

DUN & BRADSTREET CORP/NW

Form DEF 14A

March 24, 2004

SCHEDULE 14A INFORMATION

**PROXY STATEMENT PURSUANT TO SECTION 14(A) OF THE SECURITIES
EXCHANGE ACT OF 1934 (AMENDMENT NO.)**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement Confidential, for Use of the Commission
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Definitive Proxy
Statement

Definitive Additional
Materials

Soliciting Material
Pursuant to
Section 240.14a-11(c)
or Section 240.14a-2.

The Dun & Bradstreet Corporation

(Name of Registrant as Specified In Its Charter)

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March 24, 2004

Dear Shareholder:

You are cordially invited to attend the 2004 Annual Meeting of Shareholders of The Dun & Bradstreet Corporation on Tuesday, May 4, 2004, at 8:30 a.m. at The Ritz-Carlton New York, Central Park, 50 Central Park South, New York, New York.

The Notice of Annual Meeting and Proxy Statement accompanying this letter more fully describes the business to be acted upon at the meeting. The Annual Report on Form 10-K for the year ended December 31, 2003 is also enclosed.

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

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

Sincerely,

ALLAN Z. LOREN
Chairman and Chief Executive Officer

Notice of 2004 Annual Meeting of Shareholders

The 2004 Annual Meeting of Shareholders of The Dun & Bradstreet Corporation will be held on Tuesday, May 4, 2004, at 8:30 a.m. at The Ritz-Carlton New York, Central Park, 50 Central Park South, New York, New York. The purpose of the meeting is to:

1. Elect three Class I directors for a three-year term;
2. Ratify the appointment of independent auditors; and
3. Transact such other business as may properly come before the meeting. The Company knows of no other business to be brought before the meeting.

Only shareholders of record at the close of business on March 11, 2004, will be entitled to vote at the meeting.

By Order of the Board of Directors,

DAVID J. LEWINTER

Senior Vice President, General Counsel and Corporate Secretary

Dated: March 24, 2004

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PROXY STATEMENT

GENERAL INFORMATION

The Board of Directors of The Dun & Bradstreet Corporation (D&B or the Company) is soliciting your proxy for use at the Annual Meeting of Shareholders to be held on May 4, 2004. These proxy materials are being mailed to shareholders beginning on or about March 24, 2004. The principal executive offices of D&B are located at 103 JFK Parkway, Short Hills, New Jersey 07078-2708, and the Company's main telephone number is 973.921.5500.

On September 30, 2000, the company then known as The Dun & Bradstreet Corporation (Old D&B) separated into two publicly traded companies: the new Dun & Bradstreet Corporation (*i.e.*, the company to which this Proxy Statement relates) and Moody's Corporation. The separation of the two companies was accomplished through a tax-free distribution by Old D&B of the shares of Common Stock of the Company (the Spin-Off). Old D&B then changed its name to Moody's Corporation. Information included in this Proxy Statement concerning the Company and its management during periods prior to the Spin-Off actually relates to Old D&B and its management.

ANNUAL MEETING ADMISSION

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

WHO CAN VOTE

Shareholders of record at the close of business on March 11, 2004 are eligible to vote at the meeting. As of the close of business on that date, D&B had outstanding 71,481,606 shares of Common Stock.

LIST OF SHAREHOLDERS

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

HOW TO VOTE

In addition to voting in person at the meeting, shareholders of record can vote by proxy by calling a toll-free telephone number, by using the Internet or by mailing their signed proxy cards. The telephone and Internet voting procedures are designed to authenticate shareholders identities, to allow shareholders to give their voting instructions and to confirm that shareholders' instructions have been recorded properly. Specific instructions for shareholders of record who wish to use the telephone or Internet voting procedures are set forth below and can also be found on the enclosed proxy card.

Registered Shareholders

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

VOTE ON THE INTERNET. The website for registered shareholders to vote on the Internet is www.proxyvote.com. As with telephone voting, you can confirm that your instructions have been properly recorded.

VOTE BY MAIL. For registered shareholders choosing to vote by mail, simply indicate your response on your proxy card, date and sign it, and return it in the postage-paid envelope provided. If the envelope is missing, please mail your completed proxy card to The Dun & Bradstreet Corporation, c/o Automatic Data Processing, Inc. (ADP), 51 Mercedes Way, Edgewood, NY 11717.

Beneficial Holders

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

REVOCATION OF PROXIES

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

CONSOLIDATION OF YOUR VOTE

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

If you do not vote your shares or specify your voting instructions on your proxy card, the plans' trustees will vote your shares in the same proportion as the shares for which voting instructions have been received from other participants of each plan, except as otherwise required by law. To allow sufficient time for voting by the trustees of the plans, your voting instructions must be received by April 28, 2004.

HOUSEHOLDING INFORMATION

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

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

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

PROXY SOLICITATION

Directors, officers and employees of D&B may solicit proxies on behalf of the Company by communicating with shareholders personally or by telephone, facsimile, e-mail, telegraph or mail. D&B also has retained the firm of Morrow & Co., Inc. to assist in the solicitation of proxies for a fee estimated at \$5,000 plus expenses. D&B will pay all expenses related to such solicitations of proxies. D&B and Morrow will request banks and brokers to solicit proxies from their customers, where appropriate, and will reimburse them for reasonable out-of-pocket expenses.

QUORUM AND VOTING REQUIREMENTS

D&B's Bylaws provide that a majority of the shares entitled to vote, whether present in person or represented by proxy, constitute a quorum at meetings of shareholders. Abstentions and broker non-votes are counted for purposes of establishing a quorum. A broker non-vote occurs when a broker holding shares for a beneficial owner does not vote on a particular proposal because the broker has not received instructions from the beneficial owner and does not have discretionary voting power for that particular matter. Brokers are permitted by the New York Stock Exchange (NYSE) to vote shares without instructions from beneficial owners on routine matters such as the election of directors and the ratification of the selection of independent auditors.

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

Ratification of the selection of independent auditors (Proposal No. 2) shall be determined by the affirmative vote of the majority of the voting power represented at the meeting and entitled to vote on the matter. If a shareholder abstains from voting or directs the shareholder's proxy to abstain from voting on the matter, the shares are considered present at the meeting and entitled to vote on such matter, but since they are not affirmative votes for the matter, they will have the same effect as votes against the matter. On the other hand, shares resulting in broker non-votes are considered present at the meeting but not entitled to vote on such matter and, therefore, have the practical effect of reducing the number of affirmative votes required to achieve a majority for such matter by reducing the total number of shares from which the majority is calculated.

SHAREHOLDER ACCOUNT MAINTENANCE

Our transfer agent is EquiServe Trust Company, N.A. All communications concerning accounts of registered shareholders of record, including address changes, name changes, inquiries as to requirements to transfer shares of common stock and similar issues, can be handled by calling EquiServe's toll-free number, 800.519.3111 (foreign holders dial 816.843.4299; hearing-impaired holders dial 781.575.2692), or by fax at 781.828.8813. In addition, you can access your account through EquiServe's website at <http://www.equiserve.com>.

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE PRINCIPLES AND COMMITTEE CHARTERS

The objective of our Board of Directors is to conduct our business activities so as to enhance shareholder value. Our Board of Directors believes that good corporate governance practices support successful business performance and thus the creation of shareholder value. To institutionalize the Board's view of governance, our Board has adopted Corporate Governance Principles and Charters for each Committee of our Board. We maintain a Corporate Governance website at <http://www.dnb.com/us> where we make available these documents and other items relating to the governance of the Company, including our Bylaws and Code of Conduct. Copies of these documents may also be obtained upon request to the Company's Corporate Secretary.

INDEPENDENCE OF THE BOARD AND COMMITTEES

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

Under the NYSE listing standards, to be considered independent, the Board of Directors must affirmatively determine that a director has no material relationship with D&B (either directly or as a partner, shareholder or officer of an organization that has a relationship with D&B). After considering all relevant facts and circumstances, D&B's Board of Directors has determined that each of its members, except Allan Z. Loren and Steven W. Alesio, are independent under the NYSE listing standards. It also determined that each member of the Audit Committee, the Compensation & Benefits Committee and the Board Affairs Committee is independent under the NYSE standards.

BOARD MEETINGS

The Board of Directors of the Company held nine meetings in 2003. No director attended fewer than 75% of the aggregate meetings of the Board and of the Committees of the Board on which he or she served.

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

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

D&B's non-management directors meet in regularly scheduled executive sessions without members of management. The Chair of the Board Affairs Committee (the presiding director) presides over these executive sessions. The presiding director is currently Michael R. Quinlan.

COMMITTEES AND MEETINGS

There were three standing committees of the Board of Directors: Audit, Board Affairs and Compensation & Benefits.

The table below provides the current membership information for each of the Board's committees.

Name	Audit	Board Affairs	Compensation & Benefits
John W. Alden			X
Ronald L. Kuehn, Jr.	X		X*
Victor A. Pelson	X*		X
Sandra E. Peterson		X	X
Michael R. Quinlan		X*	X
Naomi O. Seligman	X	X	
2003 Meetings	11	2	9

* Committee Chair

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

All of the members of the Audit Committee are independent within the meaning of SEC regulations and NYSE listing standards. The Board of Directors has determined that all members of the Audit Committee are financially literate within the meaning of NYSE regulations.

D&B's Board of Directors has reviewed the qualifications and experience of each of the Audit Committee members and determined that Frederic V. Salerno qualified as an audit committee financial expert as that term has been defined by the SEC. As noted under the "Election of Directors" section of this Proxy Statement, Mr. Salerno resigned from the D&B Board effective March 16, 2004, and the Company is actively recruiting for another director who qualifies as an audit committee financial expert.

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

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

The Board Affairs Committee will also consider nominees recommended by D&B shareholders. Any shareholder wishing to propose a nominee for consideration by the Board Affairs Committee may nominate

persons for election to the Board of Directors if such shareholder complies with the notice procedures set forth in the Bylaws and summarized under the Shareholder Proposals for 2005 Annual Meeting section of this Proxy Statement.

No individuals were validly proposed for nomination by any shareholders in connection with this Proxy Statement or the 2004 Annual Meeting of Shareholders.

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

COMMUNICATIONS WITH THE BOARD AND AUDIT COMMITTEE

D&B has a process in place that permits shareholders and other interested persons to communicate with D&B's Board of Directors through the presiding director and the Audit Committee through its chair. Detailed instructions can be found on the Contact the D&B Board web page under the Corporate Governance section of D&B's website at <http://www.dnb.com/us>.

ATTENDANCE AT ANNUAL MEETINGS

The Company has a policy of director attendance at its Annual Meeting of Shareholders. All directors are expected to attend the 2004 Annual Meeting. All directors attended the 2001 and 2002 Annual Meetings. However, due to a change in the scheduled meeting date, only two directors attended the 2003 Annual Meeting.

SERVICE ON MULTIPLE AUDIT COMMITTEES

Although the D&B Corporate Governance Principles do not include a pre-determined limitation on the number of other Boards of Directors on which directors of the Company may serve, the Principles prohibit D&B Audit Committee members from taking on more than two other corporate audit committees without the Board's approval. Any determination by the Board of Directors approving of service on more than two other public company audit committees will be disclosed in the Company's annual Proxy Statement. No Audit Committee member currently serves on more than one other audit committee.

AUDIT COMMITTEE INFORMATION

REPORT OF THE AUDIT COMMITTEE

The membership of the Audit Committee fully complies with all current requirements of law and the rules of the SEC and the NYSE. The Audit Committee selects the Company's independent auditors. Management has the primary responsibility for the Company's financial reporting process, including its system of internal controls, and for the preparation of consolidated financial statements in compliance with generally accepted accounting principles, applicable laws and regulations. The Company's independent auditors are responsible for expressing an opinion on the conformity of the audited financial statements to generally accepted accounting principles and for ensuring that generally accepted auditing standards are met. The Audit Committee's responsibility is to monitor and review these processes. It is not the Audit Committee's duty or responsibility to conduct auditing or accounting reviews or procedures.

Management has represented to the Audit Committee that the Company's financial statements were prepared in accordance with generally accepted accounting principles, and the Audit Committee has reviewed and discussed the financial statements with management and the independent auditors.

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

Based on the reviews and discussions referred to above, the Audit Committee recommended to the Board of Directors, and the Board has approved, that the audited financial statements be included in the Company's Annual Report on SEC Form 10-K for the year ended December 31, 2003, for filing with the SEC.

AUDIT COMMITTEE

Victor A. Pelson, *Chairman*

Ronald L. Kuehn, Jr.
Frederic V. Salerno
Naomi O. Seligman

March 2, 2004

AUDIT COMMITTEE PRE-APPROVAL POLICY

In 2003, the Audit Committee of the Board of Directors adopted the D&B Audit Committee Pre-Approval Policy (the Policy). In accordance with this Policy, the Audit Committee must pre-approve the engagement terms and fees, and any changes to those terms and fees, of all audit and non-audit services performed by PricewaterhouseCoopers LLP. All pre-approval requests submitted to the Audit Committee are required to be accompanied by detailed backup documentation and an opinion from PricewaterhouseCoopers LLP and D&B's chief financial officer that the services will not impair auditor independence. The Policy does not include any delegation of the Audit Committee's responsibilities to management. The Audit Committee may delegate its authority to one or more of its members, subject to an overall annual limit. Pre-approvals by the delegated member or members must be reported to the Audit Committee at its next scheduled meeting.

FEES PAID TO INDEPENDENT AUDITORS

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

	Fiscal Year Ended December 31,	
	2003	2002
	(In thousands)	
Audit Fees(1)	\$ 1,905	\$ 1,975
Audit Related Fees(2)	241	442
Tax Fees(3)	683	1,575
All Other Fees		
Total Fees	\$ 2,829	\$ 3,992

-
- (1) Consists primarily of fees for services provided in connection with the audit of the Company's financial statements and review of its quarterly financial statements. Fiscal year 2002 includes \$347,000 for work associated with the restatement of the Company's financial statements.
 - (2) Consists primarily of fees for audit of the Company's employee benefit plans, consultation on financial accounting and reporting standards, and due diligence on acquisitions and dispositions.
 - (3) Consists primarily of foreign and domestic tax planning and structuring, and assistance in the preparation and review of the Company's foreign income tax returns.

PROPOSAL NO. 1

ELECTION OF DIRECTORS

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

Frederic V. Salerno, a director since 2002, resigned from the Board on March 16, 2004. Mr. Salerno was a member of the Board Affairs and Audit Committees. He resigned in order to reduce the overall number of his Board commitments.

Upon recommendation of the Board Affairs Committee, the Board of Directors has nominated Mr. John W. Alden, Mr. Allan Z. Loren and Mr. Victor A. Pelson for election as Class I Directors at the 2004 Annual Meeting for a three-year term expiring at the 2007 Annual Meeting of Shareholders.

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

NOMINEES FOR DIRECTORS WITH TERMS EXPIRING AT THE 2007 ANNUAL MEETING

John W. Alden

Retired Vice Chairman
United Parcel Service, Inc.

John W. Alden, age 62, has served as a director of D&B since December 2002, and is a member of the Compensation & Benefits Committee. Mr. Alden served with United Parcel Service, Inc. (UPS), the largest express package carrier in the world, for 35 years. His most recent role was as vice chairman of the board of UPS from 1996 until his retirement in 2000. Mr. Alden is also a director of the following public companies: Barnes Group, Inc. and Silgan Holdings, Inc.

Allan Z. Loren

Chairman and Chief Executive Officer
The Dun & Bradstreet Corporation

Allan Z. Loren, age 65, has served as chairman and chief executive officer of D&B since October 2000, and as a director since May 2000. Mr. Loren also served as president of D&B from October 2000 to April 2002. Before our separation from Moody's, Mr. Loren served as chairman and chief executive officer of the Dun & Bradstreet operating company from May 2000 to September 2000. Before joining D&B, Mr. Loren served as executive vice president and chief information officer of the American Express Company from May 1994 to May 2000, and was also a member of that company's Planning and Policy Committee. Before that, he served as president and chief executive officer of Galileo International from January 1991 to May 1994, and worked at Apple Computer from September 1987 to December 1990, starting as chief information officer and later serving as president of Apple Computer U.S.A. Mr. Loren does not serve on the board of any public companies other than D&B.

Victor A. Pelson

Senior Advisor
UBS Securities LLC

Victor A. Pelson, age 66, has served as a director of D&B since April 1999, and is chairman of the Audit Committee and a member of the Compensation & Benefits Committee. Mr. Pelson has served as senior advisor for UBS Securities LLC, an investment banking firm, and its predecessors since 1996. He was a director and senior advisor of Dillon Read at its merger in 1997 with SBC Warburg. Mr. Pelson was associated with AT&T from 1959 to 1996. At the time of his retirement from AT&T, Mr. Pelson was chairman of global operations and a member of the board of directors. Mr. Pelson is also a director of the following public companies: Eaton Corporation and United Parcel Service.

DIRECTORS WITH TERMS EXPIRING AT THE 2005 ANNUAL MEETING

Steven W. Alesio

President and Chief Operating Officer
The Dun & Bradstreet Corporation

Mr. Alesio, age 49, was named president and chief operating officer of D&B in May 2002, at which time he was also elected to D&B's board of directors. Prior to that, he served as senior vice president of global marketing, strategy implementation, e-business solutions and Asia-Pacific/Latin America from July 2001 to April 2002, with additional leadership responsibility for data and operations from February 2001 to April 2002. Mr. Alesio also previously served as D&B's senior vice president of marketing, technology, communications and strategy implementation from January 2001 to June 2001. Before joining D&B, Mr. Alesio was with the American Express Company for 19 years, most recently serving as president and general manager of the business services group and as a member of that company's Planning and Policy Committee, a position he held from January 1996 to October 2000. Mr. Alesio does not serve on the board of any public companies other than D&B.

Ronald L. Kuehn, Jr.

Chairman of the Board
El Paso Corporation

Ronald L. Kuehn, Jr., age 68, has served as a director of D&B since 1996, and is chairman of the Compensation & Benefits Committee and a member of the Audit Committee. Mr. Kuehn was appointed as chairman of the board of El Paso Corporation, a diversified energy company, in March 2003, and also served as El Paso's chief executive officer from March 2003 to September 2003. He previously served as chairman of the board of El Paso from the time its merger with Sonat Inc. in October 1999 until December 31, 2000. Prior to that, Mr. Kuehn was chairman, president and chief executive officer of Sonat Inc. from 1986 through October 1999. In addition to serving on the board of El Paso, Mr. Kuehn is also a director of the following public companies: AmSouth Bancorporation and Praxair, Inc.

Naomi O. Seligman

Senior Partner
Ostriker von Simson

Naomi O. Seligman, age 65, has served as a director of D&B since June 1999, and is a member of the Audit and Board Affairs Committees. Ms. Seligman has been a senior partner at Ostriker von Simson, an IT strategy exchange which unites very large multinational corporations with premier venture capitalists and establishment CEOs, since June 1999. Previously, Ms. Seligman served as a co-founder and senior partner of the Research Board, Inc., a private-sector institution sponsored by one hundred Chief Information Officers from major corporations, from 1977 to June 1999. Ms. Seligman is also a director of the following public companies: Akamai Technologies, Inc. and Sun Microsystems, Inc.

DIRECTORS WITH TERMS EXPIRING AT THE 2006 ANNUAL MEETING

Sandra E. Peterson

Former Group President of Government
Medco Health Solutions, Inc.

Sandra E. Peterson, age 45, has served as a director of D&B since September 2002, and is a member of the Board Affairs and Compensation & Benefits Committees. Ms. Peterson served as group president of government for Medco Health Solutions, Inc., a pharmacy benefits manager company, from September 2003 until her resignation in February 2004. Prior to that, Ms. Peterson was senior vice president of health businesses from April 2001 through August 2003, senior vice president of marketing for Merck-Medco Managed Care L.L.C. from January 1999 to March 2001, and executive vice president of research and development of RJR Nabisco Holdings Group, Inc., from April 1996 to December 1998. Ms. Peterson is also a director of the following public company: Handleman Company.

Michael R. Quinlan

Chairman Emeritus
McDonald's Corporation

Michael R. Quinlan, age 59, has served as a director of D&B since 1989, and is chairman of the Board Affairs Committee and a member of the Compensation & Benefits Committee. Mr. Quinlan is also the presiding director for the regularly scheduled executive sessions of non-management directors. Mr. Quinlan served as a director of McDonald's Corporation, a global food service retailer, from 1979 until his retirement in 2002. He was chairman of the board of McDonald's from March 1990 to May 1999. Mr. Quinlan also served as chief executive officer of McDonald's from March 1987 through July 1998. Mr. Quinlan is also a director of the following public companies: May Department Stores Company and Warren Resources, Inc.

PROPOSAL NO. 2

RATIFICATION OF APPOINTMENT OF INDEPENDENT AUDITORS

The Audit Committee of the Board of Directors of D&B has appointed PricewaterhouseCoopers LLP as independent auditors to audit the consolidated financial statements of the Company for the year 2004. Although shareholder approval of this appointment is not required, the Audit Committee and the Board of Directors believe that submitting the appointment to the shareholders for ratification is a matter of good corporate governance. If the shareholders do not ratify the appointment, the Audit Committee will review its future selection of independent auditors.

PricewaterhouseCoopers LLP acted as independent auditors for the year 2003. In addition to its audit of the Company's consolidated financial statements, PricewaterhouseCoopers LLP also performed statutory audits required by certain international jurisdictions, audited the financial statements of various benefit plans of the Company, and performed certain non-audit services. Fees for these services are described under the "Fees Paid to Independent Auditors" section of this Proxy Statement.

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

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

SECURITY OWNERSHIP OF DIRECTORS, OFFICERS AND OTHERS

The following table shows the number of shares of the Company's Common Stock beneficially owned by each of the directors, each of the executive officers named in the Summary Compensation Table located under the Compensation of Executive Officers and Directors section of this Proxy Statement (the named executive officers), and all present directors and executive officers of D&B as a group, on March 11, 2004. The table also shows the names, addresses and share ownership of the only persons known to D&B to be the beneficial owners (the Owners) of more than 5% of the Company's outstanding Common Stock. This information is based upon information furnished by each such person (or, in the case of the Owners, based upon public filings by such Owners with the SEC). Unless otherwise stated, the indicated persons have sole voting and investment power over the shares listed. Percentages are based upon the number of shares of D&B Common Stock outstanding on March 11, 2004, plus, where applicable, the number of shares that the indicated person or group had a right to acquire within 60 days of such date. The table also sets forth ownership information concerning Stock Units, the value of which is measured by the price of the Company's Common Stock. Stock Units do not confer voting rights and are not considered beneficially owned shares under SEC rules.

Name	Aggregate Number of Shares Beneficially Owned(a)(b)	D&B Stock Units	Percent of Shares Outstanding
John W. Alden	9,008	2,941	*
Steven W. Alesio	174,439	0	*
Ronald L. Kuehn, Jr.	28,494	14,147	*
Lawrence M. Kutscher	288	0	*
Allan Z. Loren	1,445,014	0	2.02%
Sara Mathew	11,226	0	*
Amy B. McIntosh	6,916	0	*
Victor A. Pelson	26,436(c)	8,038	*
Sandra E. Peterson	8,959	3,112	*
Michael R. Quinlan	28,485	11,653	*
Naomi O. Seligman	21,141	3,598	*
All directors and executive officers as a group (20 persons)	1,873,111	44,748	2.68%
Ariel Capital Management, Inc. 200 E. Randolph Drive, Suite 2900 Chicago, Illinois 60601	4,812,461(d)	0	6.73%
Davis Selected Advisers L.P. 2949 East Elvira Road, Suite 101 Tuscon, Arizona 85706	10,748,828(e)	0	15.04%
Harris Associates L.P. and its general partner, Harris Associates Inc. Two North LaSalle Street, Suite 500 Chicago, Illinois 60602-3790	5,908,261(f)	0	8.27%
Harris Associates Investment Trust, 36-4032559 series designated The Oakmark Select Fund Two North LaSalle Street, Suite 500 Chicago, Illinois 60602-3790	4,034,900(g)	0	5.64%

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

- (a) Includes shares of restricted Common Stock as follows: Mr. Alesio, 15,350; Mr. Loren, 39,490; Ms. Mathew, 10,170; Ms. McIntosh, 6,750; Mr. Pelson, 349; Ms. Seligman, 349; and group, 96,688.
- (b) Includes the maximum number of shares of Common Stock that may be acquired within 60 days of March 11, 2004, upon the exercise of vested stock options as follows: Mr. Alden, 9,008; Mr. Alesio, 100,000; Mr. Kuehn, 27,767; Mr. Loren, 1,250,000; Mr. Pelson, 23,087; Ms. Peterson, 8,959; Mr. Quinlan, 27,767; Ms. Seligman, 20,587; and group, 1,541,610.
- (c) Includes 3,000 shares as to which Mr. Pelson has shared voting and shared dispositive power.
- (d) Ariel Capital Management, Inc. (Ariel), filed an amended Schedule 13G with the SEC on February 13, 2004, on behalf of John W. Rogers, Jr. (Mr. Rogers), as chairman and chief executive officer of Ariel. This Schedule 13G reported that Ariel, a registered investment adviser, had sole voting power over 3,584,090 shares and sole dispositive power over 4,753,489 shares. Mr. Rogers disclaims beneficial ownership of all shares held by Ariel.
- (e) Davis Selected Advisers L.P. (Davis) filed a Schedule 13G with the SEC on February 11, 2004. This Schedule 13G reported that Davis, a registered investment adviser, had sole voting and dispositive power over 10,748,828 shares. Davis's percentage of beneficial ownership of outstanding Common Stock exceeds 15% solely as a result of recent share repurchases by D&B reducing the number of shares outstanding, and therefore, has not resulted in Davis becoming an Acquiring Person under D&B's Rights Agreement with EquiServe Trust Company, N.A. See Item 8. Financial Statements and Supplementary Data Note 8 in the Company's Form 10-K for the year ended December&n