DUN & BRADSTREET CORP/NW
Form 10-Q
August 04, 2010
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2010

OR

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

For the transition period from ________ to ________

Commission file number 1-15967

The Dun & Bradstreet Corporation

(Exact name of registrant as specified in its charter)

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

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

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

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

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

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

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

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

Title of Class	**Shares Outstanding at June 30, 2010**
Common Stock, **par value $0.01 per share**	**50,052,864**

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THE DUN & BRADSTREET CORPORATION

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

The Dun & Bradstreet Corporation

Consolidated Statements of Operations (Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2010	2009	2010	2009
	(Amounts in millions, except per share data)			
Revenue	$ 397.3	$ 416.9	$ 794.5	$ 824.3
Operating Expenses	129.4	129.5	261.7	246.4
Selling and Administrative Expenses	159.8	161.7	311.6	320.5
Depreciation and Amortization	16.0	12.9	31.2	28.6
Restructuring Charge	1.6	2.8	6.2	4.1
Operating Costs	306.8	306.9	610.7	599.6
Operating Income	90.5	110.0	183.8	224.7
Interest Income	0.4	0.8	0.9	1.9
Interest Expense	(11.8)	(11.4)	(23.3)	(22.8)
Other Income (Expense) - Net	1.7	14.6	2.5	15.9
Non-Operating Income (Expense) - Net	(9.7)	4.0	(19.9)	(5.0)
Income Before Provision for Income Taxes and Equity in Net Income of Affiliates	80.8	114.0	163.9	219.7
Provision for Income Taxes	24.6	36.5	61.9	38.1
Equity in Net Income of Affiliates	0.2	0.4	0.2	0.7
Net Income	56.4	77.9	102.2	182.3
Less: Net (Income) Loss Attributable to the Noncontrolling Interest	(0.4)	(1.1)	0.8	(1.3)
Net Income Attributable to D&B	$ 56.0	$ 76.8	$ 103.0	$ 181.0
Basic Earnings Per Share of Common Stock Attributable to D&B Common Shareholders	$ 1.12	$ 1.45	$ 2.04	$ 3.40
Diluted Earnings Per Share of Common Stock Attributable to D&B Common Shareholders	$ 1.10	$ 1.43	$ 2.02	$ 3.36
Weighted Average Number of Shares Outstanding - Basic	50.0	52.6	50.2	52.8
Weighted Average Number of Shares Outstanding - Diluted	50.5	53.2	50.7	53.4
Cash Dividend Paid Per Common Share	$ 0.35	$ 0.34	$ 0.70	$ 0.68
Comprehensive Income Attributable to D&B	$ 34.9	$ 110.5	$ 55.6	$ 210.2

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

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The Dun & Bradstreet Corporation

Consolidated Balance Sheets (Unaudited)

	June 30, 2010	December 31, 2009
	(Amounts in millions, except per share data)	
ASSETS		
Current Assets		
Cash and Cash Equivalents	$ 209.7	$ 222.9
Accounts Receivable, Net of Allowance of $15.2 at June 30, 2010 and $15.5 at December 31, 2009	394.7	464.1
Other Receivables	9.2	8.0
Prepaid Taxes	3.6	3.1
Deferred Income Tax	29.1	31.4
Current Assets Held for Sale	0.8	0.0
Other Current Assets	37.8	30.1
Total Current Assets	684.9	759.6
Non-Current Assets		
Property, Plant and Equipment, Net of Accumulated Depreciation of $81.5 at June 30, 2010 and $80.6 at December 31, 2009	51.7	53.6
Computer Software, Net of Accumulated Amortization of $344.9 at June 30, 2010 and $347.7 at December 31, 2009	130.9	119.2
Goodwill	422.3	440.8
Deferred Income Tax	171.5	181.9
Other Receivables	47.5	43.8
Other Intangibles	74.9	91.2
Other Non-Current Assets	48.8	59.3
Total Non-Current Assets	947.6	989.8
Total Assets	$ 1,632.5	$ 1,749.4
LIABILITIES		
Current Liabilities		
Accounts Payable	$ 41.4	$ 36.4
Accrued Payroll	68.3	104.9
Accrued Income Tax	14.6	3.0
Current Liabilities Held for Sale	15.0	0.0
Short-Term Debt	301.3	1.7
Other Accrued and Current Liabilities (Note 6)	184.1	173.4
Deferred Revenue	535.9	539.7
Total Current Liabilities	1,160.6	859.1
Pension and Postretirement Benefits	453.2	490.5
Long-Term Debt	625.1	961.8
Liabilities for Unrecognized Tax Benefits	117.1	115.5
Other Non-Current Liabilities	60.4	56.5
Total Liabilities	2,416.4	2,483.4
Contingencies (Note 7)		
EQUITY		
D&B SHAREHOLDERS EQUITY (DEFICIT)		

Series A Junior Participating Preferred Stock, $0.01 par value per share, authorized - 0.5 shares; outstanding - none	0.0	0.0
Preferred Stock, $0.01 par value per share, authorized - 9.5 shares; outstanding - none	0.0	0.0
Series Common Stock, $0.01 par value per share, authorized -10.0 shares; outstanding - none	0.0	0.0
Common Stock, $0.01 par value per share, authorized - 200.0 shares; issued - 81.9 shares	0.8	0.8
Capital Surplus	222.8	209.5
Retained Earnings	1,898.4	1,830.7
Treasury Stock, at cost, 31.9 shares at June 30, 2010 and 30.7 shares at December 31, 2009	(2,187.2)	(2,097.7)
Accumulated Other Comprehensive Income (Loss)	(727.3)	(689.0)
Total D&B Shareholders Equity (Deficit)	(792.5)	(745.7)
Noncontrolling Interest	8.6	11.7
Total Equity (Deficit)	(783.9)	(734.0)
Total Liabilities and Shareholders Equity (Deficit)	$ 1,632.5	$ 1,749.4

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

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The Dun & Bradstreet Corporation

Consolidated Statements of Cash Flows (Unaudited)

	For the Six Months Ended June 30, 2010	2009
	(Amounts in millions)	
Cash Flows from Operating Activities:		
Net Income	$ 102.2	$ 182.3
Reconciliation of Net Income to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	31.2	28.6
Amortization of Unrecognized Pension Loss	7.4	9.5
Gain from Sales of Businesses	(0.9)	(11.5)
Impairment of Intangible Assets	6.8	0.0
Income Tax Benefit from Stock-Based Awards	4.7	8.8
Excess Tax Benefit on Stock-Based Awards	(0.8)	(3.6)
Equity-Based Compensation	11.6	12.4
Restructuring Charge	6.2	4.1
Restructuring Payments	(11.0)	(13.6)
Deferred Income Taxes, Net	1.5	12.9
Accrued Income Taxes, Net	20.5	(54.0)
Changes in Current Assets and Liabilities:		
Decrease in Accounts Receivable	56.4	74.9
Increase in Other Current Assets	(7.7)	(2.1)
Increase (Decrease) in Deferred Revenue	21.0	(5.5)
Increase in Accounts Payable	7.3	14.5
Net Decrease in Accrued Liabilities	(26.9)	(14.5)
Net Decrease in Other Accrued and Current Liabilities	(0.7)	(0.6)
Changes in Non-Current Assets and Liabilities:		
Net Decrease in Other Long-Term Assets	2.0	10.4
Net Decrease in Long-Term Liabilities	(22.3)	(20.1)
Net, Other Non-Cash Adjustments	2.5	1.5
Net Cash Provided by Operating Activities	211.0	234.4
Cash Flows from Investing Activities:		
Proceeds from Sales of Businesses, Net of Cash Divested	0.0	10.8
Payments for Acquisitions of Businesses, Net of Cash Acquired	(0.5)	(31.6)
Investment in Debt Security	0.0	(5.0)
Cash Settlements of Foreign Currency Contracts	(8.1)	11.6
Capital Expenditures	(6.0)	(3.4)
Additions to Computer Software and Other Intangibles	(27.3)	(28.2)
Net, Other	5.8	(0.2)
Net Cash (Used in) Provided by Investing Activities	(36.1)	(46.0)
Cash Flows from Financing Activities:		
Payments for Purchases of Treasury Shares	(94.8)	(79.0)
Net Proceeds from Stock-Based Awards	1.8	11.3
Increase (Decrease) in Other Short Term Borrowings	(0.1)	0.0
Payment of Debt	(0.7)	0.0
Payments of Dividends	(35.2)	(36.2)
Proceeds from Borrowings on Credit Facilities	43.8	110.5
Payments of Borrowings on Credit Facilities	(80.7)	(146.9)
Excess Tax Benefit on Stock-Based Awards	0.8	3.6
Net, Other	(1.2)	(1.0)
Net Cash Used in Financing Activities	(166.3)	(137.7)

Effect of Exchange Rate Changes on Cash and Cash Equivalents	(21.8)	11.5
(Decrease) Increase in Cash and Cash Equivalents	(13.2)	62.2
Cash and Cash Equivalents, Beginning of Period	222.9	164.2
Cash and Cash Equivalents, End of Period	$ 209.7	$ 226.4
Supplemental Disclosure of Cash Flow Information:		
Cash Paid (Received) for:		
Income Taxes, Net of Refunds	$ 35.1	$ 70.5
Interest	$ 22.4	$ 21.8

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

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The Dun & Bradstreet Corporation

Consolidated Statements of Shareholders Equity (Deficit) (Unaudited)

	For the Six Months Ended June 30, 2010 and 2009				Accumulated Other Comprehensive Income (Loss)						
	Common Stock ($0.01 Par Value)	Capital Surplus	Retained Earnings	Treasury Stock	Cumulative Translation Adjustment	Minimum Pension Liability Adjustment	Derivative Financial Instrument	Total D&B Share-holders Equity (Deficit)	Non-controlling Interest	Total Equity (Deficit)	Compre-hensive Income (Loss)
	(Dollar amounts in millions, except per share data)										
Balance, December 31, 2008	0.8	206.1	1,582.8	(1,924.4)	(204.3)	(514.2)	(3.5)	(856.7)	6.1	(850.6)	
Net Income			181.0					181.0	1.3	182.3	$ 182.3
Payment to noncontrolling interest								0.0	(0.5)	(0.5)	
Equity-Based Plans		1.1		30.8				31.9		31.9	
Treasury Shares Acquired				(79.0)				(79.0)		(79.0)	
Pension Adjustments, net of tax of $3.6						5.9		5.9		5.9	5.9
Dividend Declared			(36.2)					(36.2)		(36.2)	
Adjustments to Legacy Tax Matters		3.2						3.2		3.2	
Change in Cumulative Translation Adjustment					22.5			22.5		22.5	22.5
Derivative Financial Instruments, no tax impact							0.8	0.8		0.8	0.8
Total Comprehensive Income (Loss)											$ 211.5
Balance, June 30, 2009	$ 0.8	$ 210.4	$ 1,727.6	$ (1,972.6)	$ (181.8)	$ (508.3)	$ (2.7)	$ (726.6)	$ 6.9	$ (719.7)	
Comprehensive Income Attributable to the Noncontrolling Interest											(1.3)
Comprehensive Income Attributable to D&B											$ 210.2
Balance, December 31, 2009	0.8	209.5	1,830.7	(2,097.7)	(161.4)	(524.6)	(3.0)	(745.7)	11.7	(734.0)	
Net Income			103.0					103.0	(0.8)	102.2	$ 102.2
Purchase of minority shares		(0.2)						(0.2)	(0.2)	(0.4)	
Payment to noncontrolling interest								0.0	(1.9)	(1.9)	
Equity-Based Plans		10.3		5.3				15.6		15.6	
Treasury Shares Acquired				(94.8)				(94.8)		(94.8)	
Pension Adjustments, net of tax of $6.3						13.7		13.7		13.7	4.6
Dividend Declared			(35.3)					(35.3)		(35.3)	
Adjustments to Legacy Tax Matters		3.2						3.2		3.2	
Change in Cumulative Translation Adjustment					(51.6)			(51.6)	(0.2)	(51.8)	(51.8)
Derivative Financial Instruments, no tax impact							(0.4)	(0.4)		(0.4)	(0.4)

Total Comprehensive Income (Loss)											$ 54.6
Balance, June 30, 2010	$ 0.8	$ 222.8	$ 1,898.4	$ (2,187.2)	$ (213.0)	$ (510.9)	$ (3.4)	$ (792.5)	$ 8.6	$ (783.9)	
Comprehensive Income Attributable to the Noncontrolling Interest											1.0
Comprehensive Income Attributable to D&B											$ 55.6

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

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THE DUN & BRADSTREET CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

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

Note 1 Basis of Presentation

These interim unaudited consolidated financial statements have been prepared in accordance with the instructions to the Quarterly Report on Form 10-Q. They should be read in conjunction with the consolidated financial statements and related notes, which appear in The Dun & Bradstreet Corporation s (D&B, we or our) Annual Report on Form 10-K for the year ended December 31, 2009. The unaudited consolidated results for interim periods do not include all disclosures required by accounting principles generally accepted in the United States of America (GAAP) for annual financial statements and are not necessarily indicative of results for the full year or any subsequent period. In the opinion of our management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair statement of the unaudited consolidated financial position, results of operations and cash flows at the dates and for the periods presented have been included.

All inter-company transactions have been eliminated in consolidation.

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

Financial Accounting Standards Board (FASB) Launches Accounting Standards Codification

In June 2009, the FASB issued FASB Accounting Standards Codification ™ (ASC) 105-10, Generally Accepted Accounting Principles, or ASC 105-10 (the Codification). This authoritative guidance establishes the exclusive authoritative reference for GAAP for use in financial statements, except for Securities and Exchange Commission (SEC) rules and interpretative releases, which are also authoritative GAAP for SEC registrants. The Codification supersedes all existing non-SEC accounting and reporting standards. All other grandfathered, non-SEC accounting literature not included in the Codification is nonauthoritative.

Following the Codification, the FASB will not issue new standards in the form of Statements, FASB Staff Positions or Emerging Issues Task Force Abstracts. Instead, it will issue Accounting Standards Updates (ASU), which will serve to update the Codification, provide background information about the authoritative guidance and provide the basis for conclusions on the changes to the Codification.

GAAP is not intended to be changed as a result of the Codification, but it has changed the way the authoritative guidance is organized and presented. As a result, these changes made an impact on how we reference GAAP in our financial statements and in our accounting policies. Where appropriate, we have conformed, throughout this Form 10-Q, references to both the Codification and/or the previous GAAP source reference.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)-continued

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

Note 2 Recent Accounting Pronouncements

In February 2010, the FASB issued ASU No. 2010-9, Amendments to Certain Recognition and Disclosure Requirements, which amends authoritative guidance on certain implementation issues related to an entity s requirement to perform and disclose subsequent events procedures. The authoritative guidance requires SEC filers to evaluate subsequent events through the date the financial statements are available to be issued and exempts SEC filers from disclosing the date through which subsequent events have been evaluated. The authoritative guidance is effective immediately for financial statements that are issued or available to be issued. We adopted the authoritative guidance on January 1, 2010, and it did not have a material impact on our consolidated financial statements.

In January 2010, the FASB issued ASU No. 2010-06, Fair Value Measurements and Disclosures Improving Disclosures and Fair Value Measurements, which adds new requirements for disclosures about transfers into and out of Level I and Level II and for separate disclosures about purchases, sales, issuances and settlements relating to Level III measurements. In addition, this amendment further clarifies the existing fair value disclosure requirements. The authoritative guidance is effective for the first interim or annual reporting period beginning after December 15, 2009, except for the newly added disclosure for Level III activity, which will be effective for fiscal years beginning after December 15, 2010. We adopted the authoritative guidance in the fourth quarter of 2009 for disclosures related to Level I and Level II. The adoption of this section of the authoritative guidance did not have a material impact on our consolidated financial statements. We expect to adopt the new disclosures on Level III in the fourth quarter of 2010. We are currently assessing the impact of the adoption of the Level III section of the authoritative guidance will have, if any, on our consolidated financial statements.

In December 2009, the FASB issued ASU No. 2009-17, Improvements to Financial Reporting by Enterprises Involved with Variable Interest Entities, which amends consolidation guidance that applies to variable interest entities or VIEs. This guidance changes how a reporting entity evaluates whether an entity is considered the primary beneficiary of a VIE and is therefore required to consolidate the VIE. The guidance requires assessments at each reporting period to determine whether an entity is a VIE, which party within the VIE is considered the primary beneficiary and which type of financial statement disclosures are required. The authoritative guidance is effective as of the beginning of the first fiscal year that begins after November 15, 2009. We adopted the authoritative guidance on January 1, 2010 and it did not have a material impact on our consolidated financial statements.

In October 2009, the FASB issued ASU No. 2009-14, Certain Revenue Arrangements that Include Software Elements, which amends guidance in ASC 985-605, Software, which focuses on determining which arrangements are included or excluded from the scope of existing software revenue guidance under ASC 985. This guidance removes non-software components of tangible products and certain software components of tangible products from the scope of the existing software revenue guidance, resulting in the recognition of revenue similar to that for other tangible products. The authoritative guidance may be applied prospectively to revenue arrangements entered into or materially modified in fiscal years beginning on or after June 15, 2010 or retrospectively for all arrangements in the period presented. We expect to adopt the authoritative guidance on January 1, 2011. We are currently assessing the impact of the adoption of this authoritative guidance will have, if any, on our consolidated financial statements.

In October 2009, the FASB issued ASU No. 2009-13, Revenue Recognition Multiple-Deliverable Revenue Arrangements, which amends guidance in ASC 605-25, Revenue Recognition: Multiple-Element Arrangements. The guidance will allow companies to allocate arrangement consideration in multiple deliverable arrangements in a manner that better reflects the transaction s economics. It also provides principles and application guidance on whether multiple deliverables exist, how the arrangement should be separated, and the consideration allocated. It also requires an entity to allocate revenue in an arrangement using estimated selling prices of deliverables if a vendor does not have vendor-specific objective evidence or third-party evidence of selling price. The guidance eliminates the use of the residual method, requires entities to allocate revenue using the relative-selling-price method and significantly expands the disclosure requirements for multiple-deliverable revenue arrangements. The authoritative guidance requires new and expanded disclosures and is applied prospectively to revenue arrangements entered into or materially modified in fiscal years beginning on or after June 15, 2010 or retrospectively for all periods presented. We expect to adopt the authoritative guidance on January 1, 2011. We are currently assessing the impact of the adoption of this authoritative guidance will have, if any, on our consolidated financial statements.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)-continued

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

Note 3 Restructuring Charge

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

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

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

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

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

Three Months Ended June 30, 2010 vs. Three Months Ended June 30, 2009

During the three months ended June 30, 2010, we recorded a $1.6 million restructuring charge in connection with Financial Flexibility initiatives. The significant components of these charges included:

Severance and termination costs of $1.5 million in accordance with the provisions of ASC 712-10 were recorded. Approximately 65 employees were impacted; and

Lease termination obligations, other costs to consolidate or close facilities and other exit costs of $0.1 million were recorded.

During the three months ended June 30, 2009, we recorded a $2.8 million restructuring charge in connection with the Financial Flexibility initiatives. The significant components of these charges included:

Severance and termination costs of $0.4 million in accordance with the provisions of ASC 712-10 were recorded. Approximately 60 employees were impacted; and

Lease termination obligations, other costs to consolidate or close facilities and other exit costs of $2.4 million were recorded.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)-continued

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

Six Months Ended June 30, 2010 vs. Six Months Ended June 30, 2009

During the six months ended June 30, 2010, we recorded a $6.2 million restructuring charge in connection with Financial Flexibility initiatives. The significant components of these charges included:

- Severance and termination costs of $3.6 million in accordance with the provisions of ASC 712-10 were recorded. Approximately 150 employees were impacted; and

- Lease termination obligations, other costs to consolidate or close facilities and other exit costs of $2.6 million were recorded.

During the six months ended June 30, 2009, we recorded a $4.1 million restructuring charge in connection with the Financial Flexibility initiatives. The significant components of these charges included:

- Severance and termination costs of $1.3 million in accordance with the provisions of ASC 712-10 were recorded. Approximately 60 employees were impacted; and

- Lease termination obligations, other costs to consolidate or close facilities and other exit costs of $2.8 million were recorded.

The following tables set forth, in accordance with ASC 712-10 and/or ASC 420-10, the restructuring reserves and utilization related to our Financial Flexibility initiatives:

	Severance and Termination	Lease Termination Obligations and Other Exit Costs	Total
Restructuring Charges:			
Balance Remaining as of December 31, 2009	$ 13.8	$ 0.7	$ 14.5
Charge Taken during First Quarter 2010	2.1	2.5	4.6
Payments during First Quarter 2010	(6.1)	(0.5)	(6.6)
Balance Remaining as of March 31, 2010	$ 9.8	$ 2.7	$ 12.5
Charge Taken during Second Quarter 2010	$ 1.5	$ 0.1	$ 1.6
Payments during Second Quarter 2010	(3.5)	(0.9)	(4.4)
Balance Remaining as of June 30, 2010	$ 7.8	$ 1.9	$ 9.7
Restructuring Charges:			
Balance Remaining as of December 31, 2008	$ 21.7	$ 0.2	$ 21.9
Charge Taken during First Quarter 2009	0.9	0.4	1.3
Payments during First Quarter 2009	(6.4)	(0.2)	(6.6)

Balance Remaining as of March 31, 2009	$	16.2	$	0.4	$	16.6
Charge Taken during Second Quarter 2009	$	0.4	$	2.4	$	2.8
Payments during Second Quarter 2009		(6.1)		(0.8)		(6.9)
Balance Remaining as of June 30, 2009	$	10.5	$	2.0	$	12.5

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)-continued

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

Note 4 Notes Payable and Indebtedness

Our borrowings are summarized in the following table:

	At June 30, 2010	At December 31, 2009
Debt Maturing Within One Year:		
Fixed-Rate Notes (Net of a $0.1 million discount as of June 30, 2010)	$ 299.9	$
Other	1.4	1.7
Total Debt Maturing Within One Year	$ 301.3	$ 1.7
Debt Maturing After One Year:		
Long-Term Fixed-Rate Notes (Net of a $0.2 million discount as of December 31, 2009)	$ 400.0	$ 699.8
Credit Facilities	222.4	259.4
Other	2.7	2.6
Total Debt Maturing After One Year	$ 625.1	$ 961.8

Fixed-Rate Notes

In April 2008, we issued senior notes with a face value of $400 million that mature on April 1, 2013 (the 2013 notes), bearing interest at a fixed annual rate of 6.00%, payable semi-annually. The interest rate applicable to the 2013 is subject to adjustment if our debt rating is decreased four levels below our A- credit rating on the date of issuance of the 2013 notes or subsequently upgraded rating. The maximum adjustment is 2.00% above the initial interest rate. As of June 30, 2010, no such adjustments to the interest rate have been made. Proceeds from this issuance were used to repay indebtedness under our credit facility. The 2013 notes are recorded as Long-Term Debt in our unaudited consolidated balance sheet at June 30, 2010.

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

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

In March 2006, we issued senior notes with a face value of $300 million that mature on March 15, 2011 (the 2011 notes), bearing interest at a fixed annual rate of 5.50%, payable semi-annually. The proceeds were used to repay our then existing $300 million senior notes, bearing interest at a fixed annual rate of 6.625% which matured on March 15, 2006. During the first quarter of 2010, these notes have been reclassified from long term debt to short term debt because they will mature in one year. The 2011 notes of $299.9 million, net of a $0.1 million remaining discount, are recorded as Short-Term Debt in our unaudited consolidated balance sheet at June 30, 2010. The 2011 notes of $299.8 million, net of a $0.2 million remaining discount, are recorded as Long-Term Debt in our audited consolidated balance sheet at December 31, 2009.

The 2011 notes were issued at a discount of $0.8 million and, in connection with the issuance, we incurred underwriting and other fees of $2.2 million. These costs are being amortized over the life of the 2011 notes. The 2011 notes contain certain covenants that limit our ability to create liens, enter into sale and leaseback transactions and consolidate, merge or sell assets to another entity. The 2011 notes do not contain any financial covenants.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)-continued

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

On February 10, 2006 and September 30, 2005, we entered into interest rate derivative transactions with aggregate notional amounts of $100 million and $200 million, respectively. The objective of these hedges was to mitigate the variability of future cash flows from market changes in Treasury rates in the anticipation of the issuance of the 2011 notes. These transactions were accounted for as cash flow hedges. Changes in fair value of the hedges that took place through the date of the issuance of the 2011 notes were recorded in AOCI. These interest rate derivative transactions were executed in connection with the issuance of the 2011 notes, resulting in proceeds of $5.0 million at the date of termination. The proceeds are recorded in AOCI and are being amortized over the life of the 2011 notes.

Credit Facilities

At June 30, 2010 and December 31, 2009, we had a $650 million, five-year bank revolving credit facility, which expires in April 2012. Borrowings under the $650 million credit facility are available at prevailing short-term interest rates. The facility requires the maintenance of interest coverage and total debt to Earnings Before Income Taxes, Depreciation and Amortization (EBITDA) ratios which are defined in the credit agreement. We were in compliance with these covenants at June 30, 2010 and at December 31, 2009.

At June 30, 2010 and December 31, 2009, we had $222.4 million and $259.4 million, respectively, of borrowings outstanding under the $650 million credit facility with weighted average interest rates of 0.56% and 0.47%, respectively. We borrowed under these facilities from time-to-time during the six months ended June 30, 2010 to fund our working capital needs and share repurchases. The $650 million credit facility also supports our commercial paper borrowings of up to $300 million (limited by borrowed amounts outstanding under the facility). We did not borrow under our commercial paper program as of and for the six months ended June 30, 2010 or for the year ended December 31, 2009.

In January 2009 and December 2008, we entered into interest rate swap agreements with aggregate notional amounts of $25 million and $75 million, respectively, and designated these swaps as cash flow hedges against variability in cash flows related to our $650 million credit facility. These transactions were accounted for as cash flow hedges and, as such, changes in fair value of the hedges are recorded in AOCI. Approximately $1.6 million of net derivative losses associated with these swaps was included in AOCI at June 30, 2010.

Other

At June 30, 2010 and December 31, 2009, certain of our International operations had non-committed lines of credit of $3.1 million and $9.6 million, respectively. There were no borrowings outstanding under these lines of credit at June 30, 2010 or December 31, 2009. These arrangements have no material commitment fees and no compensating balance requirements.

At June 30, 2010 and December 31, 2009, we were contingently liable under open standby letters of credit issued by our bank in favor of third parties totaling $2.9 million and $9.6 million, respectively.

Interest paid for all outstanding debt totaled $13.2 million and $22.4 million during the three month and six month periods ended June 30, 2010, respectively. During the three month and six month periods ended June 30, 2009, interest paid totaled $12.8 million and $21.8 million, respectively.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)-continued

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Note 5 Earnings Per Share

In accordance with the authoritative guidance in ASC 260-10, we are required to assess if any of our share-based payment transactions are deemed participating securities prior to vesting and therefore need to be included in the earnings allocation when computing EPS under the two-class method. The two-class method requires earnings to be allocated between common shareholders and holders of participating securities. All outstanding unvested share-based payment awards that contain non-forfeitable rights to dividends are considered to be a separate class of common stock and should be included in the calculation of basic and diluted EPS. Based on a review of our stock-based awards, we have determined that only our restricted stock awards are deemed participating securities. The weighted average restricted shares outstanding were 0.2 million shares and 0.4 million shares for the three months ended June 30, 2010 and 2009, respectively. The weighted average restricted shares outstanding were 0.2 million shares and 0.4 million shares for the six months ended June 30, 2010 and 2009, respectively.

	For the Three Months Ended June 30, 2010	For the Three Months Ended June 30, 2009	For the Six Months Ended June 30, 2010	For the Six Months Ended June 30, 2009
Income Attributable to D&B Common Shareholders	$ 56.0	$ 76.8	$ 103.0	$ 181.0
Less: Allocation to Participating Securities	(0.2)	(0.5)	(0.5)	(1.2)
Income Applicable to D&B Common Shareholders - Basic	55.8	76.3	102.5	179.8
Effect of Dilutive Shares - Unvested Restricted Stock				
Income Applicable to Common Shareholders - Diluted	55.8	76.3	102.5	179.8
Net Income Attributable to D&B Common Shareholders - Basic	$ 55.8	$ 76.3	$ 102.5	$ 179.8
Net Income Attributable to D&B Common Shareholders - Diluted	$ 55.8	$ 76.3	$ 102.5	$ 179.8
Weighted Average Number of Shares Outstanding - Basic	50.0	52.6	50.2	52.8
Dilutive Effect of Our Stock Incentive Plans	0.5	0.6	0.5	0.6
Weighted Average Number of Shares Outstanding - Diluted	50.5	53.2	50.7	53.4
Basic Earnings Per Share of Common Stock Attributable to D&B Common Shareholders	$ 1.12	$ 1.45	$ 2.04	$ 3.40
Diluted Earnings Per Share of Common Stock Attributable to D&B Common Shareholders	$ 1.10	$ 1.43	$ 2.02	$ 3.36

Stock-based awards to acquire 1.5 million shares and 1.2 million shares of common stock were outstanding at the three month and six month periods ended June 30, 2010 and 2009, respectively, but were not included in the quarter-to-date or year-to-date computations of diluted earnings per share because the assumed proceeds, as calculated under the treasury stock method, resulted in these awards being anti-dilutive. Our options generally expire 10 years from the grant date.

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

Our share repurchases were as follows:

Program	For the Three Months Ended June 30, 2010		2009		For the Six Months Ended June 30, 2010		2009	
	Shares	$Amount	Shares	$Amount	Shares	$Amount	Shares	$Amount
Share Repurchase Programs	0.3(a)	$ 20.0	0.3 (a)	$ 27.5	0.6(a)	$ 45.0	0.5(b)	$ 42.5
Repurchases to Mitigate the Dilutive Effect of the Shares Issued Under Our Stock Incentive Plans and Employee Stock Purchase Plan (ESPP)	0.1(c)	10.0	0.1(c)	9.4	0.6(c)	49.8	0.5(c)	36.5
Total Repurchases	0.4	$ 30.0	0.4	$ 36.9	1.2	$ 94.8	1.0	$ 79.0

(a) In February 2009, our Board of Directors approved a $200 million share repurchase program, which commenced in December 2009 upon completion of our then existing $400 million, two-year repurchase program. We repurchased 0.3 million shares of common stock for $20.0 million under this repurchase program during the three months ended June 30, 2010. We repurchased 0.6 million share of common stock for $45.0 million under this repurchase program during the six months ended June 30, 2010. We anticipate that this program will be completed by December 2011.

(b) In December 2007, our Board of Directors approved a $400 million, two-year share repurchase program, which began in February 2008 upon completion of our then existing $200 million repurchase program. We repurchased 0.3 million shares of common stock for $27.5 million under this repurchase program during the three months ended June 30, 2009. We repurchased 0.5 million shares of common stock for $42.5 million under this repurchase program during the six months ended June 30, 2009. This program was completed in December 2009.

(c) In August 2006, our Board of Directors approved a four-year, five million share repurchase program to mitigate the dilutive effect of the shares issued under our stock incentive plans and ESPP. This repurchase program expires in August 2010.

In May 2010, our Board of Directors approved a new four-year, five million share repurchase program to mitigate the dilutive effect of the shares issued under our stock incentive plans and ESPP. This new program will begin at the completion of our existing four-year, five million share repurchase program.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)-continued

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

Note 6 Other Accrued and Current Liabilities

	At June 30, 2010	At December 31, 2009
Restructuring Accruals	$ 9.7	$ 14.5
Professional Fees	53.5	37.3
Operating Expenses	32.0	32.0
Spin-Off Obligation(1)	21.5	21.5
Other Accrued Liabilities	67.4	68.1
	$ 184.1	$ 173.4

(1) In 2000, as part of a spin-off transaction under which Moody s Corporation (Moody s) and D&B became independent of one another, Moody s and D&B entered into a Tax Allocation Agreement (TAA). Under the TAA, Moody s and D&B agreed that Moody s would be entitled to deduct the compensation expense associated with the exercise of Moody s stock options (including Moody s stock options exercised by D&B employees) and D&B would be entitled to deduct the compensation expense associated with the exercise of D&B stock options (including D&B stock options exercised by employees of Moody s). Put simply, the tax deduction would go to the company that granted the stock options, rather than to the employer of the individual exercising the stock options. The TAA provides, however, that if the Internal Revenue Service (IRS) issues rules, regulations or other authority contrary to the agreed-upon treatment of the compensation expense deductions under the TAA, then the party that becomes entitled under such guidance to take the deduction may be required to reimburse the other party for the tax benefit it has realized, in order to compensate the other party for its loss of such deduction. In 2002 and 2003, the IRS issued rulings that appear to provide that, under the circumstances applicable to Moody s and D&B, the compensation expense deduction belongs to the employer of the option grantee and not to the issuer of the option (e.g., D&B would be entitled to deduct the compensation expense associated with D&B employees exercising Moody s options and Moody s would be entitled to deduct the compensation expense associated with Moody s employees exercising D&B options). We have filed tax returns for 2001 through 2008, and made estimated tax deposits for 2009 and 2010, consistent with the IRS rulings. Under the TAA, we may be required to reimburse Moody s for the loss of compensation expense deductions relating to tax years 2003 to the second quarter of 2010 of approximately $21.5 million in the aggregate for such years, which amounts principally relate to the years 2006 - 2010. In 2005 and 2006, we paid Moody s approximately $30.1 million in the aggregate under the TAA. We have not made any payments to Moody s since the first quarter of 2006 with respect to this issue. While not material, we may also be required to pay additional amounts in the future based upon interpretations by the parties of the TAA and the IRS rulings.

Note 7 Contingencies

We are involved in tax and legal proceedings, claims and litigation arising in the ordinary course of business. 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)-continued

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

Tax Matters

Moody s 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. We undertook contractual obligations to be financially responsible for a portion of certain liabilities arising from certain historical tax-planning initiatives.

As we last disclosed in our Annual Report on Form 10-K for 2008, we made a deposit to the IRS of $39.8 million in order to stop the accrual of statutory interest on additional taxes allegedly due for the 1997-2002 tax years. In 2007, we requested the return of that deposit. The IRS applied $16 million of our deposit in satisfaction of deficiencies it assessed for tax years 1997, 1998, 2001 and 2002 and returned the balance of the deposit to us. We have pursued refunds for a portion of the $16 million. In May 2010, the IRS refunded $5.2 million to us for the 1997 tax year (which included interest of approximately $2.5 million, resulting in a gain of approximately $4.9 million, net of tax, which is included in Provision for Income Taxes in our Consolidated Statement of Operations). We will report further gains and further returns of cash if and to the extent we are able to recover further refunds.

Quality Education Data

On May 7, 2010, the Federal Trade Commission (FTC) filed an administrative complaint against D&B alleging the acquisition of Quality Education Data (QED) in February 2009 violated the federal antitrust laws. On May 26, 2010, we filed an answer to the complaint, denying any liability under the antitrust laws arising from the acquisition. The case is currently scheduled for hearing beginning January 6, 2011. We are currently in the process of trying to resolve this matter with the FTC.

Hoover s Initial Public Offering Litigation

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

The defense of the action is being coordinated with more than 300 other nearly identical actions filed against other companies. The parties in the approximately 300 coordinated cases, including ours, reached a settlement. The insurers for the issuer defendants in the coordinated cases will make the settlement payment on behalf of the issuers, including Hoover s. On October 5, 2009, the District Court granted final approval of the settlement. Judgment was entered on December 9, 2009. A group of three objectors has filed a petition to the Second Circuit on November 2, 2009 seeking permission to appeal the District Court s final approval order on the basis that the settlement class is broader than the class previously rejected by the Second Circuit in its December 5, 2006 order vacating the District Court s order certifying classes in the focus cases. Plaintiffs have filed an opposition to the petition. In addition, six notices of appeal to the Second Circuit have been filed by different groups of objectors.

Due to the inherent uncertainties of litigation, we cannot accurately predict the ultimate outcome of the matter. No amount in respect of any potential judgment in this matter has been accrued in our consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)-continued

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

Other Matters

In addition, in the normal course of business, and including without limitation, our merger and acquisition activities and financing transactions, D&B indemnifies other parties, including customers, lessors and parties to other transactions with D&B, with respect to certain matters. D&B has agreed to hold the other parties harmless against losses arising from a breach of representations or covenants, or arising out of other claims made against certain parties. These agreements may limit the time within which an indemnification claim can be made and the amount of the claim. D&B has also entered into indemnity obligations with its officers and directors 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 8 Income Taxes

For the three months ended June 30, 2010, our effective tax rate was 30.4% as compared to 32% for the three months ended June 30, 2009. The effective tax rate for the three months ended June 30, 2010, as compared to the three months ended June 30, 2009, was positively impacted by a refund received with respect to a legacy tax matter. The effective tax rate for the three months ended June 30, 2009 was negatively impacted by taxes incurred on the favorable arbitration settlement related to certain legacy tax matters and positively impacted by benefits derived from our divestiture of the domestic portion of our Italian operations.

For the six months ended June 30, 2010, our effective tax rate was 37.8% as compared to 17.4% for the six months ended June 30, 2009. The effective tax rate for the six months ended June 30, 2010, as compared to the six months ended June 30, 2009, was negatively impacted by the reduction of the deferred tax asset associated with our accrued liability for retiree drug subsidies related to the 2010 Patient Protection and Affordable Care Act which will make subsidy payments taxable in years beginning after December 31, 2012 and positively impacted by the release of reserves for uncertain tax positions following a favorable tax ruling in one of our international jurisdictions and a refund received with respect to a legacy tax matter. See Note 7 to our unaudited consolidated financial statements included in this Quarterly Report on Form 10-Q. The effective tax rate for the six months ended June 30, 2009 was positively impacted by benefits derived from worldwide legal entity simplification and by benefits derived from our divestiture of the domestic portion of our Italian operations.

The total amount of unrecognized tax benefits as of June 30, 2010 was $138.4 million. During the three months ended June 30, 2010, we increased our unrecognized tax benefits by approximately $3.0 million, net of decreases. The increase is primarily related to global tax planning initiatives. During the six months ended June 30, 2010, we increased our unrecognized tax benefits by approximately $1.5 million, net of decreases, primarily related to global tax planning initiatives. The amount of unrecognized tax benefits that, if recognized, would impact the effective tax rate was $107.9 million, net of tax benefits. We believe it is reasonably possible that the unrecognized tax benefits could decrease within the next twelve months, by approximately $23 million, as a result of us not pursuing certain refund claims.

We or one of our subsidiaries files income tax returns in the U.S. federal, and various state, local and foreign jurisdictions. In the U.S. federal jurisdiction, we are no longer subject to examinations by the IRS for years prior to 2004. In state and local jurisdictions, with few exceptions, we are no longer subject to examinations by tax authorities for years prior to 2006. In foreign jurisdictions, with few exceptions, we are no longer subject to examinations by tax authorities for years prior to 2005. The IRS is currently examining our 2004, 2005 and 2006 tax years and we expect the examination will be completed in the first quarter of 2011.

We recognize accrued interest expense related to unrecognized tax benefits in income tax expense. The total amount of interest expense recognized in the three month and six month periods ended June 30, 2010 was $0.7 million and $1.2 million, net of tax benefits, respectively, as compared to $0.4 million and $1.0 million, net of tax benefits in the three month and six month periods ended June 30, 2009, respectively. The total amount of accrued interest as of June 30, 2010 was $10.0 million, net of tax benefits, as compared to $8.3 million, net of tax benefits, as of June 30, 2009.

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Note 9 Pension and Postretirement Benefits

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

	Pension Plans				Postretirement Benefit Obligations			
	For the Three Months Ended June 30,		For the Six Months Ended June 30,		For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2010	2009	2010	2009	2010	2009	2010	2009
Components of Net Periodic Cost:								
Service cost	$ 1.7	$ 1.5	$ 3.3	$ 3.0	$ 0.1	$ 0.2	$ 0.3	$ 0.3
Interest cost	22.6	22.7	45.4	45.4	0.7	1.1	1.4	2.3
Expected return on plan assets	(28.2)	(28.8)	(56.5)	(57.6)				
Amortization of prior service cost (credit)		0.2	0.1	0.4	(1.1)	(1.0)	(2.3)	(1.9)
Recognized actuarial loss (gain)	5.2	6.0	10.5	12.0	(0.4)	(0.5)	(0.9)	(1.0)
Net Periodic Cost (Income)	$ 1.3	$ 1.6	$ 2.8	$ 3.2	$ (0.7)	$ (0.2)	$ (1.5)	$ (0.3)

We previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2009 that we expected to contribute $31.0 million to our U.S. Non-Qualified plans and non-U.S. pension plans and $7.0 million to our postretirement benefit plan for the year ended December 31, 2010. As of June 30, 2010, we have made contributions to our U.S. Non-Qualified and non-U.S. pension plans of $16.3 million and to our postretirement benefit plan of $4.9 million.

In March 2010, the Patient Protection and Affordable Care Act (PPACA) was signed into law. It was subsequently amended by the Health Care and Education Reconciliation Act of 2010. As a result, the federal subsidies we receive related to the retiree health benefit plans will effectively become taxable in tax years beginning after December 31, 2012. Under ASC 740, Income Taxes, the impact of the change in tax law is required to be immediately recognized in continuing operations in the income statement in the period the law is enacted. As a result, we recognized $13.0 million in our tax provision in the first quarter of 2010 as well as writing off the corresponding deferred tax asset.

In addition, we decided to convert the current prescription drug program for retirees over 65 to a group-based company sponsored Medicare Part D program, or Employer Group Waiver Plan (EGWP). Beginning in 2013, we will use the Part D subsidies delivered through the EGWP each year to reduce net company retiree medical costs until net company costs are completely eliminated. At that time, the Part D subsidies will be shared with retirees going forward to reduce retiree contributions. We have formally adopted this change effective July 1, 2010. This plan change is accounted for as a plan amendment under ASC 715-60-35, Compensation Retirement Benefits, and will be included in the third quarter results. As a result, our accumulated postretirement obligation will be reduced.

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Note 10 Segment Information

The operating segments reported below are our segments for which separate financial information is available and upon which operating results are evaluated by management on a timely basis to assess performance and to allocate resources. We manage our operations through the following two segments: North America (which consists of the U.S. and Canada) and International (which consists of our operations in Europe, Asia Pacific and Latin America). Our customer solution sets are Risk Management Solutions , Sales & Marketing Solutions and Internet Solutions . Inter-segment sales are immaterial and no single customer accounted for 10% or more of our total revenue. For management reporting purposes, we evaluate business segment performance before restructuring charges and our strategic technology investment because these charges are not a component of our ongoing income or expenses and may have a disproportionate positive or negative impact on the results of our ongoing underlying business. Additionally, transition costs, which are period costs such as consulting fees, costs of temporary employees, relocation costs and stay bonuses incurred to implement our Financial Flexibility initiatives, are not allocated to our business segments.

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2010	2009	2010	2009
Revenue:				
North America	$ 300.9	$ 320.3	$ 605.8	$ 641.5
International	96.4	85.0	188.7	160.9
Consolidated Core	397.3	405.3	794.5	802.4
Divested Business		11.6		21.9
Consolidated Total	$ 397.3	$ 416.9	$ 794.5	$ 824.3
Operating Income (Loss):				
North America	$ 98.4	$ 110.1	$ 203.7	$ 233.3
International	19.3	22.6	32.7	34.2
Total Divisions	117.7	132.7	236.4	267.5
Corporate and Other(1)	(27.2)	(22.7)	(52.6)	(42.8)
Consolidated Total	90.5	110.0	183.8	224.7
Non-Operating Income (Expense), Net	(9.7)	4.0	(19.9)	(5.0)
Income Before Provision for Income Taxes and Equity in Net Income of Affiliates	$ 80.8	$ 114.0	$ 163.9	$ 219.7

(1) The following table summarizes Corporate and Other:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2010	2009	2010	2009
Corporate Costs	$ (15.7)	$ (14.7)	$ (29.7)	$ (29.1)
Transition Costs (costs to implement our Financial Flexibility initiatives)	(2.3)	(5.2)	(4.3)	(9.6)
Restructuring Expense	(1.6)	(2.8)	(6.2)	(4.1)

Strategic Technology Investment		(7.6)				(12.4)		
Total Corporate and Other	$	(27.2)	$	(22.7)	$	(52.6)	$	(42.8)

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Supplemental Geographic and Customer Solution Set Information:

	For the Three Months Ended June 30, 2010	For the Three Months Ended June 30, 2009	For the Six Months Ended June 30, 2010	For the Six Months Ended June 30, 2009
Customer Solution Set Revenue:				
North America:				
Risk Management Solutions	$ 192.3	$ 201.0	$ 385.6	$ 408.4
Sales & Marketing Solutions	80.1	89.2	164.1	173.4
Internet Solutions	28.5	30.1	56.1	59.7
North America Core Revenue	300.9	320.3	605.8	641.5
Divested Business				
Total North America Revenue	300.9	320.3	605.8	641.5
International:				
Risk Management Solutions	70.7	63.7	138.7	121.7
Sales & Marketing Solutions	24.9	20.3	48.4	37.5
Internet Solutions	0.8	1.0	1.6	1.7
International Core Revenue	96.4	85.0	188.7	160.9
Divested Business(2)		11.6		21.9
Total International Revenue	96.4	96.6	188.7	182.8
Consolidated Total:				
Risk Management Solutions	263.0	264.7	524.3	530.1
Sales & Marketing Solutions	105.0	109.5	212.5	210.9
Internet Solutions	29.3	31.1	57.7	61.4
Core Revenue	397.3	405.3	794.5	802.4
Divested Business(2)		11.6		21.9
Consolidated Total Revenue	$ 397.3	$ 416.9	$ 794.5	$ 824.3

(2) On May 29, 2009, we completed the sale of substantially all the assets and liabilities of the domestic portion of our Italian operations. This sale has been classified as a Divestiture. Our divested business contributed 3% of our total revenue for the three month and six month periods ended June 30, 2009. The following table represents divested revenue by solution set:

	For the Three Months Ended June 30, 2009	For the Six Months Ended June 30, 2009

Divested Business:				
Risk Management Solutions	$	9.8	$	18.7
Sales & Marketing Solutions		1.8		3.2
Internet Solutions				
Total Divested Revenue	$	11.6	$	21.9

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)-continued

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

	At June 30, 2010	At December 31, 2009
Assets:		
North America	$ 765.1	$ 815.0
International	600.2	672.7
Total Divisions	1,365.3	1,487.7
Corporate and Other (primarily taxes)	267.2	261.7
Consolidated Total	$ 1,632.5	$ 1,749.4
Goodwill(3):		
North America	$ 265.6	$ 266.1
International	156.7	174.7
Consolidated Total	$ 422.3	$ 440.8

(3) The decrease in goodwill from $440.8 million at December 31, 2009 to $422.3 million at June 30, 2010 was primarily due to the negative impact of foreign currency translation.

Note 11 Acquisitions

Quality Education Data

During the first quarter of 2009, we acquired substantially all of the assets and assumed certain liabilities related to QED for $29.0 million with cash on hand. QED is a provider of educational data and services located in Denver, Colorado. QED is a natural fit with our Sales & Marketing Solutions as both provide education marketers with high quality data and services. The results of QED have been included in our consolidated financial statements since the date of acquisition.

The transaction was valued at $29.0 million. Transaction costs of $1.0 million were included in operating expenses in the statement of operations. The acquisition was accounted for as a purchase transaction, and accordingly, the assets and liabilities of the acquired entity were recorded at their estimated fair value at the date of acquisition. The table below reflects the purchase price related to the acquisition and the resulting purchase price allocations:

	Amortization Life (years)	Acquisition
Current Assets		$ 1.7
Intangible Assets:		
Goodwill		14.6
Customer Relationships	12	8.0
Technology	8	2.4
Trade Name	16.5	0.2
Database	7	2.5
Total Assets Acquired		29.4
Total Liabilities Assumed		(0.4)

Total Purchase Price	$	29.0

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)-continued

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

The goodwill was assigned to our North America reporting unit. The primary item that generated the goodwill is the value of revenue growth and synergies between the acquired entity and our Sales and Marketing Solutions as both provide education marketers with high quality data and services. The intangible assets, with useful lives from 7 to 16.5 years, are being amortized over a weighted-average useful life of 10.4 years and are recorded as Trademarks, Patents and Other within Other Non-Current Assets in our consolidated balance sheet since the date of acquisition. The impact the acquisition would have had on our results had the acquisition occurred at the beginning of 2009 is not material, and, as such, pro forma financial results have not been presented.

During the second quarter of 2010, we wrote off $6.8 million of intangible assets related to database, technology, tradename and customer relationships as well as we revised the useful lives of customer relationships to eight years as a result of an examination of such assets initiated in connection with recent matters with the FTC. See Note 7 to our unaudited consolidated financial statements included in this Quarterly Report on Form 10-Q for a description on the FTC matter.

Treatment of Goodwill

The acquisition of QED was an asset acquisition and, as a result, the associated goodwill is deductible for tax purposes.

Note 12 Financial Instruments

We employ established policies and procedures to manage our exposure to changes in interest rates and foreign currencies. We use foreign exchange forward contracts to hedge short-term foreign currency denominated loans, investments and certain third-party and intercompany transactions. From time-to-time, we use foreign exchange option contracts to hedge investments and reduce our International earnings exposure to adverse changes in foreign exchange rates. In addition, from time-to-time, we use interest rate derivatives to hedge a portion of the interest rate exposure on our outstanding debt or in anticipation of future debt issuance.

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 June 30, 2010 and December 31, 2009, 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 June 30, 2010 and December 31, 2009, because we sell to a large number of customers in different geographical locations.

We recognize all derivative instruments as either assets or liabilities at fair value in the statement of financial position. We recognize all derivatives as either assets or liabilities on the balance sheet and measure those instruments at fair value. In accordance with authoritative guidance, we designate our current outstanding interest rate swaps as cash flow hedges.

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

Our objective in managing exposure to interest rates is to limit the impact of interest rate changes on our earnings, cash flows and financial position, and to lower overall borrowing costs. To manage our exposure and limit volatility, we may use fixed-rate debt, floating-rate debt and/or interest rate swaps.

In December 2008 and January 2009, we entered into interest rate swap agreements with an aggregate notional amount of $100 million, and designated these swaps as cash flow hedges against variability in cash flows related to our bank revolving credit facility. These transactions were accounted for as cash flow hedges and, as such, changes in fair value of the hedges are recorded in AOCI. At June 30, 2010, the balance of net derivative losses associated with these swaps included in AOCI was approximately $1.6 million.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)-continued

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

Fair Values of Derivative Instruments in the Consolidated Balance Sheet at June 30, 2010 and December 31, 2009:

	Asset Derivatives				Liability Derivatives			
	June 30, 2010		December 31, 2009		June 30, 2010		December 31, 2009	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Derivatives designated as hedging instruments								
Interest rate contracts	Other Current Assets	$	Other Current Assets	$	Other Accrued & Current Liabilities	$ 1.6	Other Accrued & Current Liabilities	$ 0.8
Total derivatives designated as hedging instruments		$		$		$ 1.6		$ 0.8
Derivatives not designated as hedging instruments								
Foreign exchange forward contracts	Other Current Assets	$ 0.7	Other Current Assets	$ 0.6	Other Accrued & Current Liabilities	$ 0.3	Other Accrued & Current Liabilities	$ 0.2
Foreign exchange option contracts	Other Current Assets	0.3	Other Current Assets		Other Accrued & Current Liabilities		Other Accrued & Current Liabilities	
Total derivatives not designated as hedging instruments		$ 1.0		$ 0.6		$ 0.3		$ 0.2
Total Derivatives		$ 1.0		$ 0.6		$ 1.9		$ 1.0

The Effect of Derivative Instruments on the Consolidated Statement of Operations for Three Month and Six Month Periods Ended June 30, 2010 and 2009:

Derivatives in Cash Flow Hedging Relationships	Amount of Gain or (Loss) Recognized in OCI on Derivative (Effective Portion)	Location of Gain or (Loss) Reclassified from Accumulated OCI Into Income (Effective Portion)	Amount of Gain or (Loss) Reclassified from Accumulated OCI Into Income (Effective Portion)	Location of Gain or (Loss) Recognized in Income on Derivative (Ineffective Portion and Amount Excluded from Effectiveness Testing)	Amount of Gain or (Loss) Recognized in Income on Derivative (Ineffective Portion and Amount Excluded from Effectiveness Testing)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,			For the Three Months Ended June 30,		For the Six Months Ended June 30,			For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2010	2009	2010	2009		2010	2009	2010	2009		2010	2009	2010	2009
Interest rate contracts	$ (0.2)	$ 0.9	$ (0.8)	$ 0.6	Non-Operating Income (Expenses) - Net	$ (0.4)	$ (0.3)	$ (0.7)	$ (0.6)	Non-Operating Income (Expenses) - Net	$	$	$	$

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

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)-continued

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

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. 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.

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. The underlying transactions and the corresponding forward exchange and option contracts are marked-to-market at the end of each quarter and are reflected within our consolidated financial statements.

As of June 30, 2010 and 2009, the notional amount of our foreign exchange contracts were $230.0 million and $239.7 million, respectively.

The Effect of Derivative Instruments on the Consolidated Statement of Operations for the Three Month and Six Month Periods Ended June 30, 2010 and 2009:

Location of Gain or (Loss) Recognized in Income on Derivative	Amount of Gain or (Loss) Recognized in Income On Derivative For the Three Months Ended June 30,		Amount of Gain or (Loss) Recognized in Income On Derivative For the Six Months Ended June 30,	
	2010	2009	2010	2009
Non-Operating Income (Expenses) - Net	$	$ 14.5	$ (7.8)	$ 13.9

Fair Value of Financial Instruments

Our financial assets and liabilities that are reflected in the consolidated financial statements include derivative financial instruments. We use short-term foreign exchange forward contracts to hedge short-term foreign currency-denominated loans, investments and certain third-party and intercompany transactions and, from time-to-time, we have used foreign exchange option contracts to reduce our International earnings exposure to adverse changes in foreign currency exchange rates. Fair value for derivative financial instruments is determined utilizing a market approach.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)-continued

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

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

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

The following table presents information about our assets and liabilities measured at fair value on a recurring basis as of June 30, 2010 and December 31, 2009, and indicates the fair value hierarchy of the valuation techniques utilized by us to determine such fair value. Level inputs, as defined by authoritative guidance, are as follows:

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

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

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)-continued

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

The following table summarizes fair value measurements by level at June 30, 2010 for assets and liabilities measured at fair value on a recurring basis:

	Quoted Prices in Active Markets for Identical Assets (Level I)	Significant Other Observable Inputs (Level II)	Significant Unobservable Inputs (Level III)	Balance at June 30, 2010
Assets:				
Cash Equivalents(1)	$ 108.9	$	$	$ 108.9
Other Current Assets:				
Foreign Exchange Forwards(2)	$	$ 0.7	$	$ 0.7
Foreign Exchange Option Contracts(2)	$	$ 0.3	$	$ 0.3
Liabilities:				
Other Accrued and Current Liabilities:				
Foreign Exchange Forwards(2)	$	$ 0.3	$	$ 0.3
Swap Arrangement(3)	$	$ 1.6	$	$ 1.6

(1) Cash equivalents represent fair value as it consists of highly liquid investments with an original maturity of three months or less.

(2) Primarily represents foreign currency forward and option contracts. Fair value is determined utilizing a market approach and considers a factor for nonperformance in the valuation.

(3) Primarily represents our interest rate swap agreements. Fair value is determined utilizing a market approach and considers a factor for nonperformance in the valuation.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)-continued

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

The following table summarizes fair value measurements by level at December 31, 2009 for assets and liabilities measured at fair value on a recurring basis:

	Quoted Prices in Active Markets for Identical Assets (Level I)	Significant Other Observable Inputs (Level II)	Significant Unobservable Inputs (Level III)	Balance at December 31, 2009
Assets:				
Cash Equivalents(1)	$ 106.7	$	$	$ 106.7
Other Current Assets:				
Foreign Exchange Forwards(2)	$	$ 0.6	$	$ 0.6
Liabilities:				
Other Accrued and Current Liabilities:				
Foreign Exchange Forwards(2)	$	$ 0.2	$	$ 0.2
Swap Arrangement(3)	$	$ 0.8	$	$ 0.8

(1) Cash equivalents represent fair value as it consists of highly liquid investments with an original maturity of three months or less.

(2) Primarily represents foreign currency forward contracts. Fair value is determined utilizing a market approach and considers a factor for nonperformance in the valuation.

(3) Primarily represents our interest rate swap agreements. Fair value is determined utilizing a market approach and considers a factor for nonperformance in the valuation.

Items Measured at Fair Value on a Nonrecurring Basis

In addition to assets and liabilities that are recorded at fair value on a recurring basis, we are required to record assets and liabilities at fair value on a nonrecurring basis as required by GAAP. Generally, assets are recorded at fair value on a nonrecurring basis as a result of impairment charges. During the year ended December 31, 2009, we recorded an impairment charge of $3.0 million related to certain intangible assets related to the Visible Path acquisition. We determined that the new cost basis of certain intangible assets related to the Visible Path acquisition is zero based on Level III inputs. During the second quarter of 2010, we wrote off $6.8 million of intangible assets related to database, technology, tradename and customer relationships as a result of an examination of such assets initiated in connection with recent matters with the FTC (See Note 7 and 11 to our unaudited consolidated financial statements included in this Quarterly Report on Form 10-Q for further discussion). We determined that the new cost basis of these intangible assets based on internally developed cash flow projections (Level III inputs) to measure fair value, as market data of these assets are not readily available.

At June 30, 2010 and December 31, 2009, our financial instruments included cash and cash equivalents, accounts receivable, other receivables, accounts payable, short-term and long-term borrowings and foreign exchange forward and option contracts.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)-continued

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

At June 30, 2010 and December 31, 2009, the fair value of cash and cash equivalents, accounts receivable, other receivables and accounts payable approximated carrying value due to the short-term nature of these instruments. The estimated fair values of other financial instruments subject to fair value disclosures, determined based on valuation models using discounted cash flow methodologies with market data inputs from globally recognized data providers and third-party quotes from major financial institutions are as follows:

	Balance at			
	June 30, 2010		December 31, 2009	
	Carrying Amount (Asset) Liability	Fair Value (Asset) Liability	Carrying Amount (Asset) Liability	Fair Value (Asset) Liability
Short-term Debt	$ 299.9	$ 312.7	$	$
Long-term Debt	$ 400.0	$ 437.8	$ 699.8	$ 747.7
Credit Facilities	$ 222.4	$ 215.9	$ 259.4	$ 254.8

Note 13 Divestiture

On May 29, 2009, we completed the sale of substantially all of the assets and liabilities of the domestic portion of our Italian operations to CRIF, S.p.A. (CRIF) for $12.2 million (including a working capital adjustment of $1.2 million), which was a part of our International segment. We also entered into a ten year commercial arrangement to provide CRIF with global data for its Italian customers. This arrangement had aggregate future cash payments of approximately $130 million. In addition, this transaction will allow us to improve the quality of the data we provide to our global customers seeking information on Italian customers.

We recorded a pre-tax gain of $6.5 million from the sale in Other Income (Expense) Net in the consolidated statement of operations for the year ended December 31, 2009. During the three and six month periods ended June 30, 2010, we recorded adjustments to divested net assets of $2.1 million and $3.0 million, respectively. As of June 30, 2010, we have received all cash payments. Our domestic Italian operations generated approximately $48 million in revenue and approximately $1 million in operating income in 2008.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)-continued

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

Note 14 Comprehensive Income (Loss)

	Three Months Ended June 30, 2010	Three Months Ended June 30, 2009
Net Income	$ 56.4	$ 77.9
Change in Cumulative Translation Adjustment	(23.6)	29.7
Pension Adjustments, net of tax expense of $1.2 million and tax benefit of $1.8 million for the three months ended June 30, 2010 and 2009, respectively	2.5	3.0
Derivative Financial Instruments, no tax impact	(0.1)	1.0
Net Income Attributable to Noncontrolling Interest	(0.3)	(1.1)
Comprehensive Income Attributable to D&B	$ 34.9	$ 110.5

Comprehensive income for the six months ended June 30, 2010 and 2009 is displayed in the Consolidated Statements of Shareholders Equity (Deficit).

Note 15 Subsequent Events

Dividend Declaration

In August 2010, our Board of Directors approved the declaration of a dividend of $0.35 per share for the third quarter of 2010. This cash dividend will be payable on September 15, 2010 to shareholders of record at the close of business on August 31, 2010.

Divestiture

On July 30, 2010, we sold substantially all of the assets and liabilities of our North American Self Awareness Solution business. The sale is part of a strategic relationship whereby the buyer will operate the acquired business under the name of Dun & Bradstreet Credibility Corp., and distribute D&B-branded products to the micro customer segment.

Under the terms of the agreement, we received $10 million in cash at closing and we are entitled to annual royalty payments from the buyer for data and brand licensing.

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

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Item 1a. Risk Factors

On May 10, 2010, we held our Investor Day conference during which we discussed with investors and analysts certain of our strategic initiatives and financial and operational expectations for the future.

We may be unable to achieve the financial and operational expectations that we have established for the 2012 timeframe, which could negatively impact our stock price.

We have established financial and operational expectations for the 2012 timeframe that we believe would be achieved based upon our business strategy for the next several years. These financial and operational expectations can only be achieved if the assumptions underlying our business strategy are fully realized, including the achievement of our Strategic Technology Initiative. In addition, we cannot control some of these assumptions (e.g., market growth rates, macroeconomic conditions and customer preferences). As part of our ongoing planning process we will review these assumptions and we intend to provide updates on these expectations from time-to-time as appropriate.

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

Business Overview

The Dun & Bradstreet Corporation (D&B or we or our) is the world s leading source of commercial information and insight on businesses, enabling customers to Decide with Confidence ® for over 169 years. Our global commercial database contains more than 168 million business records. The database is enhanced by our proprietary DUNSRight ® Quality Process, which provides our customers with quality business information. This quality information is the foundation of our global solutions that customers rely on to make critical business decisions.

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

How We Manage Our Business

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

On May 29, 2009, we completed the sale of substantially all the assets and liabilities of the domestic portion of our Italian operations. This sale has been classified as a Divestiture. Our divested business contributed 3% of our total revenue for the three month and six month periods ended June 30, 2009. See Note 10 and Note 13 to our unaudited consolidated financial statements included in Item 1. of this Quarterly Report on Form 10-Q for further detail.

We also isolate the effects of changes in foreign exchange rates on our revenue growth because we believe it is useful for investors to be able to compare revenue from one period to another, both with and without the effects of foreign exchange. The change in our operating performance attributable to foreign currency rates is determined by converting both our prior and current periods by a constant rate. As a result, we monitor our core revenue growth both after and before the effects of foreign exchange. Core revenue growth excluding the effects of foreign exchange is referred to as revenue growth before the effects of foreign exchange.

From time-to-time we have analyzed and we may continue to further analyze core revenue growth before the effects of foreign exchange among two components, organic core revenue growth and core revenue growth from acquisitions. We analyze organic core revenue growth and core revenue growth from acquisitions because management believes this information provides an important insight into the underlying health of our business. Core revenue includes the revenue from acquired businesses from the date of acquisition.

We evaluate the performance of our business segments based on segment revenue growth before the effects of foreign exchange, and segment operating income growth before certain types of gains 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 reallocating our spending from low-growth or low-value activities to activities that will create greater value for shareholders through enhanced revenue growth, improved profitability and/or quality improvements. Management is committed through this process to examining our spending, and optimizing between variable and fixed costs to ensure flexibility in changes to our operating expense base as we make strategic choices. This enables us to continually and systematically identify improvement opportunities in terms of quality, cost and customer experience. Such charges are variable from period-to-period based upon actions identified and taken during each period. Management reviews operating results before such non-core gains and charges on a monthly basis and establishes internal budgets and forecasts based upon such measures. Management further establishes annual and long-term compensation such as salaries, target cash bonuses and target equity compensation amounts based on performance before non-core gains and charges and a significant percentage weight is placed upon performance before non-core gains and charges in determining whether performance objectives have been achieved. Management believes that by eliminating non-core gains and charges from such financial measures, and by being overt to shareholders about the results of our operations excluding such charges, business leaders are provided incentives to recommend and execute actions that are in the best long-term interests of our shareholders, rather than being influenced by the potential impact a charge in a particular period could have on their compensation. Additionally, transition costs (period costs such as consulting fees, costs of temporary employees, relocation costs and stay bonuses incurred to implement the Financial Flexibility component of our strategy) are reported as Corporate and Other expenses and are not allocated to our business segments. See Note 10 to our unaudited consolidated financial statements included in Item 1. of this Quarterly Report on Form 10-Q for financial information regarding our segments.

Similarly, when we evaluate the performance of our business as a whole, we focus on results (such as operating income, operating income growth, operating margin, net income, tax rate and diluted earnings per share) before non-core gains and charges because such non-core gains and charges are not a component of our ongoing income or expenses and/or may have a disproportionate positive or negative impact on the results of our ongoing underlying business operations and may drive behavior that does not ultimately maximize shareholder value. It may be concluded from our presentation of non-core gains and charges that the items that result in non-core gains and charges may occur in the future.

We monitor free cash flow as a measure of our business. We define free cash flow as net cash provided by operating activities minus capital expenditures and additions to computer software and other intangibles. Free cash flow measures our available cash flow for potential debt repayment, acquisitions, stock repurchases, dividend payments and additions to cash, cash equivalents and short-term investments. We believe free cash flow to be relevant and useful to our investors as this measure is used by our management in evaluating the funding available after supporting our ongoing business operations and our portfolio of product investments.

Free cash flow should not be considered as a substitute measure for, or superior to, net cash flows provided by operating activities, investing activities or financing activities. Therefore, we believe it is important to view free cash flow as a complement to our consolidated statements of cash flows.

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

The adjustments discussed herein to our results as determined under generally accepted accounting principles in the United States of America (GAAP) are among the primary indicators management uses as a basis for our planning and forecasting of future periods, to allocate resources, to evaluate business performance and, as noted above, for compensation purposes. However, these financial measures (e.g., results before non-core gains and charges and free cash flow) are not prepared in accordance with GAAP, and should not be considered in isolation or as a substitute for total revenue, operating income, operating income growth, operating margin, net income, tax rate, diluted earnings per share, or net cash provided by operating activities, investing activities and financing activities prepared in accordance with GAAP. In addition, it should be noted that because not all companies calculate these financial measures similarly, or at all, the presentation of these financial measures is not likely to be comparable to measures of other companies.

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

Overview

We manage and report our operations under the following two segments:

- North America (which consists of the United States and Canada); and

- International (which consists of our operations in Europe, Asia Pacific and Latin America).

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

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

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2010	2009	2010	2009
Core Revenue:				
North America	76%	79%	76%	80%
International	24%	21%	24%	20%
Total Revenue:				
North America	76%	77%	76%	78%
International	24%	23%	24%	22%

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

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2010	2009	2010	2009
Core Revenue by Customer Solution Set:				
Risk Management Solutions	67%	65%	66%	66%
Sales & Marketing Solutions	26%	27%	27%	26%
Internet Solutions	7%	8%	7%	8%
Total Revenue by Customer Solution Set(1):				
Risk Management Solutions	67%	63%	66%	64%
Sales & Marketing Solutions	26%	27%	27%	26%
Internet Solutions	7%	7%	7%	7%

(1) Our divested business contributed 3% of our total revenue for the three month and six month periods ended June 30, 2009. See Note 10 to our unaudited consolidated financial statements included in Item 1. of this Quarterly Report on Form 10-Q for further detail.

Our customer solution sets are discussed in greater detail in Item 1. Business in our Annual Report on Form 10-K for the year ended December 31, 2009.

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

Risk Management Solutions

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

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2010	2009	2010	2009
Risk Management Solutions Revenue	75%	76%	75%	76%
Total Revenue	50%	48%	50%	49%
Core Revenue	50%	49%	50%	50%

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Our Value-Added Risk Management Solutions generally support automated decision-making and portfolio management through the use of scoring and integrated software solutions. Our Value-Added Risk Management Solutions constituted the following percentages of total Risk Management Solutions Revenue, Total Revenue and Core Revenue:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2010	2009	2010	2009
Risk Management Solutions Revenue	19%	19%	19%	19%
Total Revenue	13%	12%	12%	12%
Core Revenue	13%	13%	12%	13%

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

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2010	2009	2010	2009
Risk Management Solutions Revenue	6%	5%	6%	5%
Total Revenue	4%	3%	4%	3%
Core Revenue	4%	3%	4%	3%

Sales & Marketing Solutions

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

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2010	2009	2010	2009
Sales & Marketing Solutions Revenue	39%	37%	39%	38%
Total Revenue	10%	10%	11%	10%
Core Revenue	10%	10%	11%	10%

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

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2010	2009	2010	2009
Sales & Marketing Solutions Revenue	61%	63%	61%	62%
Total Revenue	16%	17%	16%	16%
Core Revenue	16%	17%	16%	16%

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Critical Accounting Policies and Estimates

In preparing our unaudited consolidated financial statements and accounting for the underlying transactions and balances reflected therein, we have applied the critical accounting policies described in Item 7. Management s Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K for the year ended December 31, 2009.

Recently Issued Accounting Standards

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

Results of Operations

The following discussion and analysis of our financial condition and results of operations are based upon our unaudited consolidated financial statements and should be read in conjunction with the unaudited consolidated financial statements and related notes set forth in Item 1. of this Quarterly Report on Form 10-Q, and our Annual Report on Form 10-K for the year ended December 31, 2009, all of which have been prepared in accordance with GAAP.

Consolidated Revenue

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

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2010	2009	2010	2009
	(Amounts in millions)		(Amounts in millions)	
Revenue:				
North America	$ 300.9	$ 320.3	$ 605.8	$ 641.5
International	96.4	85.0	188.7	160.9
Core Revenue	397.3	405.3	794.5	802.4
Divested Business		11.6		21.9
Total Revenue	$ 397.3	$ 416.9	$ 794.5	$ 824.3

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

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2010	2009	2010	2009
	(Amounts in millions)		(Amounts in millions)	
Revenue:				
Risk Management Solutions	$ 263.0	$ 264.7	$ 524.3	$ 530.1
Sales & Marketing Solutions	105.0	109.5	212.5	210.9
Internet Solutions	29.3	31.1	57.7	61.4
Core Revenue	397.3	405.3	794.5	802.4
Divested Business		11.6		21.9
Total Revenue	$ 397.3	$ 416.9	$ 794.5	$ 824.3

Three Months Ended June 30, 2010 vs. Three Months Ended June 30, 2009

Total revenue decreased $19.6 million, or 5% (both before and after the effect of foreign exchange), for the three months ended June 30, 2010 as compared to the three months ended June 30, 2009. The decrease in total revenue was driven by a decrease in North America revenue of $19.4 million, or 6% (both before and after the effect of foreign exchange) and a decrease in total International revenue of $0.2 million, or less than 1% (2% decrease before the effect of foreign exchange). Total International revenue was impacted by our divestiture of the domestic portion of our Italian operations in the second quarter of 2009, which accounted for $11.6 million in revenue for the three months ended June 30, 2009.

Core revenue, which reflects total revenue less revenue from a divested business, decreased $8.0 million, or 2% (3% decrease before the effect of foreign exchange), for the three months ended June 30, 2010 as compared to the three months ended June 30, 2009. The primary drivers of this change are:

- Lower purchases from our customers due to a weak economy and their budgetary pressures; and

- A shift in revenue into prior periods primarily as a result of a shift in timing of renewals with longer commitment periods;

partially offset by:

- Increased revenue as a result of a) our consolidation of our majority owned joint venture with RoadWay International Limited (RoadWay) in China completed in the third quarter of 2009; and b) our acquisition of substantially all of the assets of Bisnode s UK operations and a 100% equity interest in Bisnode s Irish operations (ICC) completed in the third quarter of 2009, which in the aggregate, contributed two points of growth;

- Growth in our subscription plans from existing customers; and

- The positive impact of foreign exchange.

Customer Solution Sets

On a customer solution set basis, core revenue reflects:

- A $1.7 million, or 1% decrease (both before and after the effect of foreign exchange), in Risk Management Solutions. The decrease was driven by a decrease in North America of $8.7 million, or 4% (5% decrease before the effect of foreign exchange), partially offset by an increase in revenue in International of $7.0 million, or 11% (9% increase before the effect of foreign exchange);

- A $4.5 million, or 4% decrease (5% decrease before the effect of foreign exchange), in Sales & Marketing Solutions. The decrease was driven by a decrease in revenue in North America of $9.1 million, or 10% (both before and after the effect of foreign exchange), partially offset by an increase in International of $4.6 million, or 23% (19% increase before the effect of foreign exchange); and

- A $1.8 million, or 6% decrease (both before and after the effect of foreign exchange), in Internet Solutions. The decrease was driven by a decrease in North America of $1.6 million, or 5% (6% decrease before the effect of foreign exchange) and a decrease in revenue in International of $0.2 million, or 19% (22% decrease before the effect of foreign exchange).

Six Months Ended June 30, 2010 vs. Six Months Ended June 30, 2009

Total revenue decreased $29.8 million, or 4% (5% decrease before the effect of foreign exchange), for the six months ended June 30, 2010 as compared to the six months ended June 30, 2009. The decrease in total revenue was primarily driven by a decrease in North America revenue of $35.7 million, or 6% (both before and after the effect of foreign exchange), partially offset by an increase in total International revenue of $5.9 million, or 3% (1% decrease before the effect of foreign exchange). Total International revenue was impacted by our divestiture of the domestic portion of our Italian operations in the second quarter of 2009, which accounted for $21.9 million in revenue for the six months ended June 30, 2009.

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Core revenue, which reflects total revenue less revenue from a divested business, decreased $7.9 million, or 1% (2% decrease before the effect of foreign exchange), for the six months ended June 30, 2010 as compared to the six months ended June 30, 2009. The primary drivers of this change are:

- Lower purchases from our customers due to a weak economy and their budgetary pressures; and
- A shift in revenue into prior periods primarily as a result of a shift in timing of renewals with longer commitment periods;

partially offset by:

- Increased revenue as a result of a) our consolidation of our majority owned joint venture with RoadWay International Limited (RoadWay) in China completed in the third quarter of 2009; b) our acquisition of substantially all of the assets of Bisnode s UK operations and a 100% equity interest in Bisnode s Irish operations (ICC) completed in the third quarter of 2009; and c) our acquisition of Quality Education Data (QED) an acquisition we completed in the first quarter of 2009, which in the aggregate, contributed two points of growth;
- Growth in our subscription plans from existing customers; and
- The positive impact of foreign exchange.

Customer Solution Sets

On a customer solution set basis, core revenue reflects:

- A $5.8 million, or 1% decrease (2% decrease before the effect of foreign exchange), in Risk Management Solutions. The decrease was driven by a decrease in North America of $22.8 million, or 6% (both before and after the effect of foreign exchange), partially offset by an increase in revenue in International of $17.0 million, or 14% (10% increase before the effect of foreign exchange);
- A $1.6 million, or 1% increase (less than 1% decrease before the effect of foreign exchange), in Sales & Marketing Solutions. The increase was driven by an increase in International of $10.9 million, or 29% (24% increase before the effect of foreign exchange), partially offset by a decrease in revenue in North America of $9.3 million, or 6% (both before and after the effect of foreign exchange); and
- A $3.7 million, or 6% decrease (both before and after the effect of foreign exchange), in Internet Solutions. The decrease was driven by a decrease in North America of $3.6 million, or 6% (both before and after the effect of foreign exchange) and a decrease in revenue in International of $0.1 million, or 5% (12% decrease before the effect of foreign exchange).

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Consolidated Operating Costs

The following table presents our consolidated operating costs and operating income for the three month and six month periods ended June 30, 2010 and 2009:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2010	2009	2010	2009
	(Amounts in millions)		(Amounts in millions)	
Operating Expenses	$ 129.4	$ 129.5	$ 261.7	$ 246.4
Selling and Administrative Expenses	159.8	161.7	311.6	320.5
Depreciation and Amortization	16.0	12.9	31.2	28.6
Restructuring Charge	1.6	2.8	6.2	4.1
Operating Costs	$ 306.8	$ 306.9	$ 610.7	$ 599.6
Operating Income	$ 90.5	$ 110.0	$ 183.8	$ 224.7

Operating Expenses

Three Months Ended June 30, 2010 vs. Three Months Ended June 30, 2009

Operating expenses decreased $0.1 million, or less than 1%, for the three months ended June 30, 2010, compared to the three months ended June 30, 2009. The decrease was primarily due to the following:

- Lower expenses related to our reengineering efforts and our divestiture of the domestic portion of our Italian operations;

partially offset by:

- Increased data acquisition costs and fulfillment costs primarily associated with a) our consolidation of our majority owned joint venture with RoadWay in China in the third quarter of 2009; and b) our acquisition of ICC completed in the third quarter of 2009;
- Increased costs associated with our investments, including $6.3 million for our strategic technology investment designed to strengthen our leading position in commercial data and improve our current technology platform to meet emerging needs of customers; and
- The negative impact of foreign exchange.

Six Months Ended June 30, 2010 vs. Six Months Ended June 30, 2009

Operating expenses increased $15.3 million, or 6%, for the six months ended June 30, 2010, compared to the six months ended June 30, 2009. The increase was primarily due to the following:

Increased data acquisition costs and fulfillment costs primarily associated with a) our consolidation of our majority owned joint venture with RoadWay in China in the third quarter of 2009; and b) our acquisition of ICC completed in the third quarter of 2009;

Increased costs associated with our investments, including $10.6 million for our strategic technology investment designed to strengthen our leading position in commercial data and improve our current technology platform to meet emerging needs of customers; and

The negative impact of foreign exchange;

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partially offset by:

- Lower expenses related to our divestiture of the domestic portion of our Italian operations and our reengineering efforts.

Selling and Administrative Expenses

Three Months Ended June 30, 2010 vs. Three Months Ended June 30, 2009

Selling and administrative expenses decreased $1.9 million, or 1%, for the three months ended June 30, 2010, compared to the three months ended June 30, 2009. The decrease was primarily due to the following:

- Lower expenses related to decreased revenue (i.e., commissions) and reengineering efforts; and

- Lower expenses related to our divestiture of the domestic portion of our Italian operations;

partially offset by:

- Impairment of certain intangible assets of QED;

- Increased selling expenses primarily associated with a) our consolidation of our majority owned joint venture with RoadWay in China in the third quarter of 2009 and b) our acquisition of ICC completed in the third quarter of 2009;

- Increased costs due to our product investments, including $1.3 million for our strategic technology investment designed to strengthen our leading position in commercial data and improve our current technology platform to meet emerging needs of customers; and

- The negative impact of foreign exchange.

Six Months Ended June 30, 2010 vs. Six Months Ended June 30, 2009

Selling and administrative expenses decreased $8.9 million, or 3%, for the six months ended June 30, 2010, compared to the six months ended June 30, 2009. The decrease was primarily due to the following:

- Lower expenses related to reengineering efforts and decreased revenue (i.e., commissions); and

- Lower expenses related to our divestiture of the domestic portion of our Italian operations;

partially offset by:

- Increased selling expenses primarily associated with a) our consolidation of our majority owned joint venture with RoadWay in China in the third quarter of 2009 and b) our acquisition of ICC completed in the third quarter of 2009;

- Impairment of certain intangible assets of QED;

- Increased costs due to our product investments, including $1.8 million for our strategic technology investment designed to strengthen our leading position in commercial data and improve our current technology platform to meet emerging needs of customers; and

- The negative impact of foreign exchange.

Matters Impacting Both Operating Expenses and Selling and Administrative Expenses

Pension, Postretirement and 401(k) Plan

We had net pension cost of $1.3 million and $2.8 million for the three month and six month periods ended June 30, 2010, respectively, compared with $1.6 million and $3.2 million for the three month and six month periods ended June 30 2009, respectively. Lower pension cost in 2010 was due to a longer amortization period applied to our U.S. Qualified plan, substantially offset by the impact of lower discount rates applied to our plans at January 1, 2010 and higher actuarial losses subject to amortization. Starting in November 2009, the amortization period applied to the unrecognized actuarial gains or losses for our U.S. Qualified Plan has been changed from average future service years of active participants to average life expectancy of all plan participants. The change was the result of almost all the plan participants being deemed inactive.

We had postretirement benefit income of $0.7 million and $1.5 million for the three month and six month periods ended June 30, 2010, respectively, compared with postretirement benefit income of $0.2 million and $0.3 million for the three month and six month periods ended June 30, 2009, respectively. The increase in income from 2009 to 2010 is primarily due to higher amortization of prior service credits, resulting from a plan amendment which was effective March 1, 2010, that eliminates the company-paid life insurance benefits for retirees. In addition, we will only share the minimum necessary amount of subsidy received from the government in any year to maintain actuarial equivalence for as long as possible.

In March 2010, the Patient Protection and Affordable Care Act (PPACA) was signed into law. It was subsequently amended by the Health Care and Education Reconciliation Act of 2010. As a result, the federal subsidies we receive related to the retiree health benefit plans will effectively become taxable in tax years beginning after December 31, 2012. Under ASC 740, Income Taxes, the impact of the change in tax law is required to be immediately recognized in continuing operations in the income statement in the period the law is enacted. As a result, we recognized $13.0 million in our tax provision in the first quarter of 2010 as well as writing off the corresponding deferred tax asset.

In addition, we decided to convert the current prescription drug program for retirees over 65 to a group-based company sponsored Medicare Part D program, or Employer Group Waiver Plan (EGWP). Beginning in 2013, we will use the Part D subsidies delivered through the EGWP each year to reduce net company retiree medical costs until net company costs are completely eliminated. At that time, the Part D subsidies will be shared with retirees going forward to reduce retiree contributions. We have formally adopted this change effective July 1, 2010. This plan change is accounted for as a plan amendment under ASC 715-60-35, Compensation Retirement Benefits, and will be included in the third quarter results. As a result, our accumulated postretirement obligation will be reduced.

We had expense associated with our 401(k) Plan of $2.0 million and $3.3 million for the three month and six month periods ended June 30, 2010, respectively. We had expense associated with our 401(k) Plan of $1.1 million and $5.0 million for the three and six month periods ended June 30, 2009, respectively. The decrease in expense for the six months ended June 30, 2010 was due to the amendment of our employer matching provision in the 401(k) Plan effective in February, 2009, to decrease our match formula from 100% to 50% of a team member s contributions and to decrease the maximum match from seven percent (7%) to three percent (3%) of such team member s eligible compensation, subject to certain 401(k) Plan limitations.

In April 2010, we increased the employer maximum match from three percent (3%) to seven percent (7%) of a team member s eligible compensation, subject to certain 401(k) Plan limitations and we will continue to match 50% of a team member s contributions.

Stock-Based Compensation

For the three month and six month periods ended June 30, 2010, we recognized total stock-based compensation expense of $6.2 million and $11.6 million, compared to $4.8 million and $12.4 million for the three month and six month periods ended June 30, 2009, respectively.

Expense associated with our stock option programs was $2.3 million and $4.5 million for the three month and six month periods ended June 30, 2010, compared to $2.0 million and $5.9 million for the three month and six month periods ended June 30, 2009. The decrease was primarily due to the impact of our forfeiture assumption true-up, offset by the accelerated expensing of an award issued to a retiree eligible executive.

Expense associated with restricted stock, restricted stock unit and restricted stock opportunity awards was $3.7 million and $6.7 million for the three month and six month periods ended June 30, 2010, compared to $2.6 million and $6.0 million for the three month and six month periods ended June 30, 2009. The increase was primarily due to the accelerated expensing of an award issued to a retiree eligible executive, offset by lower expense as a result of higher forfeitures associated with terminated employees as well as fewer awards being issued in 2010 as compared to the same period in 2009.

Expense associated with our Employee Stock Purchase Plan (ESPP) was $0.2 million and $0.4 million for the three month and six month periods ended June 30, 2010, compared to $0.2 million and $0.5 million for the three month and six month periods ended June 30, 2009, respectively

We expect total equity-based compensation of approximately $22.2 million for 2010. We consider these costs to be part of our compensation costs and, therefore, they are included in operating expenses and in selling and administrative expenses, based upon the classifications of the underlying compensation costs.

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Depreciation and Amortization

Depreciation and amortization increased $3.1 million, or 24%, for the three months ended June 30, 2010, compared to the three months ended June 30, 2009. This increase was primarily driven by increased capital costs for revenue generating investments to enhance our strategic capabilities and an increase in amortization of acquired intangible assets resulting from our acquisitions and our major-owned joint ventures.

Depreciation and amortization increased $2.6 million, or 9%, for the six months ended June 30, 2010, compared to the six months ended June 30, 2009. This increase was primarily driven by increased capital costs for revenue generating investments to enhance our strategic capabilities and an increase in amortization of acquired intangible assets resulting from our acquisitions and our major-owned joint ventures.

Restructuring Charge

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

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

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

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

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

Three Months Ended June 30, 2010 vs. Three Months Ended June 30, 2009

During the three months ended June 30, 2010, we recorded a $1.6 million restructuring charge in connection with Financial Flexibility initiatives. The significant components of these charges included:

- Severance and termination costs of $1.5 million in accordance with the provisions of ASC 712-10 were recorded. Approximately 65 employees were impacted; and

- Lease termination obligations, other costs to consolidate or close facilities and other exit costs of $0.1 million were recorded.

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During the three months ended June 30, 2009, we recorded a $2.8 million restructuring charge in connection with the Financial Flexibility initiatives. The significant components of these charges included:

Severance and termination costs of $0.4 million in accordance with the provisions of ASC 712-10 were recorded. Approximately 60 employees were impacted; and

Lease termination obligations, other costs to consolidate or close facilities and other exit costs of $2.4 million were recorded.

Six Months Ended June 30, 2010 vs. Six Months Ended June 30, 2009

During the six months ended June 30, 2010, we recorded a $6.2 million restructuring charge in connection with Financial Flexibility initiatives. The significant components of these charges included:

Severance and termination costs of $3.6 million in accordance with the provisions of ASC 712-10 were recorded. Approximately 150 employees were impacted; and

Lease termination obligations, other costs to consolidate or close facilities and other exit costs of $2.6 million were recorded.

During the six months ended June 30, 2009, we recorded a $4.1 million restructuring charge in connection with the Financial Flexibility initiatives. The significant components of these charges included:

Severance and termination costs of $1.3 million in accordance with the provisions of ASC 712-10 were recorded. Approximately 60 employees were impacted; and

Lease termination obligations, other costs to consolidate or close facilities and other exit costs of $2.8 million were recorded.

Interest Income (Expense) Net

The following table presents our Interest Income (Expense) Net for the three month and six month periods ended June 30, 2010 and 2009:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2010	2009	2010	2009
	(Amounts in millions)		(Amounts in millions)	
Interest Income	$ 0.4	$ 0.8	$ 0.9	$ 1.9
Interest Expense	(11.8)	(11.4)	(23.3)	(22.8)
Interest Income (Expense) - Net	$ (11.4)	$ (10.6)	$ (22.4)	$ (20.9)

For the three months ended June 30, 2010, interest income decreased $0.4 million and interest expense increased $0.4 million as compared to the three months ended June 30, 2009. The decrease in interest income is primarily attributable to lower interest rates. The increase in interest expense is attributable to higher amounts of debt outstanding partially offset by lower interest rates.

For the six months ended June 30, 2010, interest income decreased $1.0 million and interest expense increased $0.5 million as compared to the six months ended June 30, 2009. The decrease in interest income is primarily attributable to lower interest rates. The increase in interest expense is attributable to higher amounts of debt outstanding partially offset by lower interest rates.

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Other Income (Expense) Net

The following table presents our Other Income (Expense) Net for the three month and six month periods ended June 30, 2010 and 2009:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2010	2009	2010	2009
	(Amounts in millions)		(Amounts in millions)	
Effect of Legacy Tax Matters	$ 0.2	$ 0.2	$ 0.5	$ 0.4
Gain on Disposal of Italian Domestic Business(a)		11.5		11.5
Settlement of Legacy Tax Matter Arbitration(b)		4.1		4.1
Miscellaneous Other Income (Expense) - Net(c)	1.5	(1.2)	2.0	(0.1)
Other Income (Expense) - Net	$ 1.7	$ 14.6	$ 2.5	$ 15.9

(a) During the three month and six month periods ended June 30, 2009, we recognized a gain as a result of the divestiture of the domestic portion of our Italian operations. See Note 13 to our unaudited consolidated financial statements in Item 1. of this Quarterly Report on Form 10-Q.

(b) During the three month and six month periods ended June 30, 2009, we recognized a gain on the receipt of an arbitration award related to a Legacy Tax Matter.

(c) Miscellaneous Other Income (Expense) Net increased for the three month and six month periods ended June 30, 2010, compared to the three month and six month periods ended June 30, 2009 primarily due to the sale of an investment.

Provision for Income Taxes

For the three months ended June 30, 2010, our effective tax rate was 30.4% as compared to 32% for the three months ended June 30, 2009. The effective tax rate for the three months ended June 30, 2010, as compared to the three months ended June 30, 2009, was positively impacted by a refund received with respect to a legacy tax matter. The effective tax rate for the three months ended June 30, 2009 was negatively impacted by taxes incurred on the favorable arbitration settlement related to certain legacy tax matters and positively impacted by benefits derived from our divestiture of the domestic portion of our Italian operations.

For the six months ended June 30, 2010, our effective tax rate was 37.8% as compared to 17.4% for the six months ended June 30, 2009. The effective tax rate for the six months ended June 30, 2010, as compared to the six months ended June 30, 2009, was negatively impacted by the reduction of the deferred tax asset associated with our accrued liability for retiree drug subsidies related to the 2010 Patient Protection and Affordable Care Act which will make subsidy payments taxable in years beginning after December 31, 2012 and positively impacted by the release of reserves for uncertain tax positions following a favorable tax ruling in one of our international jurisdictions and a refund received with respect to a legacy tax matter. The effective tax rate for the six months ended June 30, 2009 was positively impacted by benefits derived from worldwide legal entity simplification and by benefits derived from our divestiture of the domestic portion of our Italian operations.

The total amount of unrecognized tax benefits as of June 30, 2010 was $138.4 million. During the three months ended June 30, 2010, we increased our unrecognized tax benefits by approximately $3.0 million, net of decreases. The increase is primarily related to global tax planning initiatives. During the six months ended June 30, 2010, we increased our unrecognized tax benefits by approximately $1.5 million, net of decreases, primarily related to global tax planning initiatives. The amount of unrecognized tax benefits that, if recognized, would impact the effective tax rate was $107.9 million, net of tax benefits. We believe it is reasonably possible that the unrecognized tax benefits could decrease within the next twelve months, by approximately $23 million, as a result of us not pursuing certain refund claims.

We or one of our subsidiaries files income tax returns in the U.S. federal, and various state, local and foreign jurisdictions. In the U.S. federal jurisdiction, we are no longer subject to examinations by the IRS for years prior to 2004. In state and local jurisdictions, with few exceptions, we are no longer subject to examinations by tax authorities for years prior to 2006. In foreign jurisdictions, with few exceptions, we are no longer subject to examinations by tax authorities for years prior to 2005. The IRS is currently examining our 2004, 2005 and 2006 tax years and we expect the examination will be completed in the first quarter of 2011.

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We recognize accrued interest expense related to unrecognized tax benefits in income tax expense. The total amount of interest expense recognized in the three month and six month periods ended June 30, 2010 was $0.7 million and $1.2 million, net of tax benefits, respectively, as compared to $0.4 million and $1.0 million, net of tax benefits in the three month and six month periods ended June 30, 2009, respectively. The total amount of accrued interest as of June 30, 2010 was $10.0 million, net of tax benefits, as compared to $8.3 million, net of tax benefits, as of June 30, 2009.

Earnings per Share

In accordance with authoritative guidance in ASC 260-10, we are required to assess if any of our share-based payment transactions are deemed participating securities prior to vesting and therefore need to be included in the earnings allocation when computing EPS under the two-class method. The two-class method requires earnings to be allocated between common shareholders and holders of participating securities. All outstanding unvested share-based payment awards that contain non-forfeitable rights to dividends are considered to be a separate class of common stock and should be included in the calculation of basic and diluted EPS. Based on a review of our stock-based awards, we have determined that only our restricted stock awards are deemed participating securities.

The following table sets forth our EPS for the three month and six month periods ended June 30, 2010 and 2009:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2010	2009	2010	2009
Basic Earnings Per Share of Common Stock Attributable to D&B Common Shareholders	$ 1.12	$ 1.45	$ 2.04	$ 3.40
Diluted Earnings Per Share of Common Stock Attributable to D&B Common Shareholders	$ 1.10	$ 1.43	$ 2.02	$ 3.36

For the three months ended June 30, 2010, both basic EPS attributable to D&B common shareholders and diluted EPS attributable to D&B common shareholders decreased 23%, compared with the three months ended June 30, 2009, due to a decrease of 28% in net income primarily due to the benefit derived in the prior year quarter from the divestiture of the domestic portion of our Italian operations, our recent strategic technology investment and an impairment of intangible assets, partially offset by a refund received with respect to a legacy tax matter and a 5% reduction in the weighted average number of basic and diluted shares outstanding resulting from our total share repurchases.

During the three months ended June 30, 2010, we repurchased 0.3 million shares of common stock for $20.0 million under our Board of Directors approved share repurchase program. In addition, we repurchased 0.1 million shares of common stock for $10.0 million under our Board of Directors approved share repurchase program to mitigate the dilutive effect of shares issued under our stock incentive plans and ESPP.

During the three months ended June 30, 2009, we repurchased 0.3 million shares of common stock for $27.5 million under our Board of Directors approved share repurchase program. In addition, we repurchased 0.1 million shares of common stock for $9.4 million under our Board of Directors approved share repurchase program to mitigate the dilutive effect of shares issued under our stock incentive plans and ESPP.

For the six months ended June 30, 2010, both basic EPS attributable to D&B common shareholders and diluted EPS attributable to D&B common shareholders decreased 40%, compared with the six months ended June 30, 2009, due to a decrease of 44% in net income primarily due to a tax benefit in the prior year derived from our worldwide legal entity simplification, the reduction of a deferred tax asset in the current quarter associated with our accrued liability for retiree drug subsidies attributed to recent U.S. legislation on health care, the benefit derived in the prior year quarter from the divestiture of the domestic portion of our Italian operations, our recent strategic technology investment and an impairment of intangible assets, partially offset by a refund received with respect to a legacy tax matter and a 5% reduction in the weighted average number of basic and diluted shares outstanding resulting from our total share repurchases.

During the six months ended June 30, 2010, we repurchased 0.6 million shares of common stock for $45.0 million under our Board of Directors approved share repurchase program. In addition, we repurchased 0.6 million shares of common stock for $49.8 million under our Board of Directors approved share repurchase program to mitigate the dilutive effect of shares issued under our stock incentive plans and ESPP.

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During the six months ended June 30, 2009, we repurchased 0.5 million shares of common stock for $42.5 million under our Board of Directors approved share repurchase program. In addition, we repurchased 0.5 million shares of common stock for $36.5 million under our Board of Directors approved share repurchase program to mitigate the dilutive effect of shares issued under our stock incentive plans and ESPP.

Segment Results

Our results are reported under the following two segments: North America and International. The segments reported below are our segments for which separate financial information is available and upon which operating results are evaluated on a timely basis to assess performance and to allocate resources.

North America

North America is our largest segment representing 76% of our total revenue for each of the three month and six month periods ended June 30, 2010 as compared to 77% and 78% of our total revenue for the three month and six month periods ended June 30, 2009, respectively.

North America represented 76% of our core revenue for each of the three month and six month periods ended June 30, 2010 as compared to 79% and 80% of our core revenue for the three month and six month periods ended June 30, 2009, respectively.

There were no divestitures within this segment during the three month and six month periods ended June 30, 2010 and 2009. The following table presents our North America total and core revenue by customer solution set and North America operating income for the three month and six month periods ended June 30, 2010 and 2009:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2010	2009	2010	2009
	(Amounts in millions)		(Amounts in millions)	
Revenue:				
Risk Management Solutions	$ 192.3	$ 201.0	$ 385.6	$ 408.4
Sales & Marketing Solutions	80.1	89.2	164.1	173.4
Internet Solutions	28.5	30.1	56.1	59.7
North America Total and Core Revenue	$ 300.9	$ 320.3	$ 605.8	$ 641.5
Operating Income	$ 98.4	$ 110.1	$ 203.7	$ 233.3

North America Overview

Three Months Ended June 30, 2010 vs. Three Months Ended June 30, 2009

North America total and core revenue decreased $19.4 million, or 6% (both before and after the effect of foreign exchange), for the three months ended June 30, 2010 as compared to the three months ended June 30, 2009.

North America Customer Solution Sets

On a customer solution set basis, the $19.4 million decrease in core revenue for the three months ended June 30, 2010 as compared to the three months ended June 30, 2009, reflects:

Risk Management Solutions

A decrease in Risk Management Solutions of $8.7 million, or 4% (5% decrease before the effect of foreign exchange).

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For the three months ended June 30, 2010, Traditional Risk Management Solutions, which accounted for 72% of total North America Risk Management Solutions, decreased 6% (both before and after the effect of foreign exchange). The decrease was primarily due to:

- Lower purchases of our solutions targeting small businesses due to economic and budgetary pressures experienced by our customers; and

- The impact of lower volumes of credit origination has resulted in lower transactional volumes as well as a lower demand in earlier periods for our ratable subscription products, both factors impacted our second quarter 2010 results;

partially offset by:

- Growth in our subscription plans in our second quarter 2010 due to higher purchases from our existing customers as they converted from our legacy products to subscription plans, including the customers who previously purchased value-added solutions. These subscription plans provide our customers with unlimited use of our Risk Management reports and data.

We continue to see single digit price lifts when existing customers renew these subscription plans and double digit price lifts when customers convert to DNBi. However, with more than half of our Risk Management Solutions revenue derived from DNBi, we have a smaller base available for conversion for the future.

For the three months ended June 30, 2010, Value-Added Risk Management Solutions, which accounted for 21% of total North America Risk Management Solutions, decreased 4% (both before and after the effect of foreign exchange). The decrease was primarily due to:

- A shift in product mix to our DNBi subscriptions plans from our Value-Added Risk Management Solutions to our Traditional Risk Management Solutions (as noted above);

partially offset by:

- Higher purchases from existing customers of modules enabled by our DNBi platform, which are included in our Value-Added Risk Management Solutions.

For the three months ended June 30, 2010, Supply Management Solutions, which accounted for 7% of total North America Risk Management Solutions, increased 12% (both before and after the effect of foreign exchange), on a small base.

Sales & Marketing Solutions

- A decrease in Sales & Marketing Solutions of $9.1 million, or 10% (both before and after the effect of foreign exchange).

For the three months ended June 30, 2010, Traditional Sales & Marketing Solutions, which accounted for 33% of total North America Sales & Marketing Solutions, decreased 15% (both before and after the effect of foreign exchange). The decrease was primarily due to:

- Lower purchases of our legacy products from our customers due to a weak economy and budgetary pressures. These budgetary pressures have caused our customers to shift from direct mail activities to digital marketing to reduce costs; and

- A shift in timing of renewals, primarily relating to contracts with longer commitment periods that have not yet come up for renewal;

partially offset by:

- New customer adoption and increased commitments within certain of our solutions.

For the three months ended June 30, 2010, Value-Added Sales & Marketing Solutions, which accounted for 67% of total North America Sales & Marketing Solutions, decreased 8% (both before and after the effect of foreign exchange). The decrease was primarily due to:

- Lower purchases of our value-added products due to budgetary pressures on our customers. In this environment customers are continuing to defer, decrease or declined to renew and this has caused the decline in demand; and

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Lower purchases due to consolidation of spend from certain customers due to their recent mergers;

partially offset by:

Increased cross-selling of our Sales & Marketing Solutions value-added solutions into our broader customer base, and broader cross-selling within the Sales & Marketing Solutions value-added solutions customer base (including the cross-selling of new solutions for digital marketing).

Internet Solutions

A decrease in Internet Solutions of $1.6 million, or 5% (6% decrease before the effect of foreign exchange), as a result of a loss of a one-time benefit in prior year due to a large customer deal not renewing and a decline in our 2009 subscription renewal sales.

North America Operating Income

North America operating income for the three months ended June 30, 2010 was $98.4 million, compared to $110.1 million for the three months ended June 30, 2009, a decrease of $11.7 million, or 11%. The decrease in operating income was primarily attributable to:

A decrease in North America revenue;

Impairment of intangible assets of QED; and

Increased costs associated with our investments (e.g., Hoover s platform);

partially offset by:

Lower costs as a result of decreased variable expenses (e.g., commissions and bonuses, etc.) and our reengineering efforts.

Six Months Ended June 30, 2010 vs. Six Months Ended June 30, 2009

North America total and core revenue decreased $35.7 million, or 6% (both before and after the effect of foreign exchange), for the six months ended June 30, 2010 as compared to the six months ended June 30, 2009.

North America Customer Solution Sets

On a customer solution set basis, the $35.7 million decrease in core revenue for the six months ended June 30, 2010 as compared to the six months ended June 30, 2009, reflects:

Risk Management Solutions

A decrease in Risk Management Solutions of $22.8 million, or 6% (both before and after the effect of foreign exchange).

For the six months ended June 30, 2010, Traditional Risk Management Solutions, which accounted for 72% of total North America Risk Management Solutions, decreased 7% (8% decrease before the effect of foreign exchange). The decrease was primarily due to:

Lower purchases of our solutions targeting small businesses due to economic and budgetary pressures experienced by our customers; and

The impact of lower volumes of credit origination has resulted in lower transactional volumes as well as a lower demand in earlier periods for our ratable subscription products, both factors impacted our second quarter 2010 results;

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partially offset by:

- Growth in our subscription plans in our second quarter 2010 due to: a) continued high retention and increased dollar spend per customer resulting from an increased emphasis on our value proposition; and b) higher purchases from our existing customers as they converted from our legacy products to subscription plans, including the customers who previously purchased value-added solutions. These subscription plans provide our customers with unlimited use of our Risk Management reports and data.

We continue to see single digit price lifts when existing customers renew these subscription plans and double digit price lifts when customers convert to DNBi. However, with more than half of our Risk Management Solutions revenue derived from DNBi, we have a smaller base available for conversion for the future.

For the six months ended June 30, 2010, Value-Added Risk Management Solutions, which accounted for 21% of total North America Risk Management Solutions, decreased 4% (5% decrease before the effect of foreign exchange). The decrease was primarily due to:

- A shift in product mix to our DNBi subscriptions plans from our Value-Added Risk Management Solutions to our Traditional Risk Management Solutions (as noted above);
- A shift in timing of renewals primarily into prior year periods; and
- A decrease in revenue due to loss of a customer contract;

partially offset by:

- Higher purchases from existing customers of modules enabled by our DNBi platform which are included in our Value-Added Risk Management Solutions.

For the six months ended June 30, 2010, Supply Management Solutions, which accounted for 7% of total North America Risk Management Solutions, increased 8% (both before and after the effect of foreign exchange), on a small base.

Sales & Marketing Solutions

- A decrease in Sales & Marketing Solutions of $9.3 million, or 6% (both before and after the effect of foreign exchange).

For the six months ended June 30, 2010, Traditional Sales & Marketing Solutions, which accounted for 33% of total North America Sales & Marketing Solutions, decreased 12% (both before and after the effect of foreign exchange). The decrease was primarily due to:

- A shift in timing of renewals, primarily relating to contracts with longer commitment periods that have not yet come up for renewal; and
- Lower purchases of our legacy products from our customers due to a weak economy and budgetary pressures. These budgetary pressures have caused our customers to shift from direct mail activities to digital marketing to reduce costs;

partially offset by:

- New customer adoption and increased commitments within certain of our solutions; and

- Increased revenue associated with our acquisition of QED completed during the first quarter of 2009, which contributed two points of growth.

For the six months ended June 30, 2010, Value-Added Sales & Marketing Solutions, which accounted for 67% of total North America Sales & Marketing Solutions, decreased 2% (both before and after the effect of foreign exchange). The decrease was primarily due to:

- Lower purchases of our value-added products due to budgetary pressures on our customers. In this environment customers are continuing to defer, decrease or declined to renew and this caused the decline in demand;

Lower purchases due to lower spend from certain customers due to their recent mergers; and

A shift in timing of renewals primarily into prior year periods;

partially offset by: