we acquired an additional 16% of RIBES S.p.A. for $4.0 million, resulting in a 51% interest at December 31, 2004. The transaction was funded with cash on hand.

These three Italian acquisitions were accounted for under the purchase method of accounting in accordance with SFAS No. 141. The purchase price for controlling interests in the three companies, together with the capitalized transaction costs allowed under SFAS No. 141, was allocated to the acquired assets and liabilities on the basis of their respective fair values. As a result, goodwill of $7.2 million was recognized and assigned to our International segment. No separately identifiable intangible assets were acquired. During the first quarter of 2004, we recorded a purchase accounting adjustment. This adjustment reduced goodwill by $0.9 million.

The impact the acquisition would have had on our results had the acquisition occurred at the beginning of 2003 is not material, and, as such, pro forma results have not been presented.

Hoover's, Inc.

During the first quarter of 2003, we acquired Hoover's, Inc. with cash on hand. The results of Hoover's operations have been included in our consolidated financial statements since that date. Hoover's provides information on public and private companies, primarily to senior executives and sales professionals worldwide.

The transaction was valued at $7.00 per share in cash, for a total of $119.4 million. In addition, we capitalized $3.3 million of transaction costs in accordance with SFAS No. 141. The acquisition was accounted for under the purchase method of accounting. The purchase price was allocated to the acquired assets and

liabilities on the basis of their respective fair values. As a result, we recognized goodwill and intangible assets of $66.4 million and $14.5 million, respectively. The goodwill was assigned to our U.S. segment. Of the $14.5 million of acquired intangible assets, $5.1 million was assigned to trademarks and trade names that are not subject to amortization, and $9.4 million was assigned to subscriber relationships and licensing agreements with useful lives from one to five years. The impact the acquisition would have had on our results had the acquisition occurred at the beginning of 2003 is not material, and as such, pro forma results have not been presented.

In 2004, we recorded purchase accounting adjustments which increased deferred tax assets and reduced goodwill by $7.1 million. The majority of the adjustments represents recognition of additional net operating loss carryovers as a result of an Internal Revenue Service pronouncement.

All the acquisitions noted above were part of our Blueprint for Growth strategy to enhance our current business through value-creating acquisitions. In addition, all the acquisitions noted above were stock acquisitions, and as a result there was no goodwill deductible for tax purposes.

Note 5. Income Taxes

Income before provision for income taxes consisted of:

	For the Years Ended December 31,		
	2005	2004	2003
U.S.	$314.8	$253.6	$246.4
Non-U.S.	39.3	87.2	34.0
Income Before Provision for Income Taxes	$354.1	$340.8	$280.4

The provision (benefit) for income taxes consisted of:

	For the Years Ended December 31,		
	2005	2004	2003
Current Tax Provision (Benefit):			
U.S. federal	$105.0	$ 81.2	$ 50.5
State and local	12.4	12.2	6.9
Non-U.S.	(3.6)	25.3	17.4
Total current tax provision	113.8	118.7	74.8
Deferred Tax Provision (Benefit):			
U.S. federal	15.4	11.5	32.1
State and local	2.8	0.3	5.8
Non-U.S.	1.6	(1.3)	(6.5)
Total deferred tax provision	19.8	10.5	31.4
Provision for Income Taxes	$133.6	$129.2	$106.2

The following table summarizes the significant differences between the U.S. Federal statutory tax rate and our effective tax rate for financial statement purposes.

	For the Years Ended December 31,		
	2005	2004	2003
Statutory tax rate:	35.0%	35.0%	35.0%
State and local taxes, net of U.S. federal tax benefit	4.0	3.0	3.0
Non-U.S. taxes	(5.1)	(2.1)	(1.6)
Valuation allowance	0.2	0.5	0.6
Interest	1.6	2.3	0.9
Tax credits	(0.1)	(0.9)	—
Repatriation of foreign cash, including state taxes	2.6	—	—
Other	(0.4)	0.1	—
Effective Tax Rate	37.8%	37.9%	37.9%

Income taxes paid were approximately $115.5 million, $74.2 million and $59.2 million for the years ended December 31, 2005, 2004 and 2003, respectively. Income taxes refunded were approximately $13.1 million, $6.6 million, and $11.7 million for the years ended December 31, 2005, 2004 and 2003 respectively.

Deferred tax assets (liabilities) are comprised of the following:

	At December 31,	
	2005	2004
Deferred Tax Assets:		
Operating Losses	$ 63.0	$ 61.2
Fixed Assets	0.2	4.8
Intangibles	13.5	25.7
Restructuring Costs	4.0	4.1
Bad Debts	6.0	6.1
Accrued Expenses	13.9	9.4
Investments	16.4	20.3
Minimum Pension Liability	62.9	59.8
Other	0.9	4.2
Total Deferred Tax Assets	180.8	195.6
Valuation Allowance	(52.0)	(55.9)
Net Deferred Tax Assets	128.8	139.7
Deferred Tax Liabilities:		
Tax Leasing Transactions	(1.0)	(3.0)
Postretirement Benefits	(76.3)	(59.9)
Total Deferred Tax Liabilities	(77.3)	(62.9)
Net Deferred Tax Assets	$ 51.5	$ 76.8

We have not provided for U.S. deferred income taxes or foreign withholding taxes on $254.6 million of undistributed earnings of our non-U.S. subsidiaries as of December 31, 2005, since we intend to reinvest these earnings indefinitely. Additionally, we have not determined the tax liability if such earnings were remitted to

the U.S., as the determination of such liability is not practicable. See Note 1 to these consolidated financial statements included in this Annual Report on Form 10-K for our significant accounting policy related to income taxes.

We have federal, state and local, and foreign tax loss carry forwards, the tax effect of which was $63.0 million as of December 31, 2005. Approximately $46.7 million of these tax benefits have an indefinite carry forward period. Of the remainder, $1.6 million expire in 2006, and $14.7 million expire at various times between 2007 and 2024.

We have established a valuation allowance against non-U.S. net operating losses in the amount of $42.6 million, $43.4 million, and $76.4 million, for the years ended December 31, 2005, 2004, and 2003, respectively, that in the opinion of management, are more likely than not to expire before we can utilize them.

During the fourth quarter of fiscal year 2005, we repatriated approximately $150.0 million in extraordinary dividends, as defined in the American Jobs Creation Act, and accordingly have recorded a tax liability of $9.3 million as of December 31, 2005. See Note 2 to these consolidated financial statements included in this Annual Report on Form 10-K for further discussion on the foreign cash repatriation.

Note 6. Notes Payable and Indebtedness

Our borrowings including interest rate swaps designated as hedges, are summarized below:

	At December 31,	
	2005	2004
	Liability (Asset)	
Debt Maturing Within One Year:		
Fixed-rate notes	$300.0	$ —
Other	0.8	—
Total Debt Maturing Within One Year	$300.8	$ —
Debt Maturity After One Year:		
Long-term, fixed-rate notes	$ —	$301.8
Fair value of interest rate swaps	—	(1.9)
Other	0.1	0.1
Total Debt Maturing After One Year	$ 0.1	$300.0

The notes with a face value of $300 million have a five-year term maturing in March 2006 and bear interest at a fixed annual rate of 6.625%, payable semi-annually. During the first quarter of 2005, these notes were reclassified from long-term debt to short-term debt because they will mature within one year. Since the third quarter of 2001, we entered into interest rate swap agreements to hedge a portion of this long-term debt (see Note 7 to our consolidated financial statements included in this Annual Report on Form 10-K). The weighted average interest rates on the long-term notes, including the benefit of the swaps on December 31, 2005 and 2004, were 6.21% and 5.62%, respectively. The notes and the fair value of the interest rate swaps are recorded as "Short-Term Debt" and "Long-Term Debt," at December 31, 2005 and 2004, respectively.

On September 30, 2005, we entered into an interest rate derivative transaction with an aggregate notional amount of $200 million. The objective of the hedge is to mitigate the variability of future cash flows from market changes in treasury rates in the anticipation of future debt issuance during the first half of 2006. This transaction is accounted for as a cash flow hedge. As such, changes in fair value of the swap that take place through the date of debt issuance are recorded in accumulated other comprehensive income.

Other Credit Facilities

At December 31, 2005 and 2004, we had a total of $300 million of bank credit facilities available at prevailing short-term interest rates, which will expire in September 2009. These facilities also support our commercial paper borrowings up to $300 million. We have not drawn on the facilities and we did not have any borrowings outstanding under these facilities at December 31, 2005 and 2004. We also have not borrowed under our commercial paper program for the years ended December 31, 2005 and 2004. The facility requires the maintenance of interest coverage and total debt to EBITDA ratios (each as defined in the agreement). We were in compliance with these requirements at December 31, 2005 and 2004.

At December 31, 2005 and 2004, certain of our international operations also had non-committed lines of credit of $17.2 million and $5.9 million, respectively. We had no borrowings outstanding under these lines of credit as of December 31, 2005 and 2004. These arrangements have no material commitment fees or compensating balance requirements.

At December 31, 2005, we are contingently liable under open standby letters of credit issued by our bank in favor of third parties totaling $7.9 million.

Interest paid totaled $19.0 million, $17.2 million and $17.2 million for the years ended December 31, 2005, 2004 and 2003, respectively.

Note 7. Financial Instruments with Off-Balance Sheet Risks

We employ established policies and procedures to manage our exposure to changes in interest rates and foreign currencies. 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 currency exchange rates. In addition, we use interest rate derivatives to hedge a portion of the interest rate exposure on our outstanding fixed-rate notes and 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 December 31, 2005 and 2004, in our opinion, 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 December 31, 2005 and 2004, due to the fact that 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 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, we may use fixed-rate debt, floating-rate debt and/or interest rate swaps.

In connection with the $300 million, five-year, fixed-rate note maturing March 2006, we entered into fixed-to-floating (LIBOR rate indexed) interest rate swap agreements in the third quarter of 2001 with a notional principal amount totaling $100 million, and designated these swaps as fair-value hedges against the long-term fixed rate notes. The arrangement is considered a highly effective hedge, and therefore the

accounting for these hedges has no impact on earnings. The changes in the fair value of the hedge and the designated portion of the notes are reflected in our consolidated balance sheets. At December 31, 2005 and 2004, we had no floating-rate debt outstanding.

On September 30, 2005, in connection with the above $300 million note maturing in March 2006, we entered into an interest rate derivative transaction with an aggregate notional amount of $200 million. The objective of the transaction is to hedge a portion of the variability of future cash flows from changes in treasury rates in anticipation of a debt issuance during the first half of 2006. This transaction is accounted for as a cash flow hedge. As such, changes in fair value of the swap that take place through the date of debt issuance are recorded in accumulated other comprehensive income. For the year ended December 31, 2005, we recorded an $0.8 million gain in accumulated other comprehensive income.

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 executed with creditworthy institutions and are denominated primarily in the British pound sterling and the Euro. 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 financial statements and are essentially offset by the gains and losses on the underlying foreign currency transactions. The gains and losses on the forward contracts associated with net investment hedges are recorded in "Cumulative Translation Adjustment" in our consolidated financial statements.

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, from time to time we use foreign exchange option contracts to hedge certain foreign earnings and foreign exchange forward contracts to hedge certain net investment positions. As of December 31, 2005 and 2004, there were no option contracts outstanding. 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.

At December 31, 2005 and 2004, we had a notional amount of approximately $212.1 million and $241.4 million, respectively, of foreign exchange forward contracts outstanding that offset foreign currency denominated intercompany loans. Gains and losses associated with these contracts were $0.2 million and $0.5 million, respectively, at December 31, 2005, $0.4 million and $1.0 million, respectively, at December 31, 2004, and $0.7 million and $0.2 million, respectively, at December 31, 2003. In addition, at December 2004, we had $91.9 million of foreign exchange forward contracts outstanding associated with our international investments. Losses associated with these contracts were $3.6 million at December 31, 2004. These contracts typically have various expiration dates within three months of entry into such contracts.

Fair Value of Financial Instruments

At December 31, 2005 and 2004, our financial instruments included cash and cash equivalents (including commercial paper investments), marketable securities, accounts receivable, other receivables, accounts payable, short-term and long-term borrowings and foreign exchange forward contracts.

At December 31, 2005 and 2004, the fair values of cash and cash equivalents, marketable securities, accounts receivable, other receivables and accounts and notes 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 third-party quotes from financial institutions, are as follows:

	At December 31, 2005		At December 31, 2004	
	Carrying Amount (Asset) Liability	Fair Value (Asset) Liability	Carrying Amount (Asset) Liability	Fair Value (Asset) Liability
Short-term debt	$300.0	$300.7	$ —	$ —
Long-term debt	$ —	$ —	$301.9	$309.0
Risk management contracts:				
Interest rate swaps (long-term)	$ —	$ —	$ (1.9)	$ (1.9)
Interest rate derivative	(0.8)	(0.8)	—	—
Foreign exchange forwards (short-term) — Net	0.3	0.3	4.1	4.1
	$ (0.5)	$ (0.5)	$ 2.2	$ 2.2

Note 8. Capital Stock

The total number of shares of all classes of stock that we have authority to issue under our Certificate of Incorporation is 220,000,000 shares, of which 200,000,000 shares, par value $0.01 per share, represent Common Stock (the "Common Stock"); 10,000,000 shares, par value $0.01 per share, represent Preferred Stock (the "Preferred Stock"); and 10,000,000 shares, par value $0.01 per share, represent Series Common Stock (the "Series Common Stock"). The Preferred Stock and the Series Common Stock can be issued with varying terms, as determined by our Board of Directors. Our Board of Directors has designated 500,000 shares of the Preferred Stock as Series A Junior Participating Preferred Stock, par value $0.01 per share.

On September 30, 2000, we separated from Moody's, and 81,213,520 shares of our Common Stock were distributed to the shareholders of Moody's/D&B2 (see Note 13 to these consolidated financial statements included in this Annual Report on Form 10-K for further discussion on Moody's/D&B2). Since we have been treated as the successor entity for accounting purposes, our historical financial statements reflect the recapitalization in connection with the 2000 Distribution (see Note 13 to our consolidated financial statements included in this Annual Report on Form 10-K for further discussion on the 2000 Distribution), including the elimination of treasury shares (which shares became treasury shares of Moody's) and the authorization of our Common Stock, Preferred Stock and Series Common Stock.

In connection with our separation from Moody's, we entered into a Rights Agreement with EquiServe Trust Company, N.A., designed to:

- minimize the prospects of changes in control that could jeopardize the tax-free nature of the separation by assuring meaningful Board of Directors' involvement in any such proposed transaction; and
- enable us to develop our businesses and foster our long-term growth without disruptions caused by the threat of a change in control not deemed by our Board of Directors to be in the best interests of shareholders.

Under the Rights Agreement, each share of our Common Stock has a right that trades with the stock until the right becomes exercisable. Each right entitles the registered holder to purchase one one-thousandth of a share of Series A Junior Participating Preferred Stock, par value $0.01 per share, at a price of $125 per one one-thousandth of a share, subject to adjustment. The rights will generally not be exercisable until a person or group (an "Acquiring Person") acquires beneficial ownership of, or commences a tender offer or

exchange offer that would result in such person or group having beneficial ownership of 15% or more of the outstanding Common Stock.

In the event that any person or group becomes an Acquiring Person, each right will thereafter entitle its holder (other than the Acquiring Person) to receive, upon exercise of a right and payment of the adjusted purchase price, that number of shares of our Common Stock having a market value of two times the purchase price.

In the event that, after a person or group has become an Acquiring Person, we are acquired by another person in a merger or other business combination transaction, or 50% or more of our consolidated assets or earning power are sold, each right will entitle its holder (other than the Acquiring Person) to receive, upon exercise, that number of shares of common stock of the person with whom we have engaged in the foregoing transaction (or its parent) having a market value of two times the purchase price.

We may redeem the rights, which expire on August 15, 2010, for $0.01 per right, under certain circumstances.

Note 9. Reconciliation of Weighted Average Shares

	For the Years Ended December 31,		
	2005	2004	2003
	(Share data in thousands)		
Weighted average number of shares — basic	66,843	70,415	73,490
Dilutive effect of shares issuable under stock option and restricted stock programs	1,711	2,625	2,213
Adjustment of shares applicable to stock options exercised and restricted stock vesting during the period	861	64	123
Weighted average number of shares — diluted	69,415	73,104	75,826

Options to purchase 95,300, 73,546 and 158,540 shares of common stock were outstanding at December 31, 2005, 2004 and 2003, respectively, but were not included in the computation of diluted earnings per share because the options' exercise prices were greater than the average market price of the common stock. Our options generally expire 10 years after the grant date.

Our share repurchases were as follows:

	For the Years Ended December 31,					
	2005		2004		2003	
Program	Shares	$ Amount	Shares	$ Amount	Shares	$ Amount
Share Repurchase Program	3,179,840(a)	$200.0	3,601,986(b)	$200.0	2,377,924(c)	$100.0
Repurchases to mitigate the dilutive effect of the shares issued under our stock incentive plans and Employee Stock Purchase Plan	1,517,835	95.6	971,654	51.8	1,381,276	56.1
Total Repurchases	4,697,675	$295.6	4,573,640	$251.8	3,759,200	$156.1

(a) Repurchased under the $400 million, two-year share repurchase program approved by the Board of Directors in February 2005.

(b) Repurchased under the $200 million, one-year share repurchase program approved by the Board of Directors in February 2004.

(c) Repurchased under the $100 million, two-year share repurchase program approved by the Board of Directors in October 2002.

Note 10. Pension and Postretirement Benefits

We offer substantially all of our U.S.-based employees coverage in a defined benefit plan called The Dun & Bradstreet Corporation Retirement Account (the "U.S. Qualified Plan"). The defined benefit plan covers active and retired employees including retired individuals from spin-off companies (see Note 13 to these consolidated financial statements included in this Annual Report on Form 10-K for further discussion of spin-off companies). The benefits to be paid upon retirement are based on a percentage of the employee's annual compensation. The percentage of compensation allocated annually to a retirement account ranges from 3% to 12.5%, based on age and service. Amounts allocated under the plan also receive interest credits based on the 30-year Treasury rate or equivalent rate published by the Internal Revenue Service. Pension costs are determined actuarially and funded in accordance with the Internal Revenue Code. We also maintain supplemental and excess plans in the United States (the "U.S. Non-Qualified Plans") to provide additional retirement benefits to certain key employees of the Company. These plans are unfunded, pay-as-you-go plans. The U.S. Qualified Plan and the U.S. Non-Qualified Plans account for approximately 73% and 15% of our pension obligation, respectively, at December 31, 2005. Our employees in certain of our international operations are also provided retirement benefits through defined benefit plans, representing the remaining balance of our pension obligations.

In addition to providing pension benefits, we provide various health care and life insurance benefits for retired employees. U.S.-based employees who retire with 10 years of vesting service after age 45 are eligible to receive benefits. Postretirement benefit costs and obligations are also determined actuarially.

Certain of our non-U.S.-based employees receive postretirement benefits through government-sponsored or administered programs.

We use an annual measurement date of December 31 for our U.S. and Canada plans and November 30 for other non-U.S. plans.

Benefit Obligation and Plan Assets

The following table sets forth the changes in our benefit obligations and plan assets for our pension and postretirement plans. The table also reconciles the funded status of these obligations to the amounts reflected

in our financial statements, and identifies the line items in our consolidated balance sheets where the related assets and liabilities are recorded:

	Pension Plans		Postretirement Benefits	
	2005	2004	2005	2004
Change in Benefit Obligations:				
Benefit obligation at January 1	$(1,564.1)	$(1,455.3)	$(123.2)	$(162.1)
Service cost	(16.7)	(14.7)	(1.1)	(0.9)
Interest cost	(87.4)	(86.1)	(4.8)	(7.6)
Benefits paid	96.9	86.6	20.7	20.2
Plan amendment	(1.1)	(0.9)	(8.1)	—
Impact of curtailment gain (loss)	7.5	3.0	—	(0.3)
Plan participant contributions	(0.9)	(0.8)	(6.0)	(5.5)
Actuarial gain (loss)	(45.9)	(30.2)	25.7	33.0
Assumption change	(33.6)	(47.5)	—	—
Effect of changes in foreign currency exchange rates	16.1	(18.2)	—	—
Benefit obligation at December 31	$(1,629.2)	$(1,564.1)	$ (96.8)	$(123.2)
Change in Plan Assets:				
Fair value of plan assets at January 1	$ 1,364.5	$ 1,289.9	$ —	$ —
Actual return on plan assets	112.6	128.0	—	—
Employer contribution	32.2	19.1	14.7	14.7
Plan participant contributions	0.9	0.8	6.0	5.5
Benefits paid	(96.9)	(86.6)	(20.7)	(20.2)
Effect of changes in foreign currency exchange rates	(10.8)	13.3	—	—
Fair value of plan assets at December 31	$ 1,402.5	$ 1,364.5	$ —	$ —
Reconciliation of Funded Status to Total Amount Recognized:				
Funded status of plan	$ (226.7)	$ (199.6)	$ (96.8)	$(123.2)
Unrecognized actuarial loss (gain)	597.0	551.7	(28.6)	(4.9)
Unrecognized prior service cost	12.5	16.7	(24.0)	(51.9)
Net amount recognized	$ 382.8	$ 368.8	$(149.4)	$(180.0)

	Pension Plans		Postretirement Benefits	
	2005	2004	2005	2004
Amounts Recognized in the Consolidated Balance Sheets:				
Prepaid pension costs	$ 470.8	$ 455.3	$ —	$ —
Accrued pension and postretirement benefits	(274.8)	(268.3)	(149.4)	(180.0)
Intangible assets	11.1	14.9	—	—
Accumulated other comprehensive income	175.7	166.9	—	—
Net amount recognized	$ 382.8	$ 368.8	$(149.4)	$(180.0)
Accumulated Benefit Obligation	$ 1,575.3	$ 1,511.6	N/A	N/A
Increase in minimum liability included in Other Comprehensive Income — Pretax	$ 8.8	$ 22.3	N/A	N/A

The amount recorded in "Accumulated Other Comprehensive Income" is included in our Consolidated Statements of Shareholders' Equity as "Minimum Pension Liability Adjustment," net of tax. The associated deferred tax assets were $63.0 million and $59.8 million for the years ended December 31, 2005 and 2004, respectively. We recorded a "Change in Minimum Pension Liability Adjustment" of $5.6 million and $14.0 million, net of applicable tax, in the years ended December 31, 2005 and 2004, respectively.

Grantor Trusts are used to fund the U.S. Non-Qualified Plans. While our Non-Qualified plans are largely unfunded, at December 31, 2005 and 2004, the balances in these trusts were approximately $13.6 million and $12.5 million, respectively, included as components of other non-current assets in the consolidated balance sheet.

As of December 31, 2005 and 2004, our pension plans have aggregate unrecognized losses of $597.0 million and $551.7 million, respectively. These unrecognized losses represent the cumulative effect since the inception of SFAS No. 87 of demographic and investment experience, as well as assumption changes that have been made in measuring the plans' liabilities. At December 31, 2005 and 2004, approximately $20.3 million and $96.9 million of this total unrecognized loss, respectively, was excluded when determining the loss amortization because it represents deferred asset experience not yet reflected in the market-related value of plan assets. The remaining unrecognized loss, to the extent it exceeds the greater of 10% of the projected benefit obligation or market-related value of plan assets, will be amortized into expense each year on a straight-line and plan-by-plan basis, over the remaining expected future working lifetime of active participants or the average remaining life expectancy of the inactive participants if all or almost all of the plan participants are inactive. Currently, the amortization periods range from 11 to 14 years for the U.S. plans and 15 to 37 years for the non-U.S. plans. For certain of our non-U.S. plans, almost all of the plan participants are inactive. In addition, the postretirement benefit plan had a $28.6 million and $4.9 million unrecognized gain as of December 31, 2005 and 2004, respectively. It will be amortized into expense in the same manner as described above. The amortization period approximates 10 years.

Additional Minimum Pension Liability

Under SFAS No. 87, we are required to recognize an additional minimum pension liability for pension plans with accumulated benefit obligations in excess of plan assets. At December 31, 2005 and 2004, our unfunded accumulated benefit obligations and the related projected benefit obligations were as follows:

	2005	2004
Accumulated benefit obligation	$417.0	$379.3
Fair value of plan assets	142.2	111.0
Unfunded Accumulated Benefit Obligation	$274.8	$268.3
Projected Benefit Obligation	$445.1	$397.7

The unfunded accumulated benefit obligations at December 31, 2005 consisted of $228.2 million and $46.6 million related to our U.S. Non-Qualified Plans and non-U.S. defined benefit plans, respectively. The unfunded accumulated benefit obligations at December 31, 2004 consisted of $218.9 million and $49.4 million related to our U.S. Non-Qualified Plans and non-U.S. defined benefit plans, respectively.

Net Periodic Pension Costs

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

	Pension Plans			Postretirement Benefits		
	2005	2004	2003	2005	2004	2003
Components of Net Periodic Cost:						
Service cost	$ 16.7	$ 14.7	$ 13.9	$ 1.1	$ 0.9	$ 1.2
Interest cost	87.4	86.1	84.6	4.8	7.6	14.3
Expected return on plan assets	(119.2)	(126.8)	(128.1)	—	—	—
Amortization of prior service cost	2.8	2.9	3.2	(10.6)	(11.4)	(2.4)
Recognized actuarial loss (gain)	25.2	11.4	8.2	(1.0)	(0.1)	1.8
Net Periodic (Income) Cost	$ 12.9	$ (11.7)	$ (18.2)	$ (5.7)	$ (3.0)	$14.9

In addition, we incurred curtailment charges of $3.1 million, $1.3 million and $0.5 million for our pension plans for the years ended December 31, 2005, 2004 and 2003, respectively. In addition, we recognized curtailment gains of $9.5 million and $3.7 million for our postretirement benefit plan for the years ended December 31, 2005 and 2004, respectively.

We apply our long-term expected rate of return assumption to the market-related value of assets to calculate the expected return on plan assets, which is a major component of our annual net periodic pension expense. The market-related value of assets recognizes short-term fluctuations in the fair value of assets over a period of five years, using a straight-line amortization basis. The methodology has been utilized to reduce the effect of short-term market fluctuations on the net periodic pension cost, as provided under SFAS No. 87. Since the market-related value of assets recognizes gains or losses over a five-year-period, the future value of assets will be impacted as previously deferred gains or losses are recorded. At December 31, 2005 and 2004, the market-related value of assets of our pension plans was $1,422.8 million and $1,461.4 million, respectively, which exceeded the fair value of the plan assets by $20.3 million and $96.9 million, respectively.

The following table sets forth the assumptions we used to determine our pension plan and postretirement benefit plan obligations for December 31, 2005 and 2004.

	Pension Plans		Postretirement Benefits	
	2005	2004	2005	2004
Weighted average discount rate	5.43%	5.71%	5.30%	5.25%
Weighted average rate of compensation increase	3.66%	3.67%	N/A	N/A
Cash balance accumulation/conversion rate	4.75%	5.00%	N/A	N/A

The following table sets forth the assumptions we used to determine net periodic benefit cost for the years ended December 31, 2005, 2004 and 2003.

	Pension Plans			Postretirement Benefits		
	2005	2004	2003	2005	2004	2003
Weighted average discount rate	5.63%	5.98%	6.44%	5.08%	6.00%	6.45%
Weighted average expected long-term return on plan assets	8.41%	8.66%	8.65%	N/A	N/A	N/A
Weighted average rate of compensation increase	3.66%	3.65%	3.65%	N/A	N/A	N/A
Cash balance accumulation/conversion rate	5.00%	5.00%	4.75%	N/A	N/A	N/A

The expected long-term rate of return assumption was 8.50%, 8.75% and 8.75% for the years ended December 31, 2005, 2004 and 2003, respectively, for the U.S. Qualified Plan, our principal pension plan. For the year ended December 31, 2006, we will lower the expected long-term rate of return assumption to 8.25% for the U.S. Qualified Plan. This assumption is based on the plan's target asset allocation of 65% equity securities, 29% debt securities and 6% real estate. The expected long-term rate of return assumption reflects long-term capital market return forecasts for the asset classes employed, assumed excess returns from active management within each asset class, the portion of plan assets that are actively managed, and periodic rebalancing back to target allocations. Current market factors such as inflation and interest rates are evaluated before the long-term capital market assumptions are determined. In addition, peer data and historical returns are reviewed to check for reasonableness. Although we review our expected long-term rate of return assumption annually, our plan performance in any one particular year does not, by itself, significantly influence our evaluation. Our assumption is generally not revised unless there is a fundamental change in one of the factors upon which it is based, such as the target asset allocation or long-term capital market return forecasts.

The following table sets forth the weighted average asset allocations and target asset allocations by asset category, as of the measurement dates of the plans.

	Asset Allocations		Target Asset Allocations	
	2005	2004	2005	2004
Equity securities	67%	68%	65%	65%
Debt securities	26	26	29	29
Real estate	7	6	6	6
Total	100%	100%	100%	100%

The U.S. Qualified Plan, our principal plan, employs a total return investment approach in which a mix of equity, debt and real estate investments are used to maximize the long-term return on plan assets at a prudent level of risk. The plan's target asset allocation is 65% equity securities (range of 60% to 70%), 29% debt securities (range of 24% to 34%) and 6% real estate (range of 3% to 9%). The target allocation is controlled by periodic rebalancing back to target. Plan assets are invested using a combination of active and passive (indexed) investment strategies. Active strategies employ multiple investment management firms.

The plan's equity securities are diversified across U.S. and non-U.S. stocks. The active investment managers employ a range of investment styles and approaches that are combined in a way that compensates for capitalization and style biases versus benchmark indices. The plan's debt securities are diversified principally among securities issued or guaranteed by the U.S. government or its agencies, mortgage-backed securities, including collateralized mortgage obligations, corporate debt obligations and dollar-denominated obligations issued in the U.S. by non-U.S. banks and corporations. Generally, up to 10% of the debt securities may be invested in securities rated lower than A. The plan's real estate investments are made through a commingled equity real estate fund of U.S. properties diversified by property type and geographic location.

Investment risk is controlled through diversification among multiple asset classes, managers, styles and securities. Risk is further controlled at the investment manager level by requiring managers to follow formal written investment guidelines and by assigning them excess return and tracking error targets. Investment results and risk are measured and monitored on an ongoing basis and quarterly investment reviews are conducted. The plan's active investment managers are prohibited from investing plan assets in equity or debt securities issued or guaranteed by us. In addition, we are not part of any index fund in which the plan invests.

We use the discount rate to measure the present value of pension plan obligations and postretirement health care obligations at year-end as well as to calculate next year's pension income or cost. It is derived by using a yield curve approach which matches projected plan benefit payment streams with an applicable yield curve developed from high quality bond portfolios. The rate is adjusted at each remeasurement date, based on the factors noted above. As of December 31, 2005, for all of our U.S. pension plans we lowered the discount rate to 5.50% from 5.75% used at December 31, 2004.

We expect to contribute $32.4 million to our Non-Qualified U.S. plans and non-U.S. pension plans and $12.4 million to our postretirement benefit plan for the year ended December 31, 2006. We do not expect to contribute to the U.S. Qualified Plan.

The following table summarizes expected benefit payments from our pension plans and postretirement plans through 2015. Actual benefit payments may differ from expected benefit payments. These amounts are reflected net of expected plan participant contributions.

		Postretirement Benefits		
	Pension Plans	Gross Expected Benefit Payment	Gross Expected Subsidy	Net Expected Benefit Payment
2006	$ 96.0	$14.9	$ 2.5	$12.4
2007	$ 89.0	$14.3	$ 2.8	$11.5
2008	$ 86.3	$13.6	$ 3.0	$10.6
2009	$ 87.7	$13.0	$ 3.2	$ 9.8
2010	$ 91.7	$12.5	$ 3.4	$ 9.1
2011-2015	$489.9	$55.5	$18.5	$37.0

For measurement purposes, a 12.0% annual rate of increase in the per capita cost of covered health care benefits was assumed for the year ended December 31, 2006. The rate was assumed to decrease gradually to 5.0% by 2013 and remain at that level thereafter.

Assumed health care cost trend rates have an effect on the amounts reported for the health care plans. A one-percentage-point change in the assumed health care cost trend rates would have the following effects.

	1% Point	
	Increase	Decrease
Benefit obligation at end of year	$0.7	$(1.4)
Service cost plus interest cost	$ —	$(0.1)

In the fourth quarter of 2003, an amendment was made to D&B's Postretirement Benefit Plan and starting January 1, 2004, we began to limit the amount of our insurance premium contribution based on the amount we contributed for the year ended December 31, 2003 per retiree. This change is expected to reduce our postretirement benefit obligation by approximately $71.4 million, subject to changes in economic conditions and actual plan experience. This non-cash reduction will be amortized over five to six years, starting in 2004. This change has reduced the annual postretirement benefit costs by approximately $11 million for the years ended December 31, 2005 and 2004.

On December 8, 2003, the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (the "Medicare Reform Act") was signed into law. The Medicare Reform Act expands Medicare, primarily by adding a prescription drug benefit for medicare-eligibles starting in 2006. The Medicare Reform Act provides employers currently providing postretirement prescription drug benefits with a range of options for coordinating with the new government-sponsored program potentially to reduce this benefit, including providing for a federal subsidy to sponsors of retiree health care benefit plans that provide a benefit that is at least actuarially equivalent to the benefit established by the law. In connection with the Medicare Reform Act, the FASB issued FSP No. FAS 106-2, "Accounting and Disclosure Requirements Related to the Medicare Prescription Drug, Improvement and Modernization Act of 2003." FSP No. FAS 106-2 provides guidance on accounting for the effects of the new Medicare prescription drug legislation for employers whose prescription drug benefits are actuarially equivalent to the drug benefit under Medicare Part D and are therefore entitled to receive subsidies from the federal government beginning in 2006.

Under the FSP, if a company concludes that its defined benefit postretirement benefit plan is actuarially equivalent to the Medicare Part D benefit, the employer should recognize subsidies from the federal government in the measurement of the accumulated postretirement benefit obligation ("APBO") under SFAS No. 106. The resulting reduction of the APBO should be accounted for as an actuarial gain. D&B adopted the FSP for periods beginning after July 1, 2004.

On January 21, 2005, the Centers for Medicare and Medicaid Services ("CMS") released final regulations implementing major provisions of the Medicare Reform Act of 2003. The regulations address key concepts, such as defining a plan, as well as the actuarial equivalence test for purposes of obtaining a government subsidy. Pursuant to the guidance in FSP No. FAS 106-2, we have assessed the financial impact of the regulations and concluded that our postretirement benefit plan will qualify for the direct subsidies in 2006 until 2023 and the APBO decreased by $37.1 million, including the $33.1 million related to the subsidy and $4.0 million related to the impact of the future participant opt-out assumption as participants seek more affordable drug coverage under Medicare Part D benefit. Of the $37.1 million, $31.3 million was reflected in December 31, 2004 results and the remaining balance in December 31, 2005 results. As a result of the implementation of Medicare Reform Act, our 2005 and 2004 postretirement benefit cost decreased by approximately $2.5 million and $1.3 million, respectively, including the reduction in interest cost of $1.8 million for the year ended December 31, 2005 and $1.1 million for the year ended December 31, 2004, and the increase in recognized actuarial gain of $0.7 million for the year ended December 31, 2005 and $0.2 million for the year ended December 31, 2004.

In the fourth quarter of 2005, we communicated to our retirees we would share 25% of the projected federal subsidies with the retirees starting in fiscal year 2006. In the future, we may consider increasing our sharing percentage as necessary in order to ensure our retiree prescription drug plan remains actuarially equivalent and continues to qualify for federal subsidies. The impact of sharing was accounted for in accordance with FSP No. FAS 106-2. As a result, our APBO increased by approximately $1.5 million and our annual postretirement benefit income will decrease by approximately $1.0 million for the year ended December 31, 2006.

Effective April 1, 2004, an amendment was made to the UK final pay defined benefit pension plan. After the amendment, the final pay defined benefit plan was closed to new participants. Under the revised defined

benefit plan, the method used to accrue pension benefits is based on career average salary, which would reduce plan members' future benefit. Existing participants in the revised defined benefit plan are required to increase their contributions. Existing participants under the defined benefit plan also have the option to participate in a defined contribution plan which will offer enhanced benefits.

Profit Participation Plan

We have a profit participation plan covering substantially all U.S. employees that provides for an employee salary deferral contribution and employer contributions. Employees may contribute up to 16% of their pay. We contribute an amount equal to 50% of an employee's first 6% of contributions, up to a maximum of 3% of the employee's salary. We also make contributions to the plan if certain financial performance objectives are met, based on performance over a one-year period ("Supplemental Match"). We recognized expense associated with our employer contributions to the plan of $7.4 million, $10.4 million, and $8.7 million for the year ended December 31, 2005, 2004 and 2003, respectively.

In February 2006, we communicated to our employees that in 2006 we would eliminate the supplemental match provision.

Note 11. Employee Stock Plans

Under The Dun & Bradstreet Corporation 2000 Stock Incentive Plan ("2000 SIP") and Non-Employee Directors' Stock Incentive Plan ("2000 DSIP"), we have granted options to certain employees and non-employee directors to purchase shares of our common stock at the market price on the date of the grant. Options granted under the 2000 SIP prior to February 9, 2004 generally vest in three equal installments, beginning on the third anniversary of the grant. Options granted under the 2000 SIP on or after February 9, 2004 generally vest in four equal installments beginning on the first anniversary of the grant. Options granted under the 2000 DSIP generally vest 100% on the first anniversary of the grant. All options generally expire 10 years from the date of the grant. The 2000 SIP and 2000 DSIP provide for the granting of up to 9.7 million and 0.3 million shares of our common stock, respectively.

Under The Dun & Bradstreet Corporation 2000 Employee Stock Purchase Plan ("ESPP"), which became effective October 2000, we are authorized to sell up to 1.5 million shares of our common stock to our eligible employees of which 906,114 remain available for future purchases at December 31, 2005. Under the terms of the ESPP, employees may have up to 10% of their earnings withheld to purchase our common stock. The purchase price of the stock on the date of purchase is 85% of the average high and low sale prices of shares on the New York Stock Exchange on the last trading day of the month. Under the ESPP, we sold 94,161, 97,295, and 108,440 shares to employees for the years ended December 31, 2005, 2004 and 2003, respectively.

We apply APB No. 25 and related interpretations in accounting for our plans. Accordingly, no compensation cost has been recognized for stock option grants under the plans or purchases under the ESPP (See Note 1 to these consolidated financial statements included in this Annual Report on Form 10-K for the pro forma effect disclosure under the provisions of SFAS No. 123).

Options outstanding at December 31, 2005 were originally granted during the years 1996 through 2005 and are exercisable over periods ending not later than 2015. At December 31, 2005, 2004 and 2003, options for 3,115,172 shares, 3,991,434 shares, and 3,479,627 shares of our common stock, respectively, were exercisable, and 3,111,171 shares, 3,646,883 shares, and 3,650,541 shares of our common stock, respectively, were available for future grants under the stock option plans.

Changes in stock options for the three years ended December 31, 2005 are summarized as follows:

	Shares	Weighted Average Exercise Price($)
Options outstanding at January 1, 2003	9,692,241	21.99
Granted	1,895,645	35.15
Exercised	(1,414,827)	14.07
Surrendered or expired	(969,939)	28.40
Options outstanding at December 31, 2003	9,203,120	25.25
Granted	816,286	53.75
Exercised	(877,619)	16.68
Surrendered or expired	(841,314)	32.01
Options outstanding at December 31, 2004	8,300,473	28.20
Granted	632,908	61.17
Exercised	(2,764,625)	21.79
Surrendered or expired	(428,131)	39.96
Options outstanding at December 31, 2005	5,740,625	34.05

The annual stock options awarded to employees are generally granted in February of the following year after the approval of the compensation program and Business Plan. For the years ended December 31, 2005, 2004 and 2003, the annual stock options awarded to employees were 358,500, 470,400 and 628,440 at an exercise price of $71.28, $60.54 and $53.30, respectively.

The following table summarizes information about stock options outstanding at December 31, 2005:

	Stock Options Outstanding			Stock Options Exercisable	
Range of Exercise Prices	Shares	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
$10.59-$17.59	915,938	3.0 Years	$14.52	915,938	$14.52
$23.72-$27.94	1,424,919	5.0 Years	$24.13	1,254,011	$23.99
$31.36-$35.81	1,213,941	6.9 Years	$34.12	168,404	$34.08
$36.16-$42.05	920,194	6.2 Years	$36.94	476,520	$36.22
$48.07-$59.86	674,125	8.2 Years	$53.65	300,299	$53.58
$60.54-$66.09	591,508	9.2 Years	$61.21	—	—
Total	5,740,625			3,115,172	

The 2000 SIP and 2000 DSIP plans also provide for the granting of stand-alone stock appreciation rights ("SARs") and limited stock appreciation rights ("LSARs") in tandem with stock options to certain key employees and non-employee directors. At December 31, 2005, 2004 and 2003, 1,087,840, 3,685,680, and 3,326,200 shares of LSARs attached to stock options were outstanding, respectively, which are exercisable only if, and to the extent that, the related option is exercisable, and only upon the occurrence of specified contingent events. Beginning in 2005 LSARs are no longer being granted. For the years ended December 31, 2005 and 2004, no SARs were granted, and during 2003, 4,600 SARs were granted. At December 31, 2005, 2004, and 2003, 10,918, 17,736, and 57,235 shares of SARs were outstanding, respectively, and we have

recognized the associated expense of $0.1 million, $0.5 million, and $0.6 million within "Operating Costs" for the years ended December 31, 2005, 2004 and 2003, respectively. Compensation expense for stock appreciation rights is measured as the amount by which the quoted market value of the shares of our common stock exceeds the base unit price at the date of the grant. Changes, either increases or decreases, in the quoted market value of these shares between the date of grant and at the end of each subsequent quarter result in a change in the measure of compensation for the rights. The compensation expense is recognized proportionally over the vesting period.

For the years ended December 31, 2005 and 2003, 310,834 and 147,870 shares of restricted stock were granted and for the year ended December 31, 2004 no shares of restricted stock were granted. For the years ended December 31, 2005, 2004, and 2003, 28,303, 14,420 and 11,300 shares of restricted stock were forfeited, respectively. The restrictions on the majority of such shares lapse over a period of three years from date of the grant, and the cost is charged to compensation expense ratably. We record compensation expense for the amortization of restricted stock issued to employees, utilizing the intrinsic-value method, which would result in the same amount of compensation expense that would be recognized as if we had applied the fair value recognition provisions of SFAS No. 123. We recognized compensation expense recorded under APB No. 25 associated with the restricted stock of $6.0 million, $1.4 million, and $2.1 million for the years ended December 31, 2005, 2004 and 2003, respectively.

For the years ended December 31, 2005, 2004 and 2003, 57,834 shares, 9,238 shares, and 27,550 shares of restricted stock units were granted, respectively. For the years ended December 31, 2005, 2004 and 2003, 14,585 shares, 2,660 shares, and 2,290 shares of restricted stock units were forfeited, respectively. The restrictions on the majority of such shares lapse over a period of three years from the date of the grant. We recognized expense associated with the restricted stock units of $1.4 million, $0.6 million, and $0.7 million for the years ended December 31, 2005, 2004 and 2003, respectively.

Beginning in 2004, certain employees were provided an opportunity to receive an award of restricted stock or restricted stock units in the future. That award is contingent on performance against the same goals that drive payout of the annual bonus plan. These awards will be granted, if at all, after the one year performance goal has been met and will then vest over a three-year period. For the years ended December 31, 2005 and 2004, we recognized expense associated with the restricted stock opportunity of $4.4 million and $8.3 million, respectively.

Note 12. Lease Commitments and Contractual Obligations

Most of our operations are conducted from leased facilities, which are under operating leases that expire over the next 10 years, with the majority expiring within five years. We also lease certain computer and other equipment under operating leases that expire over the next three years. These computer and other equipment leases are frequently renegotiated or otherwise changed as advancements in computer technology produce opportunities to lower costs and improve performance. Rental expenses under operating leases (cancelable and non-cancelable) were $26.6 million, $32.8 million and $34.7 million for the years ended December 31, 2005, 2004 and 2003, respectively.

In July 2002, we outsourced certain technology functions to Computer Sciences Corporation ("CSC") under a 10-year agreement, which we may terminate for a fee at any time effective after July 2003 and under certain other conditions. Under the terms of the agreement, CSC is responsible for the data center operations, technology help desk and network management functions in the United States and United Kingdom and for certain application development and maintenance through July 31, 2012. The obligation under the contract is based on our historical and expected future level of usage and volume. If our future volume changes, payments under the contract could vary up or down based on specified formulas. Charges are subject to increases to partially offset inflation. We incurred costs of $65.4 million, $63.0 million and $58.9 million under this contract for the years ended December 31, 2005, 2004 and 2003, respectively.

In December 2003, we signed a three year agreement with ICT Group, Inc., effective January 2004, to outsource certain marketing calling activities. We may terminate this agreement for a fee at any time. Under the terms of the agreement, ICT is responsible for performing certain marketing and credit calling activities previously performed by our own call centers in North America. The obligation under the contract is based upon transmitted call volumes, but shall not be less than $3 million per contract year. We incurred costs of $5.2 million and $5.6 million under this contract for the years ended December 31, 2005 and 2004, respectively.

On October 15, 2004, we entered into a seven-year outsourcing agreement with IBM. Under the terms of the agreement, we have transitioned certain portions of our data acquisition and delivery, customer service, and financial processes to IBM. In addition, we may terminate this agreement for a fee at any time. We incurred costs of $24.4 million and $2.2 million under this contract for the years ended December 31, 2005 and 2004, respectively.

The following table quantifies our future contractual obligations as discussed above as of December 31, 2005:

	2006	2007	2008	2009	2010	Thereafter	Total
Operating Leases	$23.0	$17.4	$14.1	$10.9	$ 8.4	$ 14.4	$ 88.2
Obligations to Outsourcers	$91.8	$82.4	$82.6	$81.7	$80.4	$121.4	$540.3

Excludes pension obligations in which funding requirements are uncertain and long-term contingent liabilities. Our obligations with respect to pension and postretirement medical benefit plans are described in Note 10 to our consolidated financial statements included in this Annual Report on Form 10-K. Our long-term contingent liabilities with respect to tax and legal matters are discussed in Note 13 to our consolidated financial statements included in this Annual Report on Form 10-K.

Note 13. Contingencies

We are involved in tax and legal proceedings, claims and litigation arising in the ordinary course of business. We periodically assess our liabilities and contingencies in connection with these matters based upon the latest information available. For those matters where it is probable that we have incurred a loss and the loss or range of loss can be reasonably estimated, we have recorded reserves in our consolidated financial statements. In other instances, we are unable to make a reasonable estimate of any liability because of the uncertainties related to the probability of the outcome and/or amount or range of loss. As additional information becomes available, we adjust our assessment and estimates of such liabilities accordingly. It is possible that the ultimate resolution of our liabilities and contingencies could be at amounts that are different from our currently recorded reserves and that such differences could be material.

Based on our review of the latest information available, we believe our ultimate liability in connection with pending tax and legal proceedings, claims and litigation will not have a material effect on our results of operations, cash flows or financial position, with the possible exception of the matters described below.

In order to understand our exposure to the potential liabilities described below, it is important to understand the relationship between us and Moody's Corporation, our predecessors and other parties that, through various corporate reorganizations and contractual commitments, have assumed varying degrees of responsibility with respect to such matters.

In November 1996, the company then known as The Dun & Bradstreet Corporation ("D&B1") separated through a spin-off into three separate public companies: D&B1, ACNielsen Corporation ("ACNielsen") and Cognizant Corporation ("Cognizant") (the "1996 Distribution"). This was accomplished through a spin-off by D&B1 of its stock in ACNielsen and Cognizant. In September 1998, D&B1 separated through a spin off into two separate public companies: D&B1, which changed its name to R.H. Donnelley Corporation

("Donnelley/D&B1"), and a new company named The Dun & Bradstreet Corporation ("D&B2") (the "1998 Distribution"). During 1998, Cognizant separated into two separate public companies: IMS Health Incorporated ("IMS") and Nielsen Media Research, Inc. ("NMR") (the "1998 Cognizant Distribution"). In September 2000, D&B2 separated through a spin off into two separate public companies: D&B2, which changed its name to Moody's Corporation ("Moody's" and also referred to elsewhere in this Annual Report on Form 10-K as "Moody's/D&B2"), and a new company named The Dun & Bradstreet Corporation ("we" or "D&B3" and also referred to elsewhere in this Annual Report on Form 10-K as "D&B") (the "2000 Distribution").

Tax Matters

Moody's/D&B2 and its predecessors entered into global tax-planning initiatives in the normal course of business, principally through tax-free restructurings of both their foreign and domestic operations. As further described below, we undertook contractual obligations to be financially responsible for a portion of certain liabilities arising from certain historical tax-planning initiatives ("Legacy Tax Matters").

As of the end of 2005, settlement agreements have been executed with the IRS with respect to the Legacy Tax Matters previously referred to in our SEC filings as "Utilization of Capital Losses" and "Royalty Expense Deductions." With respect to the Utilization of Capital Losses matter, the settlement agreement resolved the matter in its entirety. For the Royalty Expense Deductions matter, the settlement covered tax years 1995 and 1996, which represented approximately 90% of the total potential liability to the IRS, including penalties. We believe we are adequately reserved for the remaining exposure. In addition, with respect to these two settlement agreements, we believe that IMS and NMR did not pay their allocable share to the IRS under applicable agreements. Under our agreement with Donnelley/D&B1, we and Moody's were each required to cover the shortfall, and each of us paid to the IRS approximately $12.8 million in excess of our respective allocable shares. If we are unable to resolve our dispute with IMS and NMR through the negotiation process contemplated by our agreements, we will commence arbitration to enforce our rights and collect these amounts from IMS and NMR. We believe that the resolution of the remaining exposure to the IRS under the Royalty Expense Deduction matter and the foregoing disputes with IMS and NMR will not have a material adverse impact on D&B's financial position, results of operations or cash flows.

Our remaining Legacy Tax Matter is referred to as ***"Amortization and Royalty Expense Deductions/ Royalty Income — 1997-2005"***.

Beginning in the fourth quarter of 2003, we received a series of notices with respect to a partnership agreement entered into in 1997. In these notices the IRS asserted, among other things, that certain amortization expense deductions claimed by Donnelley/D&B1, Moody's/D&B2 and D&B3 on applicable tax returns for years 1997-2002 should be disallowed. In addition to the foregoing, the IRS has asserted that royalty expense deductions claimed for 1997-2002 for royalties paid to the partnership should be disallowed. We have filed protests with the IRS with respect to these notices. The IRS has also asserted that the receipt of these same royalties by the partnership should be reallocated to and reported as royalty income by the taxpayers, including the portions of the royalties that were allocated to third-party partners in the partnership, and thus included in their taxable income. We believe that the IRS' positions with respect to the treatment of the royalty expense and royalty income are mutually inconsistent. If the IRS prevails on one of the positions, we believe that it is unlikely that it will prevail on the other. In addition to the foregoing, the IRS has asserted that certain business expenses incurred by Moody's/D&B2 and D&B3 during 1999-2002 should be capitalized and amortized over a 15-year period, if (but only if) the proposed adjustments described above are not sustained.

We estimate that the net impact to cash flow as a result of the disallowance of the 1997-2002 amortization expense deductions and the disallowance of such deductions claimed from 2003 to date could be up to $69.0 million (tax, interest and penalties, net of tax benefits but not taking into account the Moody's/

D&B2 repayment to us of $32.9 million described below). This transaction is scheduled to expire in 2012 and, unless terminated by us, the net impact to cash flow, based on current interest rates and tax rates would increase at a rate of approximately $2.3 million per quarter (including potential penalties) as future amortization expenses are deducted. We anticipate making a deposit to the IRS of approximately $40 million in the first quarter of 2006 in order to stop the accrual of statutory interest on potential tax deficiencies up to or equal to that amount with respect to tax years 1997-2002. This deposit would not impact our free cash flow and will be a component of other assets on our consolidated balance sheet.

We also estimate that, with regard to the possible disallowance of deductions for royalty expenses paid to the partnership and the reallocation of royalty income from the partnership, after taking into account certain other tax benefits resulting from the IRS' position on the partnership, it is unlikely that there will be any net impact to cash flow in addition to the amounts noted above related to the amortization expense deduction disallowance. In the unlikely event the IRS were to prevail on both positions with respect to the royalty expense and royalty income, we estimate that the net impact to cash flow as a result of the disallowance of the 1997-2002 royalty expense deductions, and the inclusion of the reallocated royalty income for all relevant years, could be up to $146.5 million (tax, interest, and penalties, net of tax benefits). This $146.5 million would be in addition to the $69.0 million noted above related to the amortization expense deduction.

At the time of the 2000 Distribution, we paid Moody's/D&B2 approximately $55.0 million in cash representing the discounted value of future tax benefits associated with this transaction. Pursuant to the terms of the 2000 Distribution, should the transaction be terminated, Moody's/D&B2 would be required to repay us an amount equal to the discounted value of its 50% share of the related future tax benefits. If the transaction was terminated at December 31, 2005, the amount of such repayment from Moody's/D&B2 to us would be approximately $32.9 million and would decrease by approximately $4.0 million to $5.0 million per year.

We are attempting to resolve this matter with the IRS before proceeding to litigation, if necessary. If we, on behalf of Donnelley/D&B1, Moody's/D&B2, and D&B3 were to challenge, at any time, any of these IRS positions for years 1997-2002 in U.S. District Court or the U.S. Court of Federal Claims, rather than in U.S. Tax Court, the disputed amounts for each applicable year would need to be paid in advance for the court to have jurisdiction over the case.

We have considered the foregoing Legacy Tax Matters and the merits of the legal defenses and the various contractual obligations in our overall assessment of potential tax liabilities. As of December 31, 2005, we have net $69.2 million of reserves recorded in the consolidated financial statements, made up of the following components: $6.0 million in Accrued Income Tax and $63.2 million in Other Non-Current Liabilities. We believe that these reserves are adequate for our share of the liabilities in these Legacy Tax Matters. Any payments that would be made for these exposures could be significant to our cash from operations in the period a cash payment took place, including any payments for the purpose of obtaining jurisdiction in U.S. District Court or the U.S. Court of Federal Claims to challenge any of the IRS's positions.

Legal Proceedings

Information Resources, Inc.

On or about February 16, 2006, this antitrust lawsuit was settled and mutual releases were signed by the parties. The dismissal of the lawsuit is subject to Court approval and the mutual releases are being held in escrow pending dismissal of the lawsuit. As more fully explained below, we were fully indemnified for this matter and therefore did not contribute to the settlement payment.

Under an Amended Joint Defense Agreement, VNU N.V., a publicly-traded Dutch company and certain of its U.S. subsidiaries (collectively, the "VNU Parties"), assumed exclusive joint and several liability for any judgment or settlement of this lawsuit. Because of this indemnity obligation, D&B did not have any exposure

to a judgment or settlement of this lawsuit unless the VNU Parties defaulted on their obligations, which did not occur. Accordingly, the VNU Parties paid the entire settlement amount of $55 million.

By way of background, in 1996, IRI filed a complaint, subsequently amended in 1997, in federal court in New York that named as defendants a company then known as The Dun & Bradstreet Corporation and now known as R.H. Donnelley (referred to in this Annual Report on Form 10-K as Donnelley/D&B1), A.C. Nielsen Company (a subsidiary of ACNielsen) and IMS International, Inc. (a subsidiary of the company then known as Cognizant Corporation). At the time of the filing of the complaint, each of the other defendants was a wholly-owned subsidiary of Donnelley/D&B1. The amended complaint alleged various violations of US antitrust laws. IRI sought damages in excess of $650 million, which IRI asked to be trebled, as well as punitive damages and attorneys fees.

As noted above, we did not contribute to the settlement payment and, therefore, the resolution of this matter did not impact our results of operations, cash flows or financial position. No amount in respect of this matter had been accrued in our consolidated financial statements.

Hoover's — Initial Public Offering Litigation

On November 15, 2001, a putative shareholder class action lawsuit was filed against Hoover's, certain of its then current and former officers and directors (the "Individual Defendants"), and one of the investment banks that was an underwriter of Hoover's July 1999 initial public offering ("IPO"). The lawsuit was filed in the United States District Court for the Southern District of New York and purports to be a class action filed on behalf of purchasers of the stock of Hoover's during the period from July 20, 1999 through December 6, 2000.

A Consolidated Amended Complaint, which is now the operative complaint, was filed on April 19, 2002. The purported class action alleges violations of Sections 11 and 15 of the Securities Act of 1933, as amended, (the "1933 Act") and Sections 10(b), Rule 10b-5 and 20(a) of the Securities Exchange Act of 1934, as amended, against Hoover's and the Individual Defendants. Plaintiffs allege that the underwriter defendant agreed to allocate stock in Hoover's IPO to certain investors in exchange for excessive and undisclosed commissions and agreements by those investors to make additional purchases of stock in the aftermarket at predetermined prices above the IPO price. Plaintiffs allege that the Prospectus for Hoover's IPO was false and misleading in violation of the securities laws because it did not disclose these arrangements. The action seeks damages in an unspecified amount. The defense of the action is being coordinated with more than 300 other nearly identical actions filed against other companies. On July 15, 2002, Hoover's moved to dismiss all claims against it and the Individual Defendants. On October 9, 2002, the Court dismissed the Individual Defendants from the case based upon Stipulations of Dismissal filed by the plaintiffs and the Individual Defendants. On February 19, 2003, the Court denied the motion to dismiss the complaint against Hoover's. On October 13, 2004, the Court certified a class in six of the approximately 300 other nearly identical actions and noted that the decision is intended to provide strong guidance to all parties regarding class certification in the remaining cases. Plaintiffs have not yet moved to certify a class in the case involving Hoover's.

Hoover's has approved a settlement agreement and related agreements that set forth the terms of a settlement between Hoover's, the plaintiff class and the vast majority of the other approximately 300 issuer defendants. Among other provisions, the settlement provides for a release of Hoover's and the Individual Defendants for the conduct alleged in the action to be wrongful. Hoover's would agree to undertake certain responsibilities, including agreeing to assign away, not assert, or release certain potential claims Hoover's may have against its underwriters. The settlement agreement also provides a guaranteed recovery of $1 billion to plaintiffs for the cases relating to all of the approximately 300 issuers. To the extent that the underwriter defendants settle all of the cases for at least $1 billion, no payment will be required under the issuers' settlement agreement. To the extent that the underwriter defendants settle for less than $1 billion, the issuers are required to make up the difference. It is anticipated that any potential financial obligation of Hoover's to

plaintiffs pursuant to the terms of the settlement agreement and related agreements will be covered by existing insurance. Hoover's currently is not aware of any material limitations on the expected recovery of any potential financial obligation to plaintiffs from its insurance carriers. Its carriers are solvent, and Hoover's is not aware of any uncertainties as to the legal sufficiency of an insurance claim with respect to any recovery by plaintiffs. Therefore, we do not expect that the settlement will involve any payment by Hoover's. If material limitations on the expected recovery of any potential financial obligation to the plaintiffs from Hoover's insurance carriers should arise, Hoover's maximum financial obligation to plaintiffs pursuant to the settlement agreement is less than $3.4 million. On February 15, 2005, the court granted preliminary approval of the settlement agreement, subject to certain modifications consistent with its opinion. Those modifications have been made. There is no assurance that the court will grant final approval to the settlement. A further hearing with regard to the settlement is scheduled for April 24, 2006.

As previously noted, if the settlement is ultimately approved and implemented in its current form, Hoover's reasonably foreseeable exposure in this matter, if any, would be limited to amounts that would be covered by existing insurance. If the settlement is not approved in its current form, we cannot predict the final outcome of this matter or whether such outcome or ultimate resolution of this matter could materially affect our results of operations, cash flows or financial position. No amount in respect of any potential judgment in this matter has been accrued in our consolidated financial statements.

Pension Plan Litigation

March 2003 Action

In March 2003, a lawsuit seeking class action status was filed against us in federal court in Connecticut on behalf of 46 specified former employees relating to our retirement plans. As noted below, during the fourth quarter of 2004 most of the counts in the complaint were dismissed. The complaint, as amended in July 2003 (the "Amended Complaint"), sets forth the following putative class:

- Current D&B employees who are participants in The Dun & Bradstreet Corporation Retirement Account and were previously participants in its predecessor plan, The Dun & Bradstreet Master Retirement Plan;
- Current employees of Receivable Management Services Corporation ("RMSC") who are participants in The Dun & Bradstreet Corporation Retirement Account and were previously participants in its predecessor plan, The Dun & Bradstreet Master Retirement Plan;
- Former employees of D&B or D&B's Receivable Management Services ("RMS") operations who received a deferred vested retirement benefit under either The Dun & Bradstreet Corporation Retirement Account or The Dun & Bradstreet Master Retirement Plan; and
- Former employees of D&B's RMS operations whose employment with D&B terminated after the sale of the RMS operations but who are not employees of RMSC and who, during their employment with D&B, were "Eligible Employees" for purposes of The Dun & Bradstreet Career Transition Plan.

The Amended Complaint estimates that the proposed class covers over 5,000 individuals.

There are four counts in the Amended Complaint. Count 1 claims that we violated ERISA by not paying severance benefits to plaintiffs under our Career Transition Plan. Count 2 claims a violation of ERISA in that our sale of the RMS business to RMSC and the resulting termination of our employees constituted a prohibited discharge of the plaintiffs and/or discrimination against the plaintiffs for the "intentional purpose of interfering with their employment and/or attainment of employee benefit rights which they might otherwise have attained." Count 3 claims that the plaintiffs were materially harmed by our alleged violation of ERISA's requirements that a summary plan description reasonably apprise participants and beneficiaries of their rights and obligations under the plans and that, therefore, undisclosed plan provisions (in this case, the actuarial

deduction beneficiaries incur when they leave D&B before age 55 and elect to retire early) cannot be enforced against them. Count 4 claims that the 6.60% interest rate (the rate is actually 6.75%) used to actuarially reduce early retirement benefits is unreasonable and, therefore, results in a prohibited forfeiture of benefits under ERISA.

In the Amended Complaint, the plaintiffs sought payment of severance benefits; equitable relief in the form of either reinstatement of employment with D&B or restoration of employee benefits (including stock options); invalidation of the actuarial reductions applied to deferred vested early retirement benefits, including invalidation of the plan rate of 6.60% (the actual rate is 6.75%) used to actuarially reduce former employees' early retirement benefits; attorneys' fees and such other relief as the court may deem just.

We deny all allegations of wrongdoing and are aggressively defending the case. In September 2003, we filed a motion to dismiss Counts 1, 3 and 4 of the Amended Complaint on the ground that plaintiffs cannot prevail on those claims under any set of facts, and in February 2004, the Court heard oral argument on our motion. With respect to Count 4, the court requested that the parties conduct limited expert discovery and submit further briefing. In November 2004, after completion of expert discovery on Count 4, we moved for summary judgment on Count 4 on the ground that an interest rate of 6.75% is reasonable as a matter of law. On November 30, 2004, the Court issued a ruling granting our motion to dismiss Counts 1 and 3. Shortly after that ruling, plaintiffs' counsel stipulated to dismiss with prejudice Count 2 (which challenged the sale of the RMS business as an intentional interference with employee benefit rights, but which the motion to dismiss did not address). Plaintiffs' counsel also stipulated to a dismissal with prejudice of Count 1, the severance pay claim, agreeing to forego any appeal of the Court's dismissal of that claim. Plaintiffs' counsel did file a motion to join party plaintiffs and to amend the Amended Complaint to add a new count challenging the adequacy of the retirement plan's mortality tables. The Court granted the motion and we filed our objections. On June 6, 2005, the Court granted D&B's motion for summary judgment as to Count 4 (the interest rate issue) and also denied the plaintiffs' motion to further amend the Amended Complaint to add a new claim challenging the mortality tables. On July 8, 2005, the plaintiffs filed their notice of appeal; they are appealing the ruling granting the motion to dismiss, the ruling granting summary judgment, and the denial of leave to amend their Amended Complaint. Oral Argument before the Second Circuit took place on February 15, 2006. A decision is expected within six weeks.

While we believe we have strong defenses in this matter, we are unable to predict at this time the final outcome of this matter or whether the resolution of this matter could materially affect our results of operations, cash flows or financial position. No amount in respect of this matter has been accrued in our consolidated financial statements.

September 2005 Action

In addition to the foregoing proceeding, a lawsuit seeking class action status was filed in September of 2005 against us in federal court in the Northern District of Illinois on behalf of a current employee relating to our retirement plans. The complaint (the "Complaint") seeks certification of the following putative class: Current or former D&B employees (other than employees who on December 31, 2001 (i) were at least age 50 with 10 years of vesting service, (ii) had attained an age which, when added to his or her years of vesting service, was equal to or greater than 70; or (iii) had attained age 65), who participated in The Dun & Bradstreet Master Retirement Plan before January 1, 2002 and who have participated in The Dun & Bradstreet Corporation Retirement Account at any time since January 1, 2002.

The Complaint estimates that the proposed class covers over 1,000 individuals.

There are five counts in the Complaint. Count 1 claims that we violated ERISA by reducing the rate of an employee's benefit accrual on the basis of age. Count 2 claims a violation of ERISA's non-forfeitability requirement, because the plan allegedly conditions receipt of cash balance benefits on foregoing the early retirement benefits plaintiff earned prior to the adoption of the cash balance amendment. Count 3 claims that

the cash balance plan violates ERISA's "anti-backloading" rule. Count 4 claims that D&B failed to supply advance notice of a significant benefit decrease. Count 5 claims that D&B failed to provide an adequate Summary Plan Description.

In the Complaint, the plaintiff seeks (1) a declaration that (a) D&B's cash balance plan is ineffective and that the D&B Master Retirement Plan is still in force and effect, and (b) plaintiff's benefit accrual under the cash balance plan must be unconditional and not reduced because of age, (2) an injunction (a) prohibiting the application of the cash balance plan's reduction in the rate of benefit accruals because of age and its conditions of benefits due under the plan, and (b) ordering appropriate equitable relief to determine plan participant losses caused by D&B's payment of benefits under the cash balance plan's terms and requiring the payment of additional benefits as appropriate, (3) attorneys' fees and costs, (4) interest, and (5) such other relief as the court may deem just.

A Motion to Transfer Venue to the District of New Jersey was filed on January 27, 2006. A decision is expected by the end of March 2006.

We believe we have strong defenses in this matter and we will deny all allegations of wrongdoing and aggressively defend the case.

We are unable to predict at this time the final outcome of this matter or whether the resolution of this matter could materially affect our results of operations, cash flows or financial position. No amount in respect of this matter has been accrued in our consolidated financial statements.

Other

In addition, in the normal course of business, 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 of the Company. 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.

Note 14. 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. On January 1, 2005, we began managing our operations in Canada as part of our International segment. As part of this change, our results are reported under the following two segments: United States (U.S.) and International. We have conformed historical amounts to reflect the new segment structure. Our customer solution sets are Risk Management Solutions, Sales & Marketing Solutions, E-Business Solutions and Supply Management Solutions. Inter-segment sales are immaterial and no single customer accounted for 10% or more of our total revenues. For management reporting purposes, we evaluate business segment performance before restructuring charges because restructuring 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 (see "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations," under the heading "How We Manage Our Business" for further details). 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 Program, are not allocated to our business segments.

	Year Ended December 31,		
	2005	2004	2003
Operating Revenues:			
U.S.	$1,087.8	$1,004.9	$ 927.6
International	355.8	409.1	458.8
Consolidated Total	$1,443.6	$1,414.0	$1,386.4
Operating Income (Loss):			
U.S.	$ 405.5	$ 354.9	$ 320.3
International	62.2	74.7	69.5
Total Divisions	467.7	429.6	389.8
Corporate and Other(1)	(103.7)	(110.8)	(98.0)
Consolidated Total	364.0	318.8	291.8
Non-Operating (Expense) Income — Net	(9.9)	22.0	(11.4)
Income before Provision for Income Taxes	$ 354.1	$ 340.8	$ 280.4
Depreciation and Amortization:(2)			
U.S.	$ 27.2	$ 35.4	$ 40.8
International	8.6	11.2	19.9
Total Divisions	35.8	46.6	60.7
Corporate and Other	0.3	0.7	3.3
Consolidated Total	$ 36.1	$ 47.3	$ 64.0
Capital Expenditures:			
U.S.	$ 4.0	$ 6.6	$ 7.6
International	1.6	5.3	3.4
Total Divisions	5.6	11.9	11.0
Corporate and Other	0.1	0.2	—
Consolidated Total	$ 5.7	$ 12.1	$ 11.0
Additions to Computer Software and Other Intangibles:			
U.S.	$ 18.1	$ 14.0	$ 16.5
International	4.8	2.6	2.8
Total Divisions	22.9	16.6	19.3
Corporate and Other	—	0.1	—
Consolidated Total	$ 22.9	$ 16.7	$ 19.3
Assets:			
U.S.	$ 452.8	$ 423.3	$ 423.5
International	464.2	499.5	574.4
Total Divisions	917.0	922.8	997.9
Corporate and Other (primarily domestic pensions and taxes)	696.4	712.7	626.8
Consolidated Total	$1,613.4	$1,635.5	$1,624.7

	Year Ended December 31,		
	2005	2004	2003
Goodwill:(3)			
U.S.	$ 122.9	$ 110.9	$ 118.0
International	97.3	106.1	138.9
Consolidated Total	$ 220.2	$ 217.0	$ 256.9
Supplemental Geographic and Customer Solution Set Information:			
Long-Lived Assets:			
U.S.	$ 568.2	$ 577.0	$ 637.6
International	125.1	140.3	172.7
Consolidated Total	$ 693.3	$ 717.3	$ 810.3
Customer Solution Set Revenues:			
U.S.:			
Risk Management Solutions	$ 655.7	$ 613.0	$ 577.3
Sales & Marketing Solutions	331.5	312.3	288.2
E-Business Solutions	67.2	49.9	29.0
Supply Management Solutions	33.4	29.7	33.1
Total U.S. Core Revenue	1,087.8	1,004.9	927.6
Divested Businesses	—	—	—
Total U.S. Revenue	1,087.8	1,004.9	927.6
International:			
Risk Management Solutions	297.5	269.0	227.0
Sales & Marketing Solutions	51.3	55.9	54.2
E-Business Solutions	2.8	0.1	—
Supply Management Solutions	4.2	4.6	4.9
Total International Core Revenue	355.8	329.6	286.1
Divested Businesses	—	79.5	172.7
Total International Revenue	355.8	409.1	458.8
Consolidated Total:			
Risk Management Solutions	953.2	882.0	804.3
Sales & Marketing Solutions	382.8	368.2	342.4
E-Business Solutions	70.0	50.0	29.0
Supply Management Solutions	37.6	34.3	38.0
Consolidated Total Core Revenue	1,443.6	1,334.5	1,213.7
Divested Businesses	—	79.5	172.7
Consolidated Total Revenue	$1,443.6	$1,414.0	$1,386.4

(1) The following table itemizes "Corporate and Other":

	Year Ended December 31,		
	2005	2004	2003
Operating Income (Loss):			
Corporate Costs	$ (51.5)	$ (58.2)	$(44.5)
Transition Costs (Costs to implement our Financial Flexibility Program)	(21.5)	(20.6)	(22.3)
Restructuring Expense	(30.7)	(32.0)	(17.4)
Loss on High Wycombe Building Sale	—	—	(13.8)
Total "Corporate and Other"	$(103.7)	$(110.8)	$(98.0)

(2) Includes depreciation and amortization of Property, Plant and Equipment, Computer Software, and Other Intangibles.

(3) The increase in goodwill in the U.S. from $110.9 million at December 31, 2004 to $122.9 million at December 31, 2005 is attributable to the acquisition of LiveCapital, Inc. (see Note 4 to our consolidated financial statements included in this Annual Report on Form 10-K). The decrease in goodwill in International from $106.1 million at December 31, 2004 to $97.3 million at December 31, 2005 is attributable to the negative impact of foreign currency translation.

The decrease in goodwill in the U.S. from $118.0 million at December 31, 2003 to $110.9 million at December 31, 2004 is primarily attributed to an adjustment for additional net operating loss carryovers from the Hoover's acquisition that resulted from an Internal Revenue Service pronouncement. The decrease in goodwill in International from $138.9 million at December 31, 2003 to $106.1 million at December 31, 2004 is primarily attributed to the sales of operations in Iberia, France, Central Europe, the Nordic Region and India (see Note 3 to our consolidated financial statements included in this Annual Report on Form 10-K), partially offset by the positive effect of foreign currency translation and the acquisition of a controlling interest in RIBES S.p.A (see Note 4 to our consolidated financial statements included in this Annual Report on Form 10-K).

Note 15. Supplemental Financial Data

Other Accrued and Current Liabilities:

	At December 31,	
	2005	2004
Restructuring Accruals	$ 9.4	$ 9.3
Professional Fees	27.4	27.5
Operating Expenses	27.0	31.5
Spin-Off Obligation(1)	35.0	21.3
Other Accrued Liabilities	61.7	52.2
	$160.5	$141.8

(1) As part of our spin-off from Moody's/D&B2 in 2000, Moody's and us entered into a Tax Allocation Agreement dated as of September 30, 2000 (the "TAA"). Under the TAA, Moody's/D&B2 and D&B agreed that Moody's/D&B2 would be entitled to deduct compensation expense associated with the exercise of Moody's/D&B2 stock options (including Moody's/D&B2 options exercised by D&B employees) and we would be entitled to deduct the compensation expense associated with the exercise of D&B stock options (including D&B options exercised by employees of Moody's/D&B2). In other words, the tax deduction goes to the company that issued the stock options. The TAA provides, however, that if the IRS issues rules, regulations or other authority contrary to the agreed upon treatment of the tax deductions thereunder, then the party that becomes entitled under such new guidance to take the deduction may be required to reimburse the tax benefit it has realized, in order to indemnify the other party for its loss of such deduction. The IRS issued rulings discussing an employer's entitlement to stock option deductions after a spin-off or liquidation that appear to require that the tax deduction belongs to the employer of the optionee and not the issuer of the option. Accordingly, under the TAA, we received the benefit of additional tax deductions and under the TAA we may be required to reimburse Moody's/D&B2 for the loss of income tax deductions relating to 2002 to 2005 of approximately $35.0 million in the aggregate for such years. This potential reimbursement is a reduction to Shareholders' Equity and has no impact on EPS.

Property, Plant and Equipment at cost — Net:

	At December 31,	
	2005	2004
Land	$ 4.7	$ 4.7
Buildings	29.2	29.1
Machinery and Equipment	176.7	196.3
	210.6	230.1
Less: Accumulated Depreciation	173.6	186.9
	37.0	43.2
Leasehold Improvements, less:		
Accumulated Amortization of $16.6 and $15.6	7.2	8.0
	$ 44.2	$ 51.2

Other Income (Expense) — Net:

	For the Years Ended December 31,		
	2005	2004	2003
Miscellaneous Other Income (Expense) — Net	$ —	$ 1.0	$(1.9)
Gain on Sales of Investments	3.5	1.2	0.4
Final resolution of all disputes on the sale of our French business	(3.7)	—	—
Gains (Losses) on Sales of Businesses(2)	—	30.3	(2.5)
Lower costs related to the sale of the Iberian business	0.8	—	—
Insurance Recovery	—	—	7.0
	$ 0.6	$32.5	$ 3.0

(2) See Note 3 to our consolidated financial statements included in this Annual Report on Form 10-K.

Computer Software and Goodwill:

	Computer Software	Goodwill
January 1, 2004	$ 47.2	$256.9
Additions at cost	16.4	—
Amortization	(31.4)	—
Divestitures	(0.1)	(44.0)
Acquisitions	0.9	(3.8)
Other(3)	(0.6)	7.9
December 31, 2004	32.4	217.0
Additions at cost	24.6	—
Amortization	(23.1)	—
Acquisitions(4)	—	11.1
Other(3)	(1.9)	(7.9)
December 31, 2005	$ 32.0	$220.2

(3) Impact of foreign currency fluctuations.

(4) Primarily due to the acquisition of LiveCapital, Inc. — See Note 4 to our consolidated financial statements included in this Annual Report on Form 10-K.

Other Intangibles (included in Other Non-Current Assets):

	Customer Lists	Trademarks, Patents and Other	Total
January 1, 2004	$ 7.6	$ 5.2	$12.8
Additions at cost	3.1	—	3.1
Amortization	(2.5)	—	(2.5)
Disposals	—	1.4	1.4
Other(5)	0.2	0.3	0.5
December 31, 2004	8.4	6.9	15.3

	Customer Lists	Trademarks, Patents and Other	Total
Acquisitions(4)	—	1.8	1.8
Amortization	(2.5)	—	(2.5)
Write-offs	(0.4)	—	(0.4)
Other(5)	(0.3)	(0.2)	(0.5)
December 31, 2005	$ 5.2	$ 8.5	$13.7

(5) Impact of foreign currency fluctuations.

Allowance for Doubtful Accounts:

January 1, 2003	$ 23.0
Additions charged to costs and expenses	4.1
Write-offs	(5.3)
December 31, 2003	21.8
Additions charged to costs and expenses	6.5
Write-offs	(7.9)
Divestitures	(1.9)
Other	0.9
December 31, 2004	19.4
Additions charged to costs and expenses	6.0
Write-offs	(2.5)
Other	(0.9)
December 31, 2005	$ 22.0

Deferred Tax Asset Valuation Allowance:

January 1, 2003	$ 56.8
Additions charged (credited) to costs and expenses	21.9
Additions charged (credited) to other accounts(6)	(2.3)
December 31, 2003	76.4
Additions charged (credited) to costs and expenses	9.3
Additions charged (credited) due to divestitures	(29.1)
Additions charged (credited) to other accounts(6)	(0.7)
December 31, 2004	55.9
Additions charged (credited) to costs and expenses	0.5
Additions charged (credited) due to foreign currency fluctuations(7)	(4.4)
December 31, 2005	$ 52.0

(6) Amount represents a decrease to goodwill associated with the Datahouse acquisition. See Note 4 to our consolidated financial statements included in this Annual Report on Form 10-K.

(7) Amount represents a decrease in Deferred Tax Asset and Deferred Tax Valuation Allowance due to foreign currency fluctuations.

Note 16. Quarterly Financial Data (Unaudited)

	For the Three-Months Ended				
	March 31	June 30	September 30	December 31	Full Year
2005					
Operating Revenues:					
U.S.	$263.2	$253.7	$259.0	$311.9	$1,087.8
International	78.1	98.0	82.6	97.1	355.8
Consolidated Operating Revenues	$341.3	$351.7	$341.6	$409.0	$1,443.6
Operating Income (Loss):					
U.S.	$ 98.1	$ 82.3	$ 87.3	$137.8	$ 405.5
International	1.9	20.5	13.1	26.7	62.2
Total Divisions	100.0	102.8	100.4	164.5	467.7
Corporate and Other(1)	(28.0)	(26.6)	(21.2)	(27.9)	(103.7)
Consolidated Operating Income	$ 72.0	$ 76.2	$ 79.2	$136.6	$ 364.0
Net Income	$ 52.1	$ 47.1	$ 31.7	$ 90.3	$ 221.2
Basic Earnings Per Share of Common Stock(2)	$ 0.76	$ 0.70	$ 0.48	$ 1.37	$ 3.31
Diluted Earnings Per Share of Common Stock(2)	$ 0.73	$ 0.67	$ 0.46	$ 1.32	$ 3.19
2004					
Operating Revenues:					
U.S.	$242.2	$236.1	$240.2	$286.4	$1,004.9
International	101.2	113.8	93.0	101.1	409.1
Consolidated Operating Revenues	$343.4	$349.9	$333.2	$387.5	$1,414.0
Operating Income (Loss):					
U.S.	$ 85.3	$ 70.2	$ 81.0	$118.4	$ 354.9
International	9.3	23.0	13.5	28.9	74.7
Total Divisions	94.6	93.2	94.5	147.3	429.6
Corporate and Other(1)	(29.1)	(28.6)	(21.6)	(31.5)	(110.8)
Consolidated Operating Income	$ 65.5	$ 64.6	$ 72.9	$115.8	$ 318.8
Net Income	$ 49.8	$ 39.5	$ 47.5	$ 75.0	$ 211.8
Basic Earnings Per Share of Common Stock(2)	$ 0.69	$ 0.56	$ 0.68	$ 1.09	$ 3.01
Diluted Earnings Per Share of Common Stock(2)	$ 0.66	$ 0.54	$ 0.65	$ 1.04	$ 2.90

(1) The following table itemizes the components of the "Corporate and Other" category of Operating Income (Loss)

	For the Three Months Ended				
	March 31	June 30	September 30	December 31	Full Year
Operating Income (Loss):					
2005:					
Corporate Costs	$(11.8)	$(12.0)	$(12.3)	$(15.4)	$ (51.5)
Restructuring Expense	(10.4)	(6.5)	(4.7)	(9.1)	(30.7)
Transition Costs (Costs to implement our Financial Flexibility Program)	(5.8)	(8.1)	(4.2)	(3.4)	(21.5)
Total	$(28.0)	$(26.6)	$(21.2)	$(27.9)	$(103.7)
2004:					
Corporate Costs	$(14.8)	$(14.6)	$(14.9)	$(13.9)	$ (58.2)
Restructuring Expense	(10.2)	(8.0)	(2.7)	(11.1)	(32.0)
Transition Costs (Costs to implement our Financial Flexibility Program)	(4.1)	(6.0)	(4.0)	(6.5)	(20.6)
Total	$(29.1)	$(28.6)	$(21.6)	$(31.5)	$(110.8)

(2) The number of weighted average shares outstanding changes as common shares are issued for employee benefit plans and other purposes or as shares are repurchased. For this reason, the sum of quarterly earnings per share may not be the same as earnings per share for the year.

Note 17. Subsequent Events

Addition to Existing Share Repurchase Program

On January 31, 2006, our Board of Directors approved the addition of $100 million to our existing $400 million two-year share repurchase program, of which $200.0 million was repurchased during the year ended December 31, 2005. We expect that the share repurchase program will be funded from cash provided by operating activities, supplemented as needed with readily available financing arrangements. The program is to be completed by the end of fiscal year 2006 and we plan to buy a total of $300 million under our special share repurchase program in 2006. This amount is in addition to our existing repurchase program to offset the dilutive effect of shares issued under our stock incentive plans and Employee Stock Purchase Plan. For the year ended December 31, 2005, we repurchased 3,179,840 shares under this program at an aggregate cost of $200.0 million.

Financial Flexibility Program

On January 31, 2006, the Board of Directors approved our 2006 Financial Flexibility Program. Through this program, we will create financial flexibility through a number of initiatives in 2006, including:

- Eliminating, standardizing, and consolidating redundant technology platforms, software licenses and maintenance agreements;
- Standardizing and consolidating customer service teams and processes to increase productivity and capacity utilization;

- Consolidating our vendors to improve purchasing power; and
- Improving operating efficiencies of facilities.

We expect to complete all actions under the 2006 program by December 2006. On an annualized basis, these actions are expected to create $70 million to $75 million of financial flexibility, of which approximately $50 million to $55 million will be generated in 2006, before any transition costs and restructuring charges and before any reallocation of spending. To implement these initiatives, we expect to incur transition costs of approximately $15 million. In addition, we expect to incur non-core charges totaling $23 million to $28 million pre-tax, of which $10 million to $14 million relate to severance, approximately $9 million to $10 million relate to lease termination obligations and approximately $4 million relate to other exit costs in 2006. Approximately $36 million to $41 million of these transition costs and restructuring charges are expected to result in cash expenditures. In addition, as a result of this re-engineering program, we expect that approximately 125 to 150 positions will be eliminated globally.

Item 9. ***Changes in and Disagreements with Accountants on Auditing and Financial Disclosure***

Not Applicable.

Item 9A. ***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 ("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. A 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, 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 our fiscal year ended December 31, 2005, our Disclosure Controls are effective at a reasonable assurance level.

Management's Report on Internal Control over Financial Reporting

Management's Report on Internal Control Over Financial Reporting and Management's Statement of Management's Responsibility for Financial Statements are contained in Item 8 of this Annual Report on Form 10-K.

Attestation Report of the Independent Registered Public Accounting Firm

The attestation report of our independent registered public accounting firm on our management's assessment of internal control over financial reporting is contained in Item 8 of this Annual Report on Form 10-K.

Change in Internal Control Over Financial Reporting

There was no change in our internal control over financial reporting that occurred during the fourth quarter of 2005 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. ***Other Information***

Not applicable.

PART III

Item 10. ***Directors and Executive Officers of the Registrant***

The information required to be filed by this Item 10. "Directors and Executive Officers of the Registrant," is incorporated herein by reference from our Notice of Annual Meeting of Stockholders and Proxy Statement to be filed within 120 days after D&B's fiscal year end of December 31, 2005 (the "Proxy Statement").

Item 11. ***Executive Compensation***

The information required to be filed by this Item 11. "Executive Compensation," is incorporated herein by reference from our Proxy Statement. Such incorporation by reference shall not be deemed to specifically incorporate by reference the information referred to in Item 402(a)(8) of Regulation S-K.

Item 12. ***Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters***

The information required to be filed by this Item 12. "Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters," is incorporated herein by reference from our Proxy Statement.

Item 13. ***Certain Relationships and Related Transactions***

The information required to be filed by this Item 13. "Certain Relationships and Related Transactions," is incorporated herein by reference from our Proxy Statement.

Item 14. ***Principal Accountant Fees and Services***

The information required to be filed by this Item 14. "Principal Accountant Fees and Services," is incorporated herein by reference from our Proxy Statement.

PART IV

Item 15. ***Exhibits and Financial Statement Schedules***

(a) List of documents filed as part of this report.

(1) *Financial Statements.*

See Index to Financial Statements and Schedules in Part II, Item 8 of this Form 10-K.

(2) *Financial Statement Schedules.*

None.

(b) Exhibits.

See Index to Exhibits of this Annual Report on the Form 10-K.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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, on February 28, 2006.

THE DUN & BRADSTREET CORPORATION
(Registrant)

By: /s/ STEVEN W. ALESIO
Steven W. Alesio
Chairman and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on February 28, 2006.

Signature	Title
/s/ STEVEN W. ALESIO Steven W. Alesio	Director, Chairman and Chief Executive Officer (principal executive officer)
/s/ SARA MATHEW Sara Mathew	Chief Financial Officer and President, D&B International (principal financial officer)
/s/ ANASTASIOS G. KONIDARIS Anastasios G. Konidaris	Senior Vice President, Finance Operations (principal accounting officer)
/s/ JOHN W. ALDEN John W. Alden	Director
/s/ CHRISTOPHER J. COUGHLIN Christopher J. Coughlin	Director
/s/ JAMES N. FERNANDEZ James N. Fernandez	Director
/s/ RONALD L. KUEHN, JR. Ronald L. Kuehn, Jr.	Director
/s/ VICTOR A. PELSON Victor A. Pelson	Director
/s/ SANDRA E. PETERSON Sandra E. Peterson	Director
/s/ MICHAEL R. QUINLAN Michael R. Quinlan	Director
/s/ NAOMI O. SELIGMAN Naomi O. Seligman	Director
/s/ MICHAEL J. WINKLER Michael J. Winkler	Director

INDEX TO EXHIBITS

Exhibit Number	
3	**Articles of Incorporation and By-laws**
3.1	Restated Certificate of Incorporation of the Registrant, as amended effective October 1, 2000 (incorporated by reference to Exhibit 3.1 to Registrant's Report on Form 8-K, file number 1-15967, filed October 4, 2000) and Certificate of Designation for the Series A Junior Participating Preferred Stock as Exhibit A to the Rights Agreement, dated as of August 15, 2000, between the Registrant (f.k.a. The New D&B Corporation) and EquiServe Trust Company, N.A., as Rights Agent (incorporated by reference to Exhibit 1 to the Registrant's Registration Statement on Form 8-A, file number 1-15967, filed September 15, 2000).
3.2	Amended and Restated By-laws of the Registrant (incorporated by reference to Exhibit 3.2 to Registrant's Registration Statement on Form 10, file number 1-15967, filed June 27, 2000).
4	**Instruments Defining the Rights of Security Holders, Including Indentures**
4.1	Specimen Common Stock Certificate (incorporated by reference to Exhibit 4.1 to the Registrant's Registration Statement on Form 10, file number 1-15967, filed September 11, 2000).
4.2	Rights Agreement, dated as of August 15, 2000, between the Registrant (f.k.a. The New D&B Corporation) and EquiServe Trust Company, N.A., as Rights Agent, which includes the Certificate of Designation for the Series A Junior Participating Preferred Stock as Exhibit A thereto, the Form of Right Certificate as Exhibit B thereto and the Summary of Rights to Purchase Preferred Shares as Exhibit C thereto (incorporated by reference to Exhibit 1 to the Registrant's Registration Statement on Form 8-A, file number 1-15967, filed September 15, 2000).
4.3	Five-Year Credit Agreement, dated September 1, 2004, among The Dun & Bradstreet Corporation, the Borrowing Subsidiaries Party thereto, JPMorgan Chase Bank, as Administrative Agent, Bank of Tokyo-Mitsubishi Trust Company and Citicorp USA, Inc., as Syndication Agents, The Bank of New York and Suntrust Bank, as Documentation Agents and the Lenders Party thereto (incorporated by reference to Exhibit 4.1 to Registrant's Report on Form 8-K, file number 1-15967, filed September 3, 2004).
4.4	Indenture dated as of March 22, 2001 by and between the Registrant and The Bank of New York, as Trustee (incorporated by reference to Exhibit 4.1 to Registrant's Quarterly Report on Form 10-Q, file number 1-15967, filed May 15, 2001).
4.5	Forms of 6.625% Senior Notes due 2006 (incorporated by reference to Exhibit 4.2 to Registrant's Quarterly Report on Form 10-Q, file number 1-15967, filed May 15, 2001).
10	**Material Contracts**
10.1	Distribution Agreement, dated as of September 30, 2000, between Moody's Corporation (f.k.a. The Dun & Bradstreet Corporation) and the Registrant (f.k.a. The New D&B Corporation) (incorporated by reference to Exhibit 10.1 to the Registrant's Report on Form 8-K, file number 1-15967, filed October 4, 2000).
10.2	Tax Allocation Agreement, dated as of September 30, 2000, between Moody's Corporation (f.k.a. The Dun & Bradstreet Corporation) and the Registrant (f.k.a. The New D&B Corporation) (incorporated by reference to Exhibit 10.2 to the Registrant's Report on Form 8-K, file number 1-15967, filed October 4, 2000).
10.3	Employee Benefits Agreement, dated as of September 30, 2000, between Moody's Corporation (f.k.a. The Dun & Bradstreet Corporation) and the Registrant (f.k.a. The New D&B Corporation) (incorporated by reference to Exhibit 10.3 to the Registrant's Report on Form 8-K, file number 1-15967, filed October 4, 2000).
10.4	Undertaking of the Registrant (f.k.a. The New D&B Corporation), dated September 30, 2000, to Cognizant Corporation and ACNielsen Corporation (incorporated by reference to Exhibit 10.9 to the Registrant's Report on Form 8-K, file number 1-15967, filed October 4, 2000).
10.5	Undertaking of the Registrant (f.k.a. The New D&B Corporation), dated September 30, 2000, to R.H. Donnelley Corporation (incorporated by reference to Exhibit 10.10 to the Registrant's Report on Form 8-K, file number 1-15967, filed October 4, 2000).

Exhibit Number	
10.6	Distribution Agreement, dated as of June 30, 1998, between R.H. Donnelley Corporation (f.k.a. The Dun & Bradstreet Corporation) and Moody's Corporation (f.k.a. The New Dun & Bradstreet Corporation) (incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q of Moody's Corporation, file number 1-14037, filed August 14, 1998).
10.7	Tax Allocation Agreement, dated as of June 30, 1998, between R.H. Donnelley Corporation (f.k.a. The Dun & Bradstreet Corporation) and Moody's Corporation (f.k.a. The New Dun & Bradstreet Corporation) (incorporated by reference to Exhibit 10.2 to the Quarterly Report on Form 10-Q of Moody's Corporation, file number 1-14037, filed August 14, 1998).
10.8	Employee Benefits Agreement, dated as of June 30, 1998, between R.H. Donnelley Corporation (f.k.a. The Dun & Bradstreet Corporation) and Moody's Corporation (f.k.a. The New Dun & Bradstreet Corporation) (incorporated by reference to Exhibit 10.3 to the Quarterly Report on Form 10-Q of Moody's Corporation, file number 1-14037, filed August 14, 1998).
10.9	Distribution Agreement, dated as of October 28, 1996, among R.H. Donnelley Corporation (f.k.a. The Dun & Bradstreet Corporation), Cognizant Corporation and ACNielsen Corporation (incorporated by reference to Exhibit 10(x) to the Annual Report on Form 10-K of R.H. Donnelley Corporation (f.k.a. The Dun & Bradstreet Corporation) for the year ended December 31, 1996, file number 1-7155, filed March 27, 1997).
10.10	Tax Allocation Agreement, dated as of October 28, 1996, among R.H. Donnelley Corporation (f.k.a. The Dun & Bradstreet Corporation), Cognizant Corporation and ACNielsen Corporation (incorporated by reference to Exhibit 10(y) to the Annual Report on Form 10-K of R.H. Donnelley Corporation (f.k.a. The Dun & Bradstreet Corporation) for the year ended December 31, 1996, file number 1-7155, filed March 27, 1997).
10.11	Employee Benefits Agreement, dated as of October 28, 1996, among R.H. Donnelley Corporation (f.k.a. The Dun & Bradstreet Corporation), Cognizant Corporation and ACNielsen Corporation (incorporated by reference to Exhibit 10(z) to the Annual Report on Form 10-K of R.H. Donnelley Corporation (f.k.a. The Dun & Bradstreet Corporation) for the year ended December 31, 1996, file number 1-7155, filed March 27, 1997).
10.12	Amended and Restated Indemnity and Joint Defense Agreement among the Registrant, VNU, N.V., VNU, Inc. ACNielsen Corporation, AC Nielsen (U.S.), Inc., Nielsen Media Research, Inc., R.H. Donnelley Corporation, Moody's Corporation and IMS Health Incorporated (incorporated by reference to Exhibit 10.12 to the Registrant's Quarterly Report on Form 10-Q, file number 1-15967, filed August 4, 2004).
10.13	Amended and Restated Agreement of Limited Partnership of D&B Investors L.P., dated April 1, 1997 (incorporated by reference to Exhibit 10.14 to the Quarterly Report on Form 10-Q of Moody's Corporation, file number 1-14037, filed August 14, 1998).
10.14	D&B Guaranty, dated as of April 1, 1997, given by The Dun & Bradstreet Corporation in favor of Utrecht-America Finance Co. and Leiden Inc. (as assumed by the Registrant) (incorporated by reference to Exhibit 10.19 to the Registrant's Quarterly Report on Form 10-Q, file number 1-15967, filed November 14, 2000).
10.15†	The Dun & Bradstreet Executive Transition Plan (incorporated by reference to Exhibit 10.20 to the Registrant's Quarterly Report on Form 10-Q, file number 1-15967, filed November 14, 2000).
10.16†	Forms of Change in Control Severance Agreements (incorporated by reference to Exhibit 10.21 to the Registrant's Quarterly Report on Form 10-Q, file number 1-15967, filed November 14, 2000).
10.17†	Pension Benefit Equalization Plan of The Dun & Bradstreet Corporation (incorporated by reference to Exhibit 10.22 to the Registrant's Quarterly Report on Form 10-Q, file number 1-15967, filed November 14, 2000).
10.18†	Supplemental Executive Benefit Plan of The Dun & Bradstreet Corporation (incorporated by reference to Exhibit 10.23 to the Registrant's Quarterly Report on Form 10-Q, file number 1-15967, filed November 14, 2000).

Exhibit Number	
10.19†	Profit Participation Benefit Equalization Plan of The Dun & Bradstreet Corporation (incorporated by reference to Exhibit 10.24 to the Registrant's Quarterly Report on Form 10-Q, file number 1-15967, filed November 14, 2000).
10.20†	The Dun & Bradstreet Corporation Non-Employee Directors' Deferred Compensation Plan (as Amended and Restated effective December 6, 2005) (incorporated by reference to Exhibit 10.2 to the Registrant's Report on Form 8-K, file number 1-15967, filed December 12, 2005).
10.21†	The Dun & Bradstreet Career Transition Plan (incorporated by reference to Exhibit 10.26 to the Registrant's Annual Report on Form 10-K, file number 1-15967, filed March 4, 2002).
10.22†	2000 Dun & Bradstreet Corporation Replacement Plan for Certain Directors Holding Dun & Bradstreet Corporation Equity-Based Awards (incorporated by reference to Exhibit 10.27 to the Registrant's Quarterly Report on Form 10-Q, file number 1-15967, filed November 14, 2000).
10.23†	2000 Dun & Bradstreet Corporation Replacement Plan for Certain Employees Holding Dun & Bradstreet Corporation Equity-Based Awards (incorporated by reference to Exhibit 10.28 to the Registrant's Quarterly Report on Form 10-Q, file number 1-15967, filed November 14, 2000).
10.24†	The Dun & Bradstreet Corporation 2000 Stock Incentive Plan (as amended and restated May 3, 2005) (incorporated by reference to Exhibit 10.1 to the Registrant's Report on Form 8-K, file number 1-15967, filed May 9, 2005).
10.25†	2000 Dun & Bradstreet Corporation NonEmployee Directors' Stock Incentive Plan, as amended May 3, 2005 (incorporated by reference to Exhibit 10.2 to the Registrant's Report on Form 8-K, file number 1-15967, filed May 9, 2005).
10.26†	The Dun & Bradstreet Corporation Nonfunded Deferred Compensation Plan for Non-Employee Directors (as assumed by the Registrant) (incorporated by reference to Exhibit 10.18 to Moody's Corporation Quarterly Report on Form 10-Q, file number 1-14037, filed October 20, 1999).
10.27†	Form of Limited Stock Appreciation Rights Agreement (incorporated by reference to Exhibit 10.25 to Moody's Corporation Quarterly Report on Form 10-Q, file number 1-14037, filed August 14, 1998).
10.28†	The Dun & Bradstreet Corporation Covered Employee Cash Incentive Plan (incorporated by reference to Exhibit 10.35 to the Registrant's Annual Report on Form 10-K, file number 1-15967, filed February 22, 2001).
10.29†	The Dun & Bradstreet Corporation Cash Incentive Plan (incorporated by reference to the Registrant's Annual Report on Form 10-K, file number 1-15967, filed February 21, 2001).
10.30†	Form of Detrimental Conduct Agreement (incorporated by reference to Exhibit 10.36 to the Registrant's Annual Report on Form 10-K, file number 1-15967, filed March 4, 2002).
10.31†*	Form of 2000 Dun & Bradstreet Corporation Non-Employee Directors' Stock Incentive Plan Restricted Stock Unit Award.
10.32†	Key Employees' Non-Qualified Deferred Compensation Plan (incorporated by reference to Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q, file number 1-15967, filed May 6, 2002).
10.33†	Employment Agreement, dated December 31, 2004, between Steven W. Alesio and the Company (incorporated by reference to Exhibit 10.2 to the Registrant's Report on Form 8-K, file number 1-15967, filed January 4, 2005).
10.34	Technology Services Agreement between the Registrant and Computer Sciences Corporation, dated June 27, 2002 (incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q, file number 1-15967, filed August 13, 2002).
10.35†	2006 Non-Employee Director Compensation Program (incorporated by reference to Exhibit 10.1 to the Registrant's Report on Form 8-K, file number 1-15967, filed December 12, 2005).

Exhibit Number	
10.36†	Form of Restricted Share Unit Award Agreement under the 2000 Non-employee Directors' Plan (incorporated by reference to Exhibit 10.2 to the Registrant's Report on Form 8-K, file number 1-15967, filed December 8, 2004).
10.37†	The Dun & Bradstreet Corporation 2000 Employee Stock Purchase Plan (incorporated by reference to Exhibit 10.36 to the Registrant's Annual Report on Form 10-K, file number 1-15967, filed March 28, 2003).
10.38†	Form of Restricted Stock Award Agreement under the 2000 Employee Stock Incentive Plan (incorporated by reference to Exhibit 10.1 to the Registrant's Report on Form 8-K, file number 1-15967, filed March 2, 2005).
10.39†	Form of Stock Option Award Agreement under the 2000 Employee Stock Incentive Plan (incorporated by reference to Exhibit 10.2 to the Registrant's Report on Form 8-K, file number 1-15967, filed March 2, 2005).
10.40†	Form of Restricted Stock Unit Award Agreement under the 2000 Employee Stock Incentive Plan (incorporated by reference to Exhibit 10.3 to the Registrant's Report on Form 8-K, file number 1-15967, filed March 2, 2005).
10.41†	Form of Stock Option Award Agreement under the 2000 Non-employee Directors' Plan (incorporated by reference to Exhibit 10.4 to the Registrant's Report on Form 8-K, file number 1-15967, filed March 2, 2005).
10.42†	Form of Restricted Stock Unit Award Agreement under the 2000 Non-employee Directors' Plan (incorporated by reference to Exhibit 10.5 to the Registrant's Report on Form 8-K, file number 1-15967, filed March 2, 2005).
10.43	Business Process Services Agreement made and effective as of October 15, 2004 by and between the Company and International Business Machines Corporation. This Exhibit has been redacted pursuant to a confidentially request under Rule 24(b)-2 of the Securities Exchange Act of 1934, as amended.
21	**Subsidiaries of the Registrant**
21.1*	Subsidiaries of the Registrant as of December 31, 2005.
23	**Consents of Experts and Counsel**
23.1*	Consent of Independent Registered Public Accounting Firm.
31	**Rule 13a-14(a)/15(d)-14(a) Certifications**
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.
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.
32	**Section 1350 Certifications**
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.
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.

* Filed herewith.

† Represents a management contract or compensatory plan.

Directors

John W. Alden [2,3]
Retired Vice Chairman
United Parcel Service, Inc.
(Express Package Carrier Company)

Steven W. Alesio
Chairman and Chief Executive Officer
The Dun & Bradstreet Corporation

Christopher J. Coughlin [1]
Executive Vice President and
Chief Financial Officer
Tyco International Ltd.
(Diversified Global Products and
Services Company)

James N. Fernandez [1]
Executive Vice President and
Chief Financial Officer
Tiffany & Co. (Retail Jeweler)

Ronald L. Kuehn, Jr. [1,3]
Chairman of the Board
El Paso Corporation
(Diversified Energy Company)

Victor A. Pelson [1,3]
Senior Advisor
UBS Securities LLC
(Investment Banking Firm)

Sandra E. Peterson [2,3]
Executive Vice President and President,
Diabetes Care
Bayer HealthCare LLC
(Global Health Care Company)

Michael R. Quinlin [2,3]
Chairman Emeritus
McDonald's Corporation
(Global Food Service Retailer)

Naomi O. Seligman [1,2]
Senior Partner
Ostriker von Simson, Inc.
(Consultants on Information Technology)

Michael J. Winkler [2]
Retired Executive Vice President,
Customer Solutions Group and
Chief Marketing Officer
Hewlett-Packard Company
(Global Technology Solutions Company)

Board Committees
Audit [1]
Board Affairs [2]
Compensation & Benefits [3]

Global Leadership Team

Steven W. Alesio
Chairman and Chief Executive Officer

James P. Burke
Senior Vice President, Global Solutions and
Chief Marketing Officer

Stacy A. Cashman
Senior Vice President,
Middle Market Customer Group

Patricia A. Clifford
Senior Vice President, Human Resources

David J. Emery
Senior Vice President,
International Partnerships and
Asia Pacific

Anastasios Konidaris
Senior Vice President, Finance Operations
and Principal Accounting Officer

Lawrence M. Kutscher
Senior Vice President,
Small Business Group

David J. Lewinter
Senior Vice President, General Counsel and
Corporate Secretary

Sara S. Mathew
Chief Financial Officer,
President, D&B International and
Leader, Strategy

Timothy C. McChristian
Senior Vice President,
Enterprise Customer Group

David A. Palmieri
Senior Vice President,
Global Risk Management Solutions

Michael Pepe
President, D&B U.S.

Lee A. Spirer
Senior Vice President, Strategy,
Business Development and Reengineering

Frederick A. Teague
Senior Vice President,
Global Supply Management Solutions

Byron C. Vielehr
Senior Vice President, Technology and
Chief Information Officer

Corporate Office
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Short Hills, NJ 07078-2708
Telephone: 973.921.5500
www.dnb.com

Transfer Agent, Registrar
Computershare Trust Company, N.A.
P.O. Box 43023
Providence, RI 02940-3023
Telephone: 877.498.8861 (within U.S.)
Telephone: 781.575.2725 (outside U.S.)
Hearing Impaired: 781.575.2692
Fax: 781.575.3605

Independent Auditors
PricewaterhouseCoopers, LLP
400 Campus Drive
Florham Park, NJ 07932

Common Stock Information
The Company's common stock (symbol DNB) is listed on the New York Stock Exchange.

Form 10-K and CEO/CFO Certifications
Upon written request, we will provide, without charge, a copy of our Form 10-K for the fiscal year ended December 31, 2005. Requests should be directed to:

D&B
Investor Relations
103 JFK Parkway
Short Hills, NJ 07078-2708

Our Form 10-K is also available on our website at www.dnb.com. The most recent certifications by our Chief Executive Officer and Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 are filed as exhibits to our Form 10-K. We have also filed with the New York Stock Exchange the most recent Annual CEO Certification as required by Section 303A.12(a) of the New York Stock Exchange Listed Company Manual.

Annual Meeting of Shareholders
Our Annual Meeting will be held Tuesday, May 2, 2006, at 8:00am, Eastern Daylight Time at The Hilton Short Hills, 41 JFK Parkway, Short Hills, NJ. Detailed information about the meeting is contained in our 2006 Notice of Annual Meeting of Shareholders and Proxy Statement.

Investor Inquiries
Research analysts and investors may direct their questions to:

Richard H. Veldran
Leader, Investor Relations and Treasury
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Worldwide Network

Decide with Confidence