

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported):

May 2, 2012

ALLIANCEBERNSTEIN L.P.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

000-29961
(Commission File Number)

13-4064930
(I.R.S. Employer Identification Number)

1345 Avenue of the Americas, New York, New York
(Address of principal executive offices)

10105
(Zip Code)

Registrant's telephone number, including area code:

212-969-1000

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligations of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02. Results of Operations and Financial Condition.

AllianceBernstein L.P. (“**AllianceBernstein**”) is furnishing the news release it issued on May 2, 2012 announcing financial and operating results for the quarter ended March 31, 2012 (“**1Q12 Release**”). The 1Q12 Release is attached hereto as Exhibit 99.01.

AllianceBernstein is furnishing its First Quarter 2012 Review, dated May 2, 2012 (“**1Q12 Review**”). The 1Q12 Review is attached hereto as Exhibit 99.02.

AllianceBernstein is furnishing a transcript of its conference call with analysts relating to the 1Q12 Release and the 1Q12 Review (“**1Q12 Transcript**”). The call took place on May 2, 2012. The 1Q12 Transcript is attached hereto as Exhibit 99.03.

Item 7.01. Regulation FD Disclosure.

AllianceBernstein is furnishing the 1Q12 Release, which is attached hereto as Exhibit 99.01.

AllianceBernstein is furnishing the 1Q12 Review, which is attached hereto as Exhibit 99.02.

AllianceBernstein is furnishing the 1Q12 Transcript, which is attached hereto as Exhibit 99.03.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

[99.01](#) 4Q11 Release.

[99.02](#) 4Q11 Review.

[99.03](#) 4Q11 Transcript.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ALLIANCEBERNSTEIN L.P.

Dated: May 3, 2012

By: /s/ Edward J. Farrell
Edward J. Farrell
Senior Vice President, Controller and
Interim Chief Financial Officer



News Release

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ALLIANCEBERNSTEIN HOLDING L.P. ANNOUNCES FIRST QUARTER RESULTS
GAAP Diluted Net Income of \$0.26 per Unit
Adjusted Diluted Net Income of \$0.29 per Unit
Cash Distribution of \$0.26 per Unit

New York, NY, May 2, 2012 – AllianceBernstein L.P. (“AllianceBernstein”) and AllianceBernstein Holding L.P. (“AllianceBernstein Holding”) (NYSE: AB) today reported financial and operating results for the quarter ended March 31, 2012.

“As market conditions improved in the first quarter of 2012, so did our investment performance and operating results. Gross sales were up by double-digits both sequentially and year-over-year, assets under management grew as a result of both market appreciation and Retail net inflows, and we reduced expenses and improved our adjusted operating margin in the quarter,” said Peter S. Kraus, Chairman and Chief Executive Officer.

Financial Results	1Q 2012	4Q 2011	1Q 2012 vs 4Q 2011	1Q 2011	1Q 2012 vs 1Q 2011
(\$ millions except per Unit amounts)					
AllianceBernstein L.P.					
<u>GAAP basis:</u>					
Net Revenues	\$ 682	\$ 625	9%	\$ 755	(10%)
Operating Income (Loss)	\$ 101	\$ (540)	n/m	\$ 138	(27%)
Operating Margin, excl. non-controlling interests	13.8%	n/m		19.4%	
<u>Adjusted basis:</u> ⁽¹⁾					
Net Revenues ⁽²⁾	\$ 562	\$ 528	7%	\$ 659	(15%)
Operating Income ⁽³⁾	\$ 101	\$ 37	174%	\$ 144	(30%)
Operating Margin	18.0%	7.0%		21.9%	
AllianceBernstein Holding L.P.					
GAAP Diluted Net Income (Loss) per Unit	\$ 0.26	\$ (1.97)	n/m	\$ 0.42	(38%)
Distribution per Unit	\$ 0.26	\$ 0.12	117%	\$ 0.42	(38%)
Adjusted Diluted Net Income per Unit ⁽¹⁾	\$ 0.29	\$ 0.07	314%	\$ 0.41	(29%)

⁽¹⁾See pages 8-10 for reconciliations of GAAP Financial Results to Adjusted Financial Results

⁽²⁾Adjusted net revenues exclude investment gains and losses and dividends and interest on deferred compensation-related investments, and 90% of the investment gains and losses of our consolidated venture capital fund attributable to non-controlling interests. In addition, adjusted net revenues offset distribution-related payments to third parties as well as amortization of deferred sales commissions against distribution revenues. They also exclude certain revenues that are reimbursements of pass-through expenses (primarily through our transfer agent).

⁽³⁾Adjusted operating income represents operating income on a GAAP basis excluding (1) the impact on net revenues and compensation expense of the mark-to-market gains and losses (as well as the dividends and interest) associated with employee deferred compensation-related investments, (2) deferred compensation charge, (3) real estate charges, (4) insurance proceeds, and (5) the net loss or income of consolidated entities attributable to non-controlling interests.

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Kraus continued: "It is even clearer in a more rational operating environment that the long-term strategy we're executing to deliver better investment returns, diversify and globalize our business, innovate for clients with new offerings and improve our operating structure is working. Most of our fixed income strategies continued to outperform, and in the quarter's much stronger global equity markets, many of our equity strategies, including large-cap, outperformed as well. Reviving our Retail business with new offerings and a focus on thriving non-US markets continues to pay off: gross sales in the first quarter were our highest in four years, with all regions contributing to the increase. In Private Client, we're once again innovating for clients with the new Strategic Equities strategy we've just introduced that, like Dynamic Asset Allocation, seeks to deliver more consistent returns over time. And we were able to regain multiple points of margin on an adjusted basis during the quarter, in part through ongoing firm-wide cost cutting efforts. While one quarter does not make a trend, we are encouraged by the results we have achieved under more favorable operating conditions so far in 2012 as we continue to pursue our long-term growth initiatives."

The firm's cash distribution per unit of \$0.26 is payable on May 24, 2012, to holders of record of AllianceBernstein Holding Units at the close of business on May 11, 2012.

Market Performance

The global equity markets had a strong first quarter of 2012. The S&P 500 returned 12.6% and the MSCI World's total return was 11.5% for the first quarter. In fixed income, the Barclays U.S. Aggregate Index returned 0.3% during the quarter, and the Barclays Global Aggregate Index's total return was 0.9%.

Assets Under Management (\$ Billions)

Total assets under management as of March 31, 2012 were \$419.1 billion, up 3.2% from December 31, 2011, and down \$58.2 billion, or 12.2%, compared to March 31, 2011.

	Institutions		Retail		Private Client		Total
Assets Under Management 3/31/12	\$	222.3	\$	124.2	\$	72.6	\$ 419.1
Net Flows for Three Months Ended 3/31/12	\$	(12.9)	\$	2.3	\$	(1.5)	\$ (12.1)

Total net outflows in both periods reflect outflows we sustained as a result of asset dispositions by the AXA Group. During 2011, AXA sold its Canadian and Australian businesses. As a result of these sales we incurred \$5.8 billion and \$3.7 billion of outflows during the first quarter of 2012 and the fourth quarter of 2011, respectively. Net outflows in the Institutions channel were \$12.9 billion, compared to net outflows of \$7.9 billion in the fourth quarter of 2011. Institutions gross sales decreased 38% sequentially during the first quarter of 2012, to \$3.8 billion from the prior quarter's \$6.1 billion. The pipeline of awarded but unfunded institutional mandates increased from \$4.3 billion to \$6.6 billion at March 31, 2012, the result of several new and diverse mandates awarded during the first quarter. The Retail channel experienced first quarter 2012 net inflows of \$2.3 billion, compared to prior quarter net outflows of \$3.8 billion. Retail gross sales increased 81% sequentially to \$12.9 billion in the first quarter of 2012 from \$7.1 billion in the fourth quarter of 2011. In the Private Client channel, net outflows of \$1.5 billion were flat versus the prior quarter. Gross sales of \$1.4 billion in the first quarter of 2012 were down 15% from the prior quarter's \$1.7 billion.

First Quarter Financial Results: GAAP

Net revenues of \$682 million declined 10% compared to the first quarter of 2011. The most significant drivers of the decline were lower base fees and lower Bernstein Research revenues, partially offset by higher gains on deferred compensation, private equity venture fund and seed capital investments. Sequentially, net revenues increased 9%. The Company had current quarter gains compared to prior quarter losses on seed capital and private equity venture fund investments, which was the largest factor in the revenue increase. Bernstein Research Services revenues were also higher, as were base fees, primarily in Retail, and distribution revenues, notably from non-U.S. markets. Offsetting factors were lower performance fees and dividends and interest. Bernstein Research Services revenues declined 11% from the first quarter of 2011, but increased 16% from the fourth quarter of 2011, even as overall market volumes and volatility continued to decline.

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Operating expenses were \$581 million for the first quarter, a year-over-year decrease of 6%, due to lower employee compensation and benefits and general and administrative expenses, partly offset by a real estate charge of \$9.3 million recorded during the current quarter associated with consolidating and leasing space in New York City. Operating expenses decreased by 50% sequentially, largely driven by the absence of the one-time, non-cash deferred compensation charge the Company took in the fourth quarter of 2011. Within promotion and servicing, travel and entertainment costs were lower compared to the fourth quarter of 2011, and general and administrative expenses excluding real estate charges decreased 11% sequentially, primarily due to lower professional fees and the cash receipt of \$6.5 million related to the finalization of a claims processing contingency originally recorded in 2006.

The Company reported operating income of \$101 million and an operating margin of 13.8% for the first quarter of 2012, compared to operating income of \$138 million and an operating margin of 19.4% for the first quarter of 2011. Sequentially, the current quarter's operating income compares to an operating loss of \$540 million in the fourth quarter of 2011. The diluted net income per Unit for the first quarter of 2012 was \$0.26 compared to \$0.42 for the first quarter of 2011 and a diluted net loss per Unit of \$(1.97) for the fourth quarter of 2011. The cash distribution per Unit for the publicly-traded partnership was \$0.26 for the first quarter of 2012.

First Quarter Financial Results: As Adjusted

Adjusted net revenues of \$562 million were down 15% compared to the first quarter of 2011 and up 7% sequentially. The decrease from the first quarter of 2011 was due to lower base advisory fees on a lower asset base, as well as lower Bernstein Research Services revenues. The sequential increase was driven by higher Bernstein Research Services revenues, seed capital investment gains and base fees.

Adjusted operating income decreased 30% from the first quarter of 2011, to \$101 million, and the adjusted operating margin decreased to 18.0% from 21.9%, due to lower revenues and an increase in the ratio of compensation expenses to revenues. On a sequential basis, adjusted operating income increased 174% from \$37 million, and the adjusted operating margin increased from 7.0%, in both cases reflecting the benefits of improved market conditions from the fourth quarter of 2011 and ongoing expense reductions. Adjusted diluted net income per Unit for the publicly-traded partnership decreased to \$0.29 from \$0.41 in the first quarter of 2011 and increased from \$0.07 sequentially.

Unit Repurchases

AllianceBernstein engages in open-market purchases of Holding Units to help fund anticipated obligations under its incentive compensation award program and for other corporate purposes under a plan pursuant to Rule 10b5-1 under the Securities Exchange Act of 1934, as amended. The amount of Holding Units AllianceBernstein buys each quarter is subject to SEC regulations, the terms of the 10b5-1 plan and the trading volume of Holding Units on the New York Stock Exchange. In addition, AllianceBernstein purchases Holding Units from employees to allow them to fulfill statutory tax requirements at the time of distribution of long-term incentive compensation awards. During the first quarter of 2012, AllianceBernstein purchased 4.5 million Holding Units for \$66.9 million. These amounts reflect open-market purchases of 4.3 million Holding Units for \$63.2 million, with the remainder primarily relating to employee tax withholding purchases, offset by Holding Units purchased by employees as part of a distribution reinvestment election.

First Quarter 2012 Earnings Conference Call Information

Management will review first quarter 2012 financial and operating results during a conference call beginning at 8:00 a.m. (ET) on Wednesday, May 2, 2012. The conference call will be hosted by Peter S. Kraus, Chairman and Chief Executive Officer and Edward J. Farrell, Interim Chief Financial Officer and Controller.

Parties may access the conference call by either webcast or telephone:

1. To listen by webcast, please visit AllianceBernstein's Investor Relations website at <http://ir.alliancebernstein.com/investorrelations> at least 15 minutes prior to the call to download and install any necessary audio software.

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- To listen by telephone, please dial (866) 556-2265 in the U.S. or (973) 935-8521 outside the U.S. 10 minutes before the scheduled start time. The conference ID# is 69710790.

The presentation that will be reviewed during the conference call will be available on AllianceBernstein's Investor Relations website shortly after the release of first quarter 2012 financial and operating results on May 2, 2012.

A replay of the webcast will be made available beginning approximately one hour after the conclusion of the conference call and will be available on AllianceBernstein's website for one week. An audio replay of the conference call will also be available for one week. To access the audio replay, please call (855) 859-2056 from the U.S., or outside the U.S. call (404) 537-3406, and provide the conference ID #: 69710790.

Cautions Regarding Forward-Looking Statements

Certain statements provided by management in this news release are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are subject to risks, uncertainties, and other factors that could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. The most significant of these factors include, but are not limited to, the following: the performance of financial markets, the investment performance of sponsored investment products and separately-managed accounts, general economic conditions, industry trends, future acquisitions, competitive conditions, and current and proposed government regulations, including changes in tax regulations and rates and the manner in which the earnings of publicly-traded partnerships are taxed. AllianceBernstein cautions readers to carefully consider such factors. Further, such forward-looking statements speak only as of the date on which such statements are made; AllianceBernstein undertakes no obligation to update any forward-looking statements to reflect events or circumstances after the date of such statements. For further information regarding these forward-looking statements and the factors that could cause actual results to differ, see "Risk Factors" and "Cautions Regarding Forward-Looking Statements" in AllianceBernstein's Form 10-K for the year ended December 31, 2011 and Form 10-Q for the quarter ended March 31, 2012. Any or all of the forward-looking statements made in this news release, Form 10-K, Form 10-Q, other documents AllianceBernstein files with or furnishes to the SEC and any other public statements issued by AllianceBernstein, may turn out to be wrong. It is important to remember that other factors besides those listed in "Risk Factors" and "Cautions Regarding Forward-Looking Statements", and those listed below, could also adversely affect AllianceBernstein's financial condition, results of operations and business prospects.

The forward-looking statements referred to in the preceding paragraph include statements regarding:

- ***Our belief that in a more rational operating environment like the one we are currently experiencing, we are better able to execute on our long-term growth initiatives as a Company:*** Changes and volatility in political, economic, capital market or industry conditions can result in changes in demand for our products and services or impact the value of our assets under management, all of which may adversely affect our results of operations. The actual performance of the capital markets and other factors beyond our control will affect our investment success for clients and asset flows. Furthermore, improved flows depend on a number of factors, including our ability to deliver consistent, competitive investment performance, which cannot be assured, conditions of financial markets, consultant recommendations, and changes in our clients' investment preferences, risk tolerances and liquidity needs.
- ***The pipeline of new institutional mandates not yet funded:*** Before they are funded, institutional mandates do not represent legally binding commitments to fund and, accordingly, the possibility exists that not all mandates will be funded in the amounts and at the times currently anticipated.
- ***Our intention to continue to engage in open market purchases of Holding Units to help fund anticipated obligations under our incentive compensation award program:*** The number of Holding Units needed in future periods to make incentive compensation awards is dependent upon various factors, some of which are beyond our control, including the fluctuation in the price of a Holding Unit.

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Qualified Tax Notice

This announcement is intended to be a qualified notice under Treasury Regulation §1.1446-4(b). Please note that 100% of AllianceBernstein Holding's distributions to foreign investors is attributable to income that is effectively connected with a United States trade or business. Accordingly, AllianceBernstein Holding's distributions to foreign investors are subject to federal income tax withholding at the highest applicable tax rate, currently 35%.

About AllianceBernstein

AllianceBernstein is a leading global investment management firm that offers high-quality research and diversified investment services to institutional investors, individuals and private clients in major world markets.

At March 31, 2012, AllianceBernstein Holding L.P. owned approximately 37.9% of the issued and outstanding AllianceBernstein Units and AXA, one of the largest global financial services organizations, owned an approximate 63.5% economic interest in AllianceBernstein.

Additional information about AllianceBernstein may be found on our website, www.alliancebernstein.com.

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AllianceBernstein L.P. (The Operating Partnership)
SUMMARY CONSOLIDATED STATEMENTS OF INCOME | March 31, 2012

\$ thousands, unaudited	Three Months Ended		
	3/31/12	12/31/11	3/31/11
Revenues:			
Base fees	\$ 423,169	\$ 415,907	\$ 509,874
Performance fees	4,391	7,069	5,118
Bernstein research services	106,343	92,047	119,624
Distribution revenues	88,960	82,609	88,827
Dividend and interest income	4,406	6,523	5,092
Investment gains (losses)	30,958	(3,175)	976
Other revenues	24,285	24,402	26,855
Total revenues	<u>682,512</u>	<u>625,382</u>	<u>756,366</u>
Less: Interest expense	703	404	976
Net revenues	<u>681,809</u>	<u>624,978</u>	<u>755,390</u>
Expenses:			
Employee compensation & benefits			
Employee compensation & benefits	302,543	298,102	339,156
Deferred compensation charge	-	587,131	-
Promotion & servicing			
Distribution-related payments	79,869	73,048	74,756
Amortization of deferred sales commissions	8,267	8,292	10,326
Other	49,734	52,917	53,687
General & administrative	124,910	139,567	132,891
Real estate charge	9,269	294	18
Interest on borrowings	833	630	686
Amortization of intangible assets	5,139	5,243	5,435
Total expenses	<u>580,564</u>	<u>1,165,224</u>	<u>616,955</u>
Operating income (loss)	101,245	(540,246)	138,435
Income taxes	6,703	(20,334)	10,009
Net income (loss)	94,542	(519,912)	128,426
Net income (loss) of consolidated entities attributable to non-controlling interests	7,264	(3,552)	(8,046)
Net Income (Loss) Attributable to AllianceBernstein Unitholders	<u>\$ 87,278</u>	<u>\$ (516,360)</u>	<u>\$ 136,472</u>
Operating margin⁽¹⁾	13.8%	n/m	19.4%

⁽¹⁾ Operating income excluding net income (loss) attributable to non-controlling interests as a percentage of net revenues.

AllianceBernstein Holding L.P. (The Publicly-Traded Partnership)
SUMMARY STATEMENTS OF INCOME

\$ thousands except per Unit amounts, unaudited	Three Months Ended		
	3/31/12	12/31/11	3/31/11
Equity in Net Income (Loss) Attributable to AllianceBernstein Unitholders	\$ 32,707	\$ (193,458)	\$ 51,058
Income Taxes	6,008	6,005	7,378
Net Income (Loss)	<u>26,699</u>	<u>(199,463)</u>	<u>43,680</u>
Additional Equity in Earnings of Operating Partnership ⁽¹⁾	-	-	243
Net Income (Loss) - Diluted	\$ 26,699	\$ (199,463)	\$ 43,923
Diluted Net Income (Loss) per Unit	<u>\$ 0.26</u>	<u>\$ (1.97)</u>	<u>\$ 0.42</u>
Distribution per Unit	<u>\$ 0.26</u>	<u>\$ 0.12</u>	<u>\$ 0.42</u>

⁽¹⁾ To reflect higher ownership in the Operating Partnership resulting from application of the treasury stock method to outstanding options.

AllianceBernstein L.P. and AllianceBernstein Holding L.P.
UNITS OUTSTANDING AND WEIGHTED AVERAGE UNITS OUTSTANDING

	Period End Units	Weighted Average Units Three Months Ended 3/31/12	
		Basic	Diluted
		AllianceBernstein L.P.	277,832,238
AllianceBernstein Holding L.P.	105,173,342	101,766,569	101,766,569

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Ending and Average	Three Months Ended		
		3/31/12	3/31/11
Ending Assets Under Management	\$	419.1	\$ 477.3
Average Assets Under Management	\$	417.4	\$ 481.1

Three-Month Changes By Distribution Channel

	Institutions	Retail	Private Client	Total
Beginning of Period	\$ 223.9	\$ 112.6	\$ 69.4	\$ 405.9
Sales/New accounts	3.8	12.9	1.4	18.1
Redemptions/Terminations	(15.5)	(8.4)	(2.6)	(26.5)
Net Cash Flows	(1.2)	(2.2)	(0.3)	(3.7)
Net Flows	(12.9)	2.3	(1.5)	(12.1)
Investment Performance	11.3	9.3	4.7	25.3
End of Period	\$ 222.3	\$ 124.2	\$ 72.6	\$ 419.1

Three-Month Changes By Investment Service

	Value	Growth	Fixed Income	Other(2)	Total
Beginning of Period	\$ 80.8	\$ 44.2	\$ 217.6	\$ 63.3	\$ 405.9
Sales/New accounts	2.1	1.5	12.7	1.8	18.1
Redemptions/Terminations	(8.8)	(7.1)	(9.9)	(0.7)	(26.5)
Net Cash Flows	(2.2)	(1.1)	(0.4)	-	(3.7)
Net Flows	(8.9)	(6.7)	2.4	1.1	(12.1)
Investment Performance	9.8	6.4	4.0	5.1	25.3
End of Period⁽¹⁾	\$ 81.7	\$ 43.9	\$ 224.0	\$ 69.5	\$ 419.1

⁽¹⁾ Approximately \$45 billion in Blend Strategies AUM are reported in their respective services.

⁽²⁾ Includes index, structured, asset allocation services and other non-actively managed AUM.

By Client Domicile

	Institutions	Retail	Private Client	Total
U.S. Clients	\$ 132.1	\$ 77.1	\$ 71.0	\$ 280.2
Non-U.S. Clients	90.2	47.1	1.6	138.9
Total	\$ 222.3	\$ 124.2	\$ 72.6	\$ 419.1

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AllianceBernstein L.P.
RECONCILIATION OF GAAP FINANCIAL RESULTS TO ADJUSTED FINANCIAL RESULTS

\$ thousands, unaudited	Three Months Ended					
	3/31/12	12/31/11	9/30/11	6/30/11	3/31/11	12/31/10
Net Revenues, GAAP basis	\$ 681,809	\$ 624,978	\$ 641,529	\$ 727,994	\$ 755,390	\$ 777,561
Exclude:						
Deferred compensation-related investment (gains) losses	(15,570)	(9,386)	37,840	1,588	(9,740)	(16,677)
Deferred compensation-related dividends and interest	(380)	(2,226)	(982)	(524)	(632)	(3,963)
90% of consolidated venture capital fund investment (gains) losses	(7,686)	3,116	18,306	6,302	8,054	(7,570)
Distribution-related payments	(79,869)	(73,048)	(76,323)	(78,557)	(74,756)	(76,411)
Amortization of deferred sales commissions	(8,267)	(8,292)	(9,186)	(9,871)	(10,326)	(11,349)
Pass-through fees & expenses	(7,738)	(7,598)	(8,894)	(9,987)	(8,624)	(9,762)
Adjusted Net Revenues	\$ 562,299	\$ 527,544	\$ 602,290	\$ 636,945	\$ 659,366	\$ 651,829
Operating Income (Loss), GAAP basis	\$ 101,245	\$ (540,246)	\$ 77,716	\$ 115,626	\$ 138,435	\$ 153,751
Exclude:						
Deferred compensation-related investment (gains) losses	(15,570)	(9,386)	37,840	1,588	(9,740)	(16,677)
Deferred compensation-related dividends and interest	(380)	(2,226)	(982)	(524)	(632)	(3,963)
Deferred compensation-related mark-to-market vesting expense (credit)	14,009	(2,925)	(24,302)	908	6,894	7,358
Deferred compensation-related dividends and interest expense	152	806	1,572	1,196	1,480	6,317
Deferred compensation charge	-	587,131	-	-	-	-
Net impact of deferred compensation-related items	(1,789)	573,400	14,128	3,168	(1,998)	(6,965)
Real estate charges	9,269	294	6,905	18	18	116
Insurance proceeds	-	-	(10,691)	-	-	-
Sub-total of non-GAAP adjustments	7,480	573,694	10,342	3,186	(1,980)	(6,849)
Less: Net income (loss) of consolidated entities attributable to non-controlling interests	7,264	(3,552)	(18,445)	(6,756)	(8,046)	7,873
Adjusted Operating Income	\$ 101,461	\$ 37,000	\$ 106,503	\$ 125,568	\$ 144,501	\$ 139,029
Operating Margin, GAAP basis excl. non-controlling interests	13.8%	n/m	15.0%	16.8%	19.4%	18.8%
Adjusted Operating Margin	18.0%	7.0%	17.7%	19.7%	21.9%	21.3%

AllianceBernstein Holding L.P.
RECONCILIATION OF GAAP EPU TO ADJUSTED EPU

\$ thousands except per Unit amounts, unaudited	Three Months Ended					
	3/31/12	12/31/11	9/30/11	6/30/11	3/31/11	12/31/10
Net Income (Loss) - Diluted, GAAP basis	\$ 26,699	\$ (199,463)	\$ 27,003	\$ 35,653	\$ 43,923	\$ 43,289
Impact on net income of AllianceBernstein non-GAAP adjustments	2,741	206,341	3,773	1,162	(722)	(2,451)
Adjusted Net Income - Diluted	\$ 29,440	\$ 6,878	\$ 30,776	\$ 36,815	\$ 43,201	\$ 40,838
Diluted Net Income (Loss) per Holding Unit, GAAP basis	\$ 0.26	\$ (1.97)	\$ 0.26	\$ 0.34	\$ 0.42	\$ 0.42
Impact of AllianceBernstein non-GAAP adjustments	0.03	2.04	0.04	0.01	(0.01)	(0.02)
Adjusted Diluted Net Income per Holding Unit	\$ 0.29	\$ 0.07	\$ 0.30	\$ 0.35	\$ 0.41	\$ 0.40

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Adjusted Net Revenues

Adjusted net revenues exclude investment gains and losses and dividends and interest on deferred compensation-related investments, and 90% of the investment gains and losses of our consolidated venture capital fund attributable to non-controlling interests. In addition, adjusted net revenues offset distribution-related payments to third parties as well as amortization of deferred sales commissions against distribution revenues. We believe the offset of distribution-related payments from net revenues is useful for our investors and other users of our financial statements because such presentation appropriately reflects the nature of these costs as pass-through payments to third parties who perform functions on behalf of our sponsored mutual funds and/or shareholders of these funds. Amortization of deferred sales commissions is offset against net revenues because such costs, over time, essentially offset distribution revenues earned by the company. We also excluded additional pass-through expenses we incur (primarily through our transfer agent) that are reimbursed and recorded as fees in revenues. These fees have no impact on operating income, but they do have an impact on our operating margin. As such, we exclude these fees from adjusted net revenues.

Adjusted Operating Income

Adjusted operating income represents operating income on a GAAP basis excluding (1) the impact on net revenues and compensation expense of the mark-to-market gains and losses (as well as the dividends and interest) associated with employee deferred compensation-related investments, (2) deferred compensation charge, (3) real estate charges, (4) insurance proceeds, and (5) the net loss or income of consolidated entities attributable to non-controlling interests.

Prior to 2009, a large proportion of employee compensation was in the form of deferred awards that were notionally invested in AllianceBernstein investment services and generally vested over a period of four years. AllianceBernstein has economically hedged the exposure to market movements by purchasing and holding these investments on its balance sheet. The full value of the investments' appreciation (depreciation) is recorded within investment gains and losses on the income statement in the current period. U.S. GAAP requires the appreciation (depreciation) in the compensation liability to be expensed over the award vesting period in proportion to the vested amount of the award as part of compensation expense. This creates a timing difference between the recognition of the compensation expense and the investment gain or loss impacting operating income, which will fluctuate over the life of the award and net to zero at the end of the multi-year vesting period. Although during periods of high market volatility these timing differences have an impact on operating income and operating margin, over the life of the award any impact is ultimately offset. Because these plans are economically hedged, management believes it is useful to reflect the offset ultimately achieved from hedging the investments' market exposure in the calculation of adjusted operating income, adjusted operating margin and adjusted diluted net income per Holding Unit, which will produce core operating results from period to period. The non-GAAP measures exclude gains and losses and dividends and interest on deferred compensation-related investments included in revenues and compensation expense, thus eliminating the timing differences created by different treatment under U.S. GAAP of the market movement on the expense and the investments. In the fourth quarter of 2011, we implemented changes to our employee long-term incentive compensation award program. As a result, mark-to-market investment gains or losses recognized in compensation expense will closely approximate mark-to-market investment gains and losses recognized in revenues.

Real estate charges have been excluded because they are not considered part of our core operating results when comparing financial results from period to period and to industry peers.

In the third quarter of 2011, we received significant insurance proceeds from the settlement of a claim that are not considered part of our core operating results.

Most of the net income or loss of consolidated entities attributable to non-controlling interests relates to the 90% limited partner interests held by third parties in our consolidated venture capital fund. We own a 10% limited partner interest in the fund. Because we are the general partner of the venture capital fund and are deemed to have a controlling interest, U.S. GAAP requires us to consolidate the financial results of the fund. However, recognizing 100% of the gains or losses in operating income while only retaining 10% is not reflective of our underlying financial results at the operating income level. As a result, we are excluding the 90% limited partner interests we do not own from our adjusted operating income. Similarly, net income of joint ventures attributable to non-controlling interests, although not significant, is excluded because it does not reflect the economic interest attributable to AllianceBernstein.

www.alliancebernstein.com

Adjusted Operating Margin

Adjusted operating margin allows us to monitor our financial performance and efficiency from period to period and to compare our performance to industry peers without the volatility noted above in our discussion of adjusted operating income. Adjusted operating margin is derived by dividing adjusted operating income by adjusted net revenues.

www.alliancebernstein.com

May 2, 2012

First Quarter 2012 Review

Peter S. Kraus

Chairman & Chief Executive Officer

Edward J. Farrell

Controller & Interim Chief Financial Officer


ALLIANCEBERNSTEIN

Cautions Regarding Forward-Looking Statements

Certain statements provided by management in this presentation are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are subject to risks, uncertainties, and other factors that could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. The most significant of these factors include, but are not limited to, the following: the performance of financial markets, the investment performance of sponsored investment products and separately-managed accounts, general economic conditions, industry trends, future acquisitions, competitive conditions, and current and proposed government regulations, including changes in tax regulations and rates and the manner in which the earnings of publicly-traded partnerships are taxed. AllianceBernstein cautions readers to carefully consider such factors. Further, such forward-looking statements speak only as of the date on which such statements are made; AllianceBernstein undertakes no obligation to update any forward-looking statements to reflect events or circumstances after the date of such statements. For further information regarding these forward-looking statements and the factors that could cause actual results to differ, see “Risk Factors” and “Cautions Regarding Forward-Looking Statements” in AllianceBernstein’s Form 10-K for the year ended December 31, 2011 and Form 10-Q for the quarter ended March 31, 2012. Any or all of the forward-looking statements made in this presentation, Form 10-K, Form 10-Q, other documents AllianceBernstein files with or furnishes to the SEC, and any other public statements issued by AllianceBernstein, may turn out to be wrong. It is important to remember that other factors besides those listed in “Risk Factors” and “Cautions Regarding Forward-Looking Statements”, and those listed below, could also adversely affect AllianceBernstein’s financial condition, results of operations and business prospects.

The forward-looking statements referred to in the preceding paragraph include statements regarding:

- ***Our belief that in a more rational operating environment like the one we are currently experiencing, we are better able to execute on our long-term growth initiatives as a Company:*** Changes and volatility in political, economic, capital market or industry conditions can result in changes in demand for our products and services or impact the value of our assets under management, all of which may adversely affect our results of operations. The actual performance of the capital markets and other factors beyond our control will affect our investment success for clients and asset flows. Furthermore, improved flows depend on a number of factors, including our ability to deliver consistent, competitive investment performance, which cannot be assured, conditions of financial markets, consultant recommendations, and changes in our clients’ investment preferences, risk tolerances and liquidity needs.
- ***The pipeline of new institutional mandates not yet funded:*** Before they are funded, institutional mandates do not represent legally binding commitments to fund and, accordingly, the possibility exists that not all mandates will be funded in the amounts and at the times currently anticipated.
- ***Our intention to continue to engage in open market purchases of Holding Units to help fund anticipated obligations under our incentive compensation award program:*** The number of Holding Units needed in future periods to make incentive compensation awards is dependent upon various factors, some of which are beyond our control, including the fluctuation in the price of a Holding Unit.

Peter S. Kraus
Chairman & Chief Executive Officer

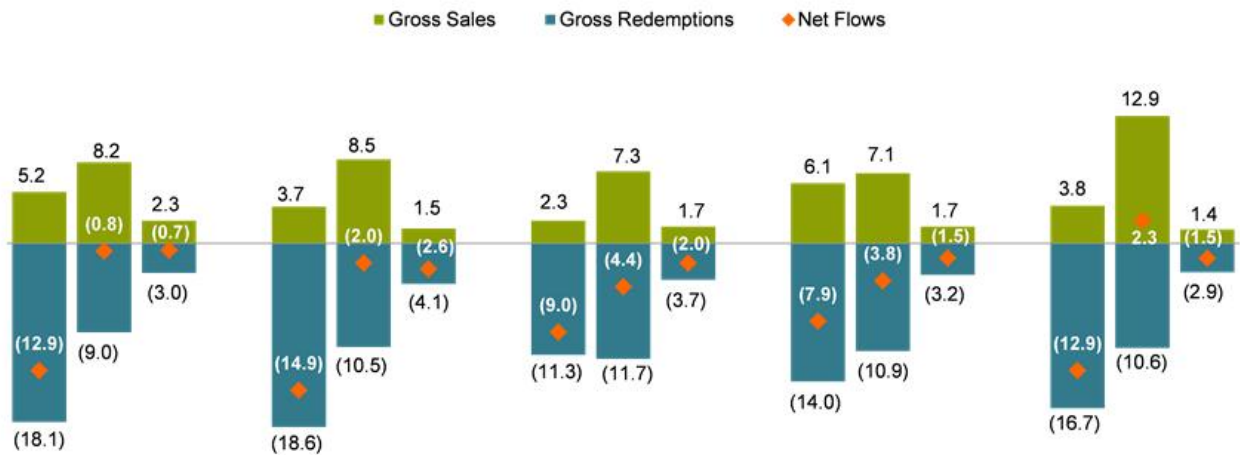
Firmwide Overview: First Quarter 2012

In US \$ Billions



Asset Flows by Distribution Channel: Quarterly Trend

In US \$ Billions



	Inst.	Ret.	P.C.	Inst.	Ret.	P.C.	Inst.	Ret.	P.C.	Inst.	Ret.	P.C.	Inst.	Ret.	P.C.
	1Q 11			2Q 11			3Q 11			4Q 11			1Q 12		

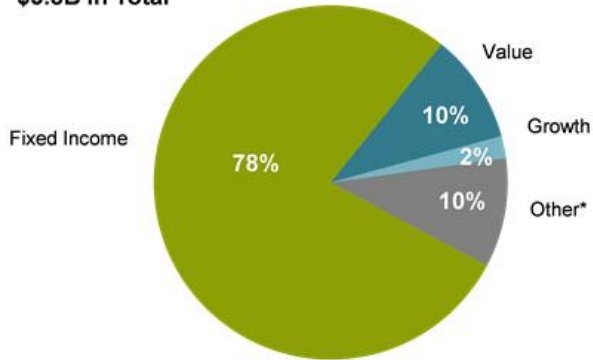
Total

Gross Sales	\$15.7	\$13.7	\$11.3	\$14.9	\$18.1
Gross Redemptions	\$(30.1)	\$(33.2)	\$(26.7)	\$(28.1)	\$(30.2)
Net Outflows	\$(14.4)	\$(19.5)	\$(15.4)	\$(13.2)	\$(12.1)

Institutional Highlights

1Q12 Gross Sales by Asset Class

\$3.8B in Total

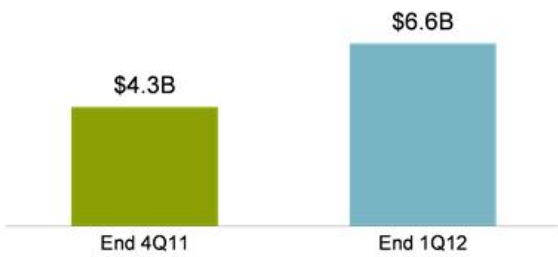


AXA-Related Dispositions Have Increased Outflows

\$B



Higher Pipeline** in 1Q12...



...Driven by Diverse Additions

- \$730M Emerging Markets Fixed Income
- \$600M Mortgage Fixed Income
- \$300M Global Credit
- \$200M Customized Retirement Strategies
- \$150M US Small Cap Growth

Percentages rounded

*Other includes passive/index and alternative strategies

**Assets awarded and pending funding as of 3/31/12

Relative Performance: 1st Quarter 2012

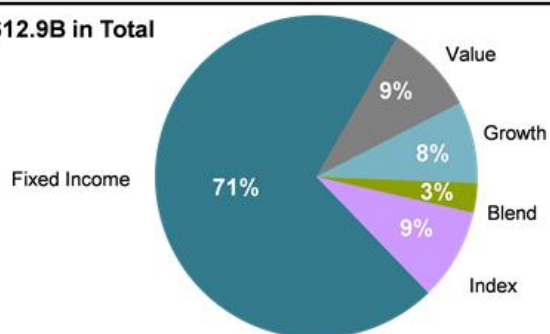
	Through 3/31/12			
	<u>1Q12</u>	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>
Fixed Income:				
US Strategic Core Plus	0.3	(1.0)	4.8	0.6
US High Yield Composite	0.6	(1.2)	2.2	0.4
Global High Income	0.1	0.7	4.1	0.2
Global Fixed Income	0.2	5.3	3.4	2.0
Diversified Yield	3.0	2.9	10.6	1.0
Emerging Markets Debt	0.9	(1.3)	5.0	1.7
Large Cap Equities:				
Global Strategic Value	0.8	(9.7)	(1.4)	(6.9)
US Strategic Value	2.4	(5.6)	(2.7)	(3.3)
International Value	1.2	(4.6)	(2.3)	(3.8)
Emerging Markets Value	2.3	(3.5)	2.1	(1.1)
US Large Cap Growth	3.1	(2.7)	(2.9)	(1.2)
Global Research Growth	3.6	(0.9)	(2.3)	(3.7)
Equities ex-Large Cap:				
Global Thematic Research	4.2	(9.7)	(0.4)	N/A
US Relative Value	2.0	6.6	(0.4)	1.6
US Small Cap Value	3.5	1.0	9.9	4.6
US Small Cap Growth	4.0	8.1	7.7	4.3
US Small/Mid Cap Growth	0.7	2.8	6.7	5.3

Preliminary performance as of 3/31/2012; gross of fees

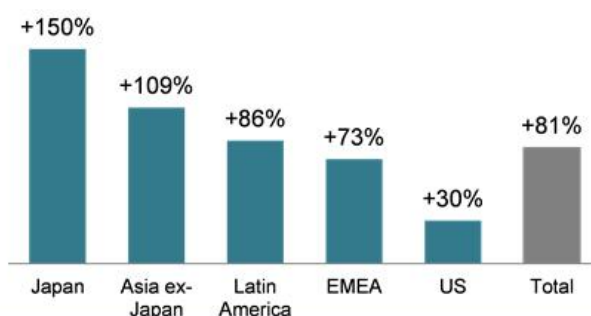
Retail Highlights

1Q12 Gross Sales by Asset Class

\$12.9B in Total



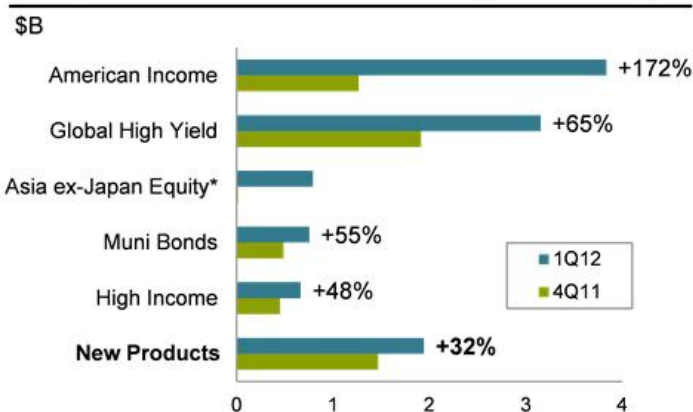
All Regions Contributed to Sequential Gross Sales Growth



New Products Gathering Assets

Product	Launch Date	AUM (\$M)
US Retail		
High Income Muni	Jan-10	\$823
Municipal Bond Inflation	Jan-10	\$396
Real Asset	Mar-10	\$384
Bond Inflation	Jan-10	\$183
International Retail		
EMD Fixed Income	Dec-10	\$620
RMB Income Plus	May-11	\$374
Select US Equity - Long Only	Dec-11	\$305
Brazilian Infrastructure	Feb-10	\$290

Strong Gross Sales of Both New and Long-Term Offerings

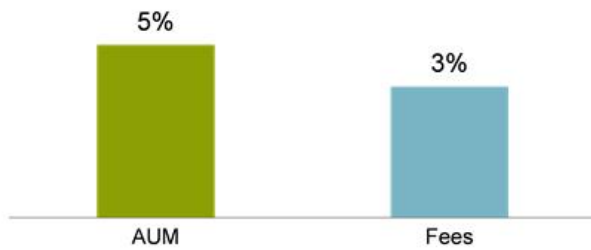


*1Q12 sequential gross sales percentage increase is too high to be considered meaningful.

Private Client Highlights

Stability and Strength

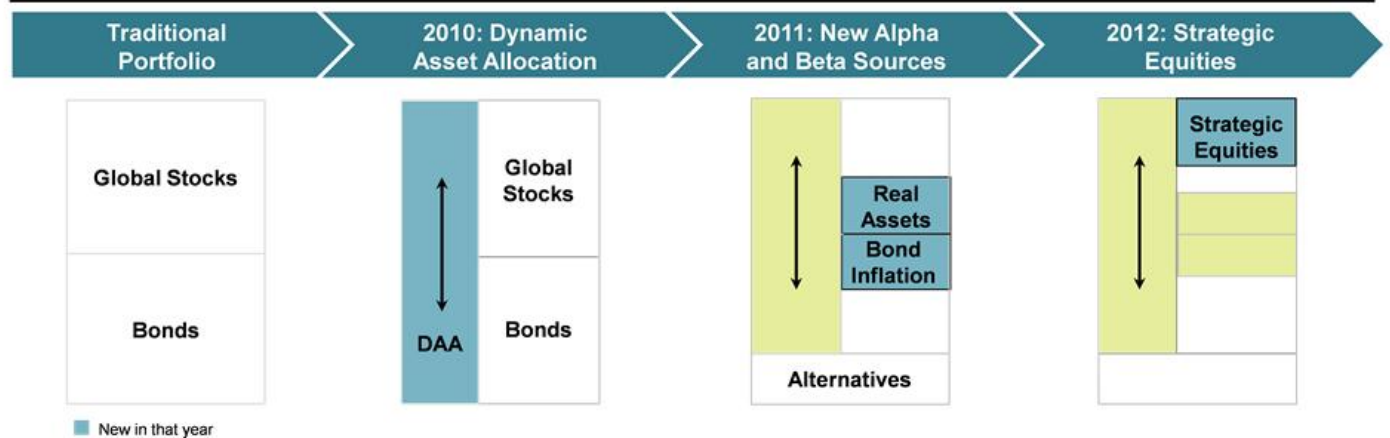
1Q12/4Q11 % Change



The Bernstein Advantage

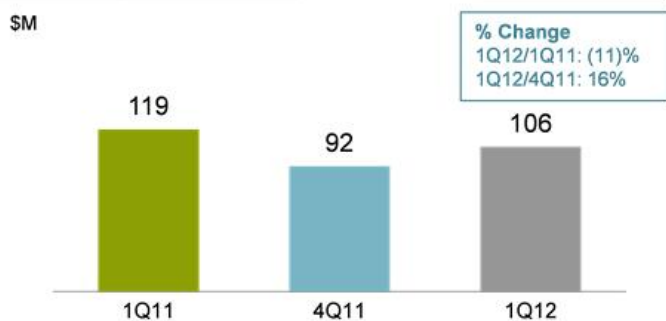
- **Integrated Solutions** With insight into every position in every client's portfolio, we can employ integrated risk management (DAA), tax-aware trading and systematic rebalancing by account
- **Custom Planning** We use proprietary planning tools and a core capital SM model to customize clients' asset allocation, increasing the probability of meeting their long-term financial goals
- **Investment Discipline** With disciplined, long-term, exclusive investment management, we're accountable to our clients and avoid the pitfalls of performance chasing

Innovative Enhancements to Private Client Portfolios to Achieve More Consistent Performance

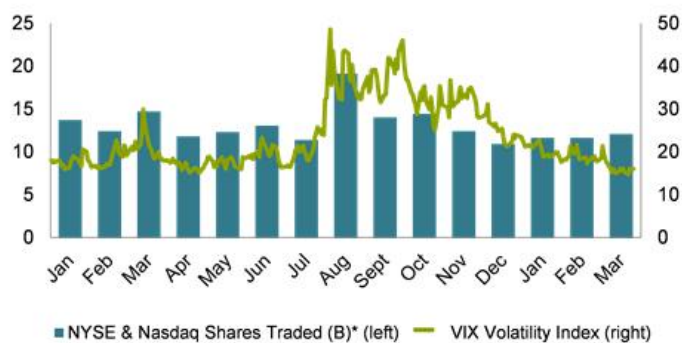


Bernstein Research Services Highlights

Sequential Increase in Revenues...

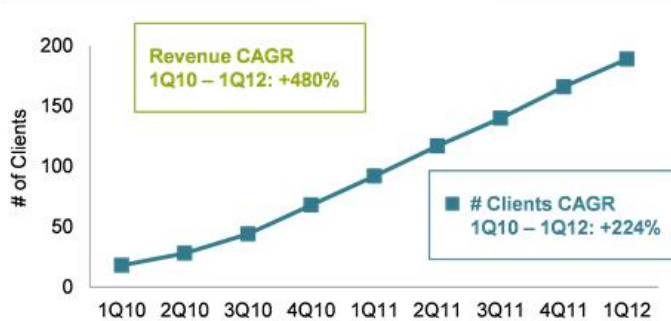


...Despite Further Declines in Market Volumes and Volatility



*Composite trading volumes. Source: ThomsonOne.

Rapid Growth of SCB Hong Kong



Continued Global Growth and US Research Recognition

- Extended global footprint with two new analyst hires in Asia in consumer and insurance sectors
- Hong Kong revenues up 40% sequentially and 168% year-over-year
- Highly ranked in annual independent survey of US portfolio managers
 - #1 Composite Score of all "Research & Analyst Quality" metrics
 - #1 "Equity Analyst Service"
 - #1 "Highest Quality U.S. Equity Research Product"
 - #1 "Greatest Knowledge of Companies and Industries"
 - #1 "Most Creative Ideas or Themes"
 - #1 "Most Trusted"

Progress on Our Strategy in 2012

Firmwide Initiative

Improve investment performance and deliver for clients

Diversify our business across channels, investment services and geographies

Develop innovative new products and services to meet clients' evolving needs

Achieve greater operating leverage and better financial results

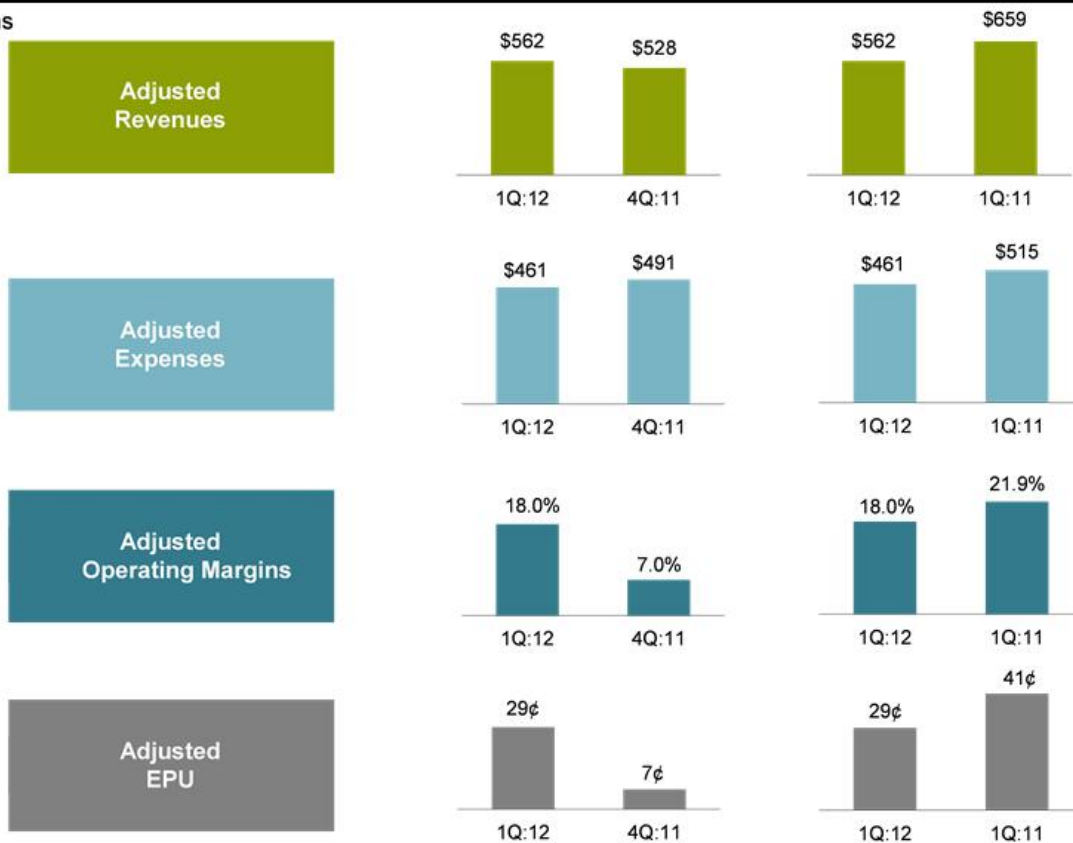
Progress

- Equity actions support long-standing services while evolving product set to meet client needs
- Improved performance across most equity strategies in a more normalized environment
- Continued strength in Fixed Income – Global High Income, Global Fixed Income and Diversified Yield have outperformed for 1Q12, 1, 3 and 5-year periods
- Global industry recognition for retail Fixed Income
 - Six Lipper awards in Europe, including Best Large Bond Group (3 yrs) in Europe
 - Nine Lipper Awards in Asia, including Best Large Bond Group (3 yrs) in Singapore
- All regions contributed to Retail's sequential 81% gross sales increase
- Continued sales momentum in Fixed Income; \$2.4B in net new flows
- Diverse 1Q12 pipeline adds in EM Debt, Global Credit, CRS and Small Cap Growth
- Successful close of first US real estate fund with nearly \$700 million in capital commitments and another \$200 million in co-investment capital from key strategic investors
- Retail new product sales up 32% in 1Q12
- Introduced clients to new Strategic Equities model in Private Client
- Big win in UK DC - \$200M initial mandate with great growth potential
- Ongoing diligence in cost-cutting year-to-date
 - Sequential reductions in T&E, communications costs and professional fees
 - Managing to our annual comp ratio target of 50% or less
- Restored multiple points of adjusted margin versus 4Q11
- Successfully sub-leased 90,000+ square feet of NYC office space

Edward J. Farrell
Controller & Interim Chief Financial Officer

Financial Highlights: First Quarter 2012

In US \$ Millions



Please refer to pages 32-34 for additional information on the reconciliation of GAAP financial results to adjusted financial results

First Quarter 2012 Income Statement

- Sequential variances affected by \$587 million deferred compensation charge recorded in 4Q11
- Versus the prior year period, decline in net revenues outpaced expense reductions
- Adjusted EPU of 29 cents for 1Q12; distribution of 26 cents

In US Dollar Millions (except EPU)	1Q 2012	4Q 2011	% Δ	1Q 2011	% Δ
Net Revenues	\$ 682	\$ 625	9%	\$ 755	(10%)
Operating Expenses	581	1,165	(50%)	617	(6%)
Operating Income (Loss)	101	(540)	n/m	138	(27%)
Net Income (Loss) Attributable to AB Unitholders	87	(516)	n/m	136	(36%)
AB Holding GAAP Diluted Net Income (Loss) per Unit	\$0.26	(\$1.97)	n/m	\$0.42	(38%)
AB Holding Adjusted Diluted Net Income Per Unit	\$0.29	\$0.07	314%	\$0.41	(29%)
AB Holding Distribution Per Unit	\$0.26	\$0.12	117%	\$0.42	(38%)

Please refer to pages 32-34 for additional information on the reconciliation of GAAP financial results to adjusted financial results. Percentages are calculated using expenses rounded to the nearest thousand.

First Quarter 2012 Revenues

- Base fee variances from both prior periods in line with changes in average AUM and asset mix
- Bernstein Research revenues improved sequentially, due primarily to higher trading activity, and the decline from the prior year quarter is attributed primarily to lower volumes in the U.S. and Europe
- Higher investment gains in 1Q12 versus both periods for deferred compensation investments. AB Venture Fund had gains in the current quarter versus losses in both prior periods. Seed capital investments had higher gains than 1Q11 and compared favorably with losses in 4Q11.

Revenues (in US dollar millions)	1Q	4Q	% Δ	1Q	% Δ
	2012	2011		2011	
Base Fees	\$ 423	\$ 416	2%	\$ 510	(17%)
Performance Fees	5	7	(38%)	5	(14%)
Bernstein Research	106	92	16%	119	(11%)
Distribution	89	83	8%	89	-
Investment Gains (Losses)	31	(3)	n/m	1	n/m
Other Revenues	29	30	(7%)	32	(10%)
Total Revenues	683	625	9%	756	(10%)
Less: Interest Expense	1	-	74%	1	(28%)
GAAP Net Revenues	682	625	9%	755	(10%)
Investment (Gains) Losses ⁽¹⁾	(24)	(8)	178%	(2)	920%
Distribution and Servicing Costs	(96)	(89)	8%	(94)	2%
Adjusted Net Revenues	\$ 562	\$ 528	7%	\$ 659	(15%)

⁽¹⁾ Includes investment (gains) losses and dividends and interest on deferred compensation-related investments and 90% of the investment (gains) losses of our consolidated venture capital fund attributable to non-controlling interests

Please refer to pages 32-34 for additional information on the reconciliation of GAAP financial results to adjusted financial results. Percentages are calculated using revenues and expenses rounded to the nearest thousand.

First Quarter 2012 Operating Expenses

- Sequential increase in Base Comp due to severance associated with first quarter headcount reductions
- Promotion & Servicing expenses increased sequentially due to higher distribution payments, partially offset by lower T&E, and essentially flat versus the prior year period
- G&A includes a \$6.5 million cash receipt relating to finalization of a claims processing contingency, along with lower professional fees, which together contributed to the decline in expenses versus both prior periods
 - Real Estate charge in the current quarter, related to NYC office space

Operating Expenses (in US dollar millions)	1Q 2012	4Q 2011	% Δ	1Q 2011	% Δ
Compensation & Benefits					
Base Compensation	\$ 118	\$ 112	6%	\$ 118	-
Incentive Compensation (ex deferred comp charge)	104	101	3%	132	(21%)
Commissions, Fringes & Other (ex deferred comp charge)	81	86	(6%)	89	(10%)
Deferred Compensation Charge	-	587	(100%)	-	-
Total Compensation & Benefits	303	886	(66%)	339	(11%)
Promotion & Servicing	138	134	3%	139	(1%)
General & Administrative	125	140	(11%)	133	(6%)
Real Estate Charge	9	-	100%	-	100%
Other	6	5	2%	6	(2%)
Total GAAP Operating Expenses	581	1,165	(50%)	617	(6%)
Deferred Compensation Expenses	(14)	(585)	(98%)	(8)	69%
Distribution-Related Expenses	(96)	(89)	8%	(94)	2%
Real Estate Sub-Lease Charges	(9)	-	100%	-	100%
Non- Controlling Interest excluding Venture Fund	(1)	-	100%	-	100%
Total Adjusted Operating Expenses	\$ 461	\$ 491	(6%)	\$ 515	(10%)

Percentages are calculated using expenses rounded to the nearest thousand

First Quarter 2012 GAAP to Adjusted Reconciliation

- Adjusted Operating Income increased sequentially as revenues improved and expenses were reduced
 - In 4Q11 we trued up compensation to meet our full year target
- Adjusted Operating margin sequential improvement, but decline versus the prior year quarter as the decline in revenues outpaced the decline in expense reductions

	1Q 2012	4Q 2011	% Δ	1Q 2011	% Δ
AllianceBernstein L.P.					
GAAP Operating Income (Loss)	\$ 101	\$ (540)	n/m	\$ 138	(27%)
Net P&L impact of MTM of Deferred Compensation ⁽¹⁾	(2)	573	n/m	(2)	(10%)
Real Estate Charges	9	-	100%	-	100%
Less: Net Income (Loss) of Consolidated Entities Attributable to Non-Controlling Interests	7	(4)	n/m	(8)	n/m
Adjusted Operating Income	\$ 101	\$ 37	174%	\$ 144	(30%)
GAAP Operating Margin (including non-controlling interests)	13.8%	n/m		19.4%	
Adjusted Operating Margin	18.0%	7.0%		21.9%	

⁽¹⁾ Net impact of investment (gains) losses and employee compensation related to the mark-to-market of deferred compensation balances and charge
Please refer to pages 32-34 for additional information on the reconciliation of GAAP financial results to adjusted financial results
Percentages are calculated using revenues and expenses rounded to the nearest thousand

Q & A

APPENDIX

Institutional Equity: Relative Performance

Institutional Equity Composites vs. Benchmarks

Periods Ended March 31, 2012

Service	Periods Ended March 31, 2012					Benchmark
	1Q 2012	One Year	Three Years	Five Years	Ten Years	
Value						
Global Value	0.8	(10.0)	(4.1)	(6.6)	(1.1)	MSCI World (Cap, UH, net)
International Value	1.0	(5.3)	(3.2)	(4.5)	(0.1)	MSCIEAFE (Cap, UH, net)
US Strategic Value	2.1	(6.5)	(3.7)	(4.0)	(2.5)	Russell 1000 Value
US Diversified Value	1.5	(2.5)	(2.0)	(2.6)	(1.4)	Russell 1000 Value
Emerging Markets Value	1.9	(4.5)	0.7	(2.3)	1.9	MSCIEM (Cap, UH, net)
Growth						
Global Research Growth	3.4	(1.7)	(3.2)	(4.4)	(2.0)	MSCI World (Cap, UH, net)
US Thematic Research	7.9	(12.9)	(0.5)	0.2	0.9	S&P 500 Index
US Large Cap Growth	2.8	(3.6)	(3.9)	(1.8)	(1.1)	Russell 1000 Growth
US Small Cap Growth	3.7	7.0	6.4	3.4	1.9	Russell 2000 Growth
Blend						
Global Style Blend	1.8	(5.3)	(3.4)	(5.4)	N/A	MSCI World (Cap, UH, net)
International Style Blend - Developed	1.4	(3.1)	(4.4)	(4.1)	2.2	MSCIEAFE Index - NDR

Performance is preliminary.

*Prior to 2001, MSCI EM gross dividends reinvested was used.

As of March 31, 2012

Investment performance of composites is presented after investment management fees. Periods of more than one year are annualized.

The information in this table is provided solely for use in connection with this presentation and is not directed toward existing or potential investment advisory clients of AllianceBernstein.

Institutional Fixed Income: Relative Performance

Institutional Fixed Income Composites vs. Benchmarks*

Service	Periods Ended March 31, 2012					Benchmark
	1Q 2012	One Year	Three Years	Five Years	Ten Years	
Global High Income	(0.3)	(1.4)	7.8	0.1	1.3	33% Barclays High Yield, 33% JPM EMBI Global and 33% JPM GBI-EM
Strategic Core Plus	0.2	(1.2)	4.5	0.3	0.7	Barclays Capital US Aggregate Index
Global Fixed Income	0.1	5.0	3.1	1.8	1.1	Citigroup WGBI - Unhedged
Global Plus	0.1	0.4	3.8	(0.0)	0.1	Barclays Global Aggregate Bond Index (Unhedged)
Emerging Market Debt	0.8	(1.7)	4.6	1.2	1.7	JPM EMBI Global

Performance is preliminary.

As of March 31, 2012

Investment performance of composites is presented after investment management fees. Periods of more than one year are annualized.

*The benchmarks listed are the current benchmarks for the investments service—certain benchmarks have evolved over time and therefore are time blended.

The information in this table is provided solely for use in connection with this presentation and is not directed toward existing or potential investment advisory clients of AllianceBernstein.

Retail Equity: Relative Performance

Retail Mutual Funds vs. Lipper Averages

Service	Periods Ended March 31, 2012					Lipper Average
	1Q 2012	One Year	Three Years	Five Years	Ten Years	
Value						
International Value	2.2	(3.7)	(1.6)	(4.5)	(1.0)	International Large Cap Value
Growth & Income	0.4	4.1	0.1	(1.3)	(0.8)	Large Cap Core
U.S. Small/Mid Cap Value	1.6	(2.1)	1.0	1.5	0.9	Small Cap Value
U.S. Value	0.6	(1.9)	(1.0)	(3.9)	(1.6)	Large Cap Value
Global Value	1.7	(8.0)	(0.0)	(4.8)	(2.3)	Global Large Cap Value
Growth						
Global Thematic Growth	2.9	(11.1)	(3.6)	(0.7)	(2.5)	Global Multi-Cap Growth
International Growth	(0.6)	(1.2)	(1.8)	(1.9)	1.4	International Multi-Cap Growth
U.S. Large Cap Growth ⁽¹⁾	0.7	(2.6)	0.4	2.9	0.5	Large-Cap Growth
Emerging Markets	2.6	(2.8)	(2.5)	(2.2)	(2.0)	Equity Emerging Mkts Global
U.S. Growth ⁽¹⁾	(0.8)	0.3	0.6	(1.2)	0.1	Large-Cap Growth
U.S. Small/Mid Cap Growth	0.1	2.6	8.9	2.4	1.8	Mid Cap Growth

⁽¹⁾ Performance figures other than 1Q12 and One Year positively affected by class action settlement proceeds.

NOTE: The information in this table is provided solely for use in connection with this presentation, and is not directed toward existing or potential investment advisory clients of AllianceBernstein. Fund returns are based on Class A shares. All fees and expenses related to the operation of the Fund have been deducted, but returns do not reflect sales charges.

Source: AllianceBernstein and Lipper. Mutual fund and Lipper performance data through March 31, 2012.

Retail Fixed Income: Relative Performance

Retail Fixed Income Funds vs. Lipper Averages

Service	Periods Ended March 31, 2012					Lipper Average
	1Q 2012	One Year	Three Years	Five Years	Ten Years	
Global High Yield Portfolio	(1.3)	2.8	5.0	1.8	0.9	Bond Global High Yield
American Income Portfolio	0.5	0.5	7.3	1.4	2.5	Bond USD
Global Bond	(1.1)	1.4	2.5	1.2	1.9	Global Income
High Income	1.2	0.7	4.9	3.9	5.3	High Current Yield

NOTE: The information in this table is provided solely for use in connection with this presentation, and is not directed toward existing or potential investment advisory clients of AllianceBernstein. Fund returns are based on Class A shares. All fees and expenses related to the operation of the Fund have been deducted, but returns do not reflect sales charges. Source: AllianceBernstein and Lipper. Mutual fund and Lipper performance data through March 31, 2012.

Private Client: Absolute Performance

Service	Periods Ended March 31, 2012				
	1Q 2012	One Year	Three Years	Five Years	Ten Years
Fully Diversified Simulation*	8.0	1.6	13.4	(0.0)	4.4
S&P 500	12.6	8.5	23.4	2.0	4.1
MSCI World Index - Net	11.5	0.6	20.2	(0.7)	4.7
Lipper Short/Int Blended Muni Fund Avg	0.8	6.7	4.9	3.7	3.6

Performance is preliminary.
As of March 31, 2012

Investment performance of composites is presented after investment management fees. Periods of more than one year are annualized.

*The Fully Diversified 60% stocks/40% bonds (simulation) is meant to be illustrative of the value generated by the "total solution" approach AllianceBernstein encourages for most clients: a diversified allocation across investment portfolios of varying types aimed at optimizing return and volatility over time. The Bernstein Fully Diversified Portfolio is composed of specific proportions of each of the products that follow, which were included in the simulation as of the following dates: Strategic Value—January 1, 1983; Strategic Growth—January 1, 1983 (ACM Large Cap Growth used as a proxy for Strategic Growth through December 31, 2000; Strategic Growth used thereafter); Intermediate Municipal Bond Composite—January 1, 1983 through March 31, 2010; Intermediate Diversified Municipal Fund thereafter; Bernstein Tax-Managed International Fund—July 1, 1992; Emerging Markets Fund—January 1, 1996; AllianceBernstein Institutional REIT Fund—July 1, 2001 (The AllianceBernstein Institutional REIT Fund was removed from the simulation on December 31, 2008) DAA Overlay – April 1, 2010. The portfolio was rebalanced quarterly through December 31, 2005; monthly thereafter. Simulated performance results have certain inherent limitations. The results may not reflect the impact that certain material economic and market factors might have had on actual decision making if they were reflective of a managed account. No representation is being made that any account will, or is likely to, achieve profits or losses similar to those described herein.
Source: Standard and Poor's, Morgan Stanley, Lipper and AllianceBernstein

Assets Under Management

\$ Billions

	At March 31, 2012				At Dec 31 2011	At Mar 31 2011
	Institutions	Retail	Private Client	Total	Total	Total
Equity						
Value	\$ 44	\$ 18	\$ 20	\$ 82	\$ 81	\$ 137
Growth	9	20	15	44	44	71
Total Equity	<u>53</u>	<u>38</u>	<u>35</u>	<u>126</u>	<u>125</u>	<u>208</u>
Fixed Income	132	58	34	224	218	210
Other⁽¹⁾	37	28	4	69	63	59
Total	<u>\$ 222</u>	<u>\$ 124</u>	<u>\$ 73</u>	<u>\$ 419</u>	<u>\$ 406</u>	<u>\$ 477</u>
	At December 31, 2011					
Total	<u>\$ 224</u>	<u>\$ 113</u>	<u>\$ 69</u>	<u>\$ 406</u>		
	At March 31, 2011					
Total	<u>\$ 267</u>	<u>\$ 131</u>	<u>\$ 79</u>	<u>\$ 477</u>		

(1) Includes Index, Structured, Asset Allocation services, and certain other alternative investments

Three Months Ended 3/31/12: AUM Roll-Forward by Distribution Channel

In US \$ Billions

	Institutions			Retail			Private Client			Total		
	US	Global	Total	US	Global	Total	US	Global	Total	US	Global	Total
Beginning of Period	\$110.7	\$113.2	\$223.9	\$43.2	\$69.4	\$112.6	\$50.1	\$19.3	\$69.4	\$204.0	\$201.9	\$405.9
Sales/New Accounts	0.5	3.3	3.8	2.5	10.4	12.9	1.0	0.4	1.4	4.0	14.1	18.1
Redemptions/Terminations	(3.5)	(12.0)	(15.5)	(1.5)	(6.9)	(8.4)	(1.7)	(0.9)	(2.6)	(6.7)	(19.8)	(26.5)
Net Cash Flows	0.1	(1.3)	(1.2)	(0.8)	(1.4)	(2.2)	(0.5)	0.2	(0.3)	(1.2)	(2.5)	(3.7)
Net Flows	(2.9)	(10.0)	(12.9)	0.2	2.1	2.3	(1.2)	(0.3)	(1.5)	(3.9)	(8.2)	(12.1)
Investment Performance	3.3	8.0	11.3	4.5	4.8	9.3	3.1	1.6	4.7	10.9	14.4	25.3
End of Period	\$111.1	\$111.2	\$222.3	\$47.9	\$76.3	\$124.2	\$52.0	\$20.6	\$72.6	\$211.0	\$208.1	\$419.1

Three Months Ended 3/31/12: AUM Roll-Forward by Investment Service

In US \$ Billions

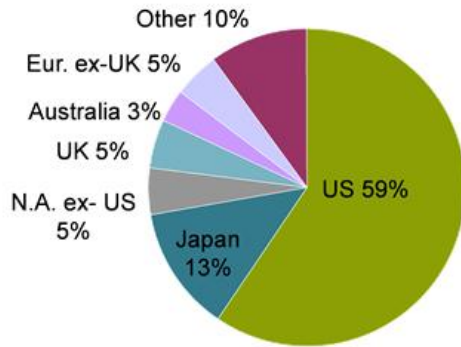
	Value Equity			Growth Equity			Fixed Income			Other ⁽¹⁾			Total		
	US	Global	Total	US	Global	Total	US	Global	Total	US	Global	Total	US	Global	Total
Beginning of Period	\$25.2	\$55.6	\$80.8	\$21.8	\$22.4	\$44.2	\$127.4	\$90.2	\$217.6	\$29.6	\$33.7	\$63.3	\$204.0	\$201.9	\$405.9
Sales/New Accounts	0.5	1.6	2.1	1.0	0.5	1.5	1.6	11.1	12.7	0.9	0.9	1.8	4.0	14.1	18.1
Redemptions/Terminations	(1.9)	(6.9)	(8.8)	(3.0)	(4.1)	(7.1)	(1.5)	(8.4)	(9.9)	(0.3)	(0.4)	(0.7)	(6.7)	(19.8)	(26.5)
Net Cash Flows	(0.7)	(1.5)	(2.2)	(0.5)	(0.6)	(1.1)	1.6	(2.0)	(0.4)	(1.6)	1.6	-	(1.2)	(2.5)	(3.7)
Net Flows	(2.1)	(6.8)	(8.9)	(2.5)	(4.2)	(6.7)	1.7	0.7	2.4	(1.0)	2.1	1.1	(3.9)	(8.2)	(12.1)
Investment Performance	3.2	6.6	9.8	3.5	2.9	6.4	0.8	3.2	4.0	3.4	1.7	5.1	10.9	14.4	25.3
End of Period	\$26.3	\$55.4	\$81.7	\$22.8	\$21.1	\$43.9	\$129.9	\$94.1	\$224.0	\$32.0	\$37.5	\$69.5	\$211.0	\$208.1	\$419.1

(1) Includes index, structured, asset allocation services and certain other alternative investments.

AUM by Region

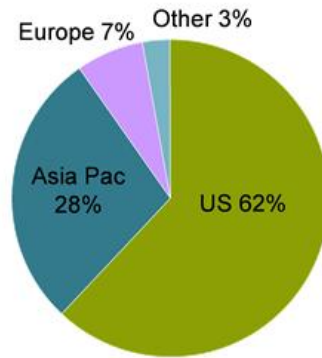
As of March 31, 2012

Institutions



US \$ Billions **\$222.3**

Retail



\$124.2

First Quarter 2012 Advisory Fees

In US Dollars

	1Q 2012	4Q 2011	% Δ	1Q 2011	% Δ
Ending AUM (\$ Billions)	\$419	\$406	3%	\$477	(12%)
Average AUM (\$ Billions)	\$417	\$411	2%	\$481	(13%)
By Fee Type (\$ Millions):					
Base Fees	\$423	\$416	2%	\$510	(17%)
Performance Fees	5	7	(38%)	5	(14%)
Total	\$428	\$423	1%	\$515	(17%)
Base Fees By Channel (\$ Millions):					
Institutions	\$117	\$122	(4%)	\$173	(32%)
Retail	159	152	5%	166	(4%)
Private Client	147	142	3%	171	(14%)
Total	\$423	\$416	2%	\$510	(17%)

Percentages are calculated using AUM rounded to the nearest million and revenues to the nearest thousand

Consolidated Balance Sheet

In US \$ Millions

Assets	Mar 31, 2012	Dec 31, 2011
Cash and cash equivalents	\$ 437	\$ 639
Cash and securities, segregated	785	1,280
Receivables, net	1,478	1,339
Investments:		
Deferred compensation - related	161	176
Other	722	619
Goodwill	2,954	2,955
Intangible assets, net	185	190
Deferred sales commissions, net	83	60
Other (incl. furniture & equipment, net)	443	448
Total Assets	\$ 7,248	\$ 7,706
Liabilities and Capital		
Liabilities:		
Payables	\$ 1,916	\$ 2,337
Accounts payable and accrued expenses	395	368
Accrued compensation and benefits	411	534
Debt	387	445
Total Liabilities	3,109	3,684
Partners' capital attributable to AllianceBernstein Unitholders	4,079	3,968
Non-controlling interests in consolidated entities	60	54
Total Capital	4,139	4,022
Total Liabilities and Capital	\$ 7,248	\$ 7,706

Consolidated Statement of Cash Flows

In US \$ Millions

	Three Months Ended	
	Mar 31, 2012	Mar 31, 2011
Net Income	\$ 95	\$ 128
Non-cash items:		
Amortization of deferred sales commissions	8	10
Amortization of non-cash deferred compensation	5	43
Depreciation and other amortization	20	21
Unrealized (gains) on deferred compensation-related investments	(17)	(13)
Unrealized (gains) losses on consolidated venture capital fund	(7)	7
Unrealized (gains) losses on other investments	(28)	1
Real estate asset write-off charges	2	-
Other, net	(1)	-
Changes in assets and liabilities	(112)	(264)
Net cash (used in) operating activities	(35)	(67)
Proceeds (purchases) of investments, net	-	2
Additions to furniture, equipment and leaseholds, net	(5)	(4)
Purchase of business, net of cash acquired	-	(21)
Net cash used in investing activities	(5)	(23)
(Repayment) issuance of commercial paper, net	(58)	41
Increase (decrease) in overdrafts payable	9	(5)
Distributions to General Partner and Unitholders	(47)	(137)
Purchases of Holding Units to fund deferred compensation awards, net	(67)	(50)
Purchases of AllianceBernstein Units	-	(4)
Other	(2)	1
Net cash used in financing activities	(165)	(154)
Effect of exchange rate changes on cash and cash equivalents	3	7
Net (decrease) in cash and cash equivalents	(202)	(237)
Cash and cash equivalents at the beginning of period	639	650
Cash and cash equivalents at the end of period	\$ 437	\$ 413

AllianceBernstein Holding Financial Results

In US \$ Millions (excluding per unit amounts)

	1Q 2012	4Q 2011	% Δ	1Q 2011	% Δ
AllianceBernstein					
Net Income (Loss) Attributable to AllianceBernstein	\$87	(\$516)	n/m	\$136	(36%)
Weighted Average Equity Ownership Interest	37.5%	37.5%		37.4%	
AllianceBernstein Holding					
Equity in Net Income (Loss) Attributable to AllianceBernstein	\$33	(\$193)	n/m	\$51	(36%)
Income Taxes	6	6	0%	7	(19%)
Net Income (Loss)	\$27	(\$199)	n/m	\$44	(39%)
Diluted Net Income (Loss) Per Unit, GAAP basis	\$0.26	(\$1.97)	n/m	\$0.42	(38%)
Distributions Per Unit	\$0.26	\$0.12	117%	\$0.42	(38%)
Adjusted Diluted Net Income Per Unit	\$0.29	\$0.07	314%	\$0.41	(29%)

Please refer to pages 32-34 for additional information on the reconciliation of GAAP financial results to adjusted financial results
Percentages are calculated using income, earnings and expenses rounded to the nearest thousand

AllianceBernstein Adjusted Earnings Reconciliation

\$ thousands, unaudited	Three Months Ended					
	3/31/12	12/31/11	9/30/11	6/30/11	3/31/11	12/31/10
Net Revenues, GAAP basis	\$ 681,809	\$ 624,978	\$ 641,529	\$ 727,994	\$ 755,390	\$ 777,561
Exclude:						
Deferred compensation-related investment (gains) losses	(15,570)	(9,386)	37,840	1,588	(9,740)	(16,677)
Deferred compensation-related dividends and interest	(380)	(2,226)	(982)	(524)	(632)	(3,963)
90% of consolidated venture capital fund investment (gains) losses	(7,686)	3,116	18,306	6,302	8,054	(7,570)
Distribution-related payments	(79,869)	(73,048)	(76,323)	(78,557)	(74,756)	(76,411)
Amortization of deferred sales commissions	(8,267)	(8,292)	(9,186)	(9,871)	(10,326)	(11,349)
Pass-through fees & expenses	(7,738)	(7,598)	(8,894)	(9,987)	(8,624)	(9,762)
Adjusted Net Revenues	\$ 562,299	\$ 527,544	\$ 602,290	\$ 636,945	\$ 659,366	\$ 651,829
Operating Income (Loss), GAAP basis	\$ 101,245	\$ (540,246)	\$ 77,716	\$ 115,626	\$ 138,435	\$ 153,751
Exclude:						
Deferred compensation-related investment (gains) losses	(15,570)	(9,386)	37,840	1,588	(9,740)	(16,677)
Deferred compensation-related dividends and interest	(380)	(2,226)	(982)	(524)	(632)	(3,963)
Deferred compensation-related mark-to-market vesting expense (credit)	14,009	(2,925)	(24,302)	908	6,894	7,358
Deferred compensation-related dividends and interest expense	152	806	1,572	1,196	1,480	6,317
Deferred compensation charge	-	587,131	-	-	-	-
Net impact of deferred compensation-related items	(1,789)	573,400	14,128	3,168	(1,998)	(6,965)
Real estate charges	9,269	294	6,905	18	18	116
Insurance proceeds	-	-	(10,691)	-	-	-
Sub-total of non-GAAP adjustments	7,480	573,694	10,342	3,186	(1,980)	(6,849)
Less: Net income (loss) of consolidated entities attributable to non-controlling interests	7,264	(3,552)	(18,445)	(6,756)	(8,046)	7,873
Adjusted Operating Income	\$ 101,461	\$ 37,000	\$ 106,503	\$ 125,568	\$ 144,501	\$ 139,029
Operating Margin, GAAP basis excl. non-controlling interests	13.8%	n/m	15.0%	16.8%	19.4%	18.8%
Adjusted Operating Margin	18.0%	7.0%	17.7%	19.7%	21.9%	21.3%

AllianceBernstein Holding Adjusted Earnings Reconciliation

	Three Months Ended					
	3/31/12	12/31/11	9/30/11	6/30/11	3/31/11	12/31/10
\$ thousands except per Unit amounts, unaudited						
Net Income (Loss) - Diluted, GAAP basis	\$ 26,699	\$ (199,463)	\$ 27,003	\$ 35,653	\$ 43,923	\$ 43,289
Impact on net income of AllianceBernstein non-GAAP adjustments	2,741	206,341	3,773	1,162	(722)	(2,451)
Adjusted Net Income - Diluted	\$ 29,440	\$ 6,878	\$ 30,776	\$ 36,815	\$ 43,201	\$ 40,838
Diluted Net Income (Loss) per Holding Unit, GAAP basis	\$ 0.26	\$ (1.97)	\$ 0.26	\$ 0.34	\$ 0.42	\$ 0.42
Impact of AllianceBernstein non-GAAP adjustments	0.03	2.04	0.04	0.01	(0.01)	(0.02)
Adjusted Diluted Net Income per Holding Unit	\$ 0.29	\$ 0.07	\$ 0.30	\$ 0.35	\$ 0.41	\$ 0.40

AllianceBernstein Adjusted Financial Results Reconciliation

AllianceBernstein L.P.

Notes to Condensed Consolidated Statements of Income and Supplemental Information
(Unaudited)

Adjusted Net Revenues

Adjusted net revenues exclude investment gains and losses and dividends and interest on deferred compensation-related investments, and 90% of the investment gains and losses of our consolidated venture capital fund attributable to non-controlling interests. In addition, adjusted net revenues offset distribution-related payments to third parties as well as amortization of deferred sales commissions against distribution revenues. We believe the offset of distribution-related payments from net revenues is useful for our investors and other users of our financial statements because such presentation appropriately reflects the nature of these costs as pass-through payments to third parties who perform functions on behalf of our sponsored mutual funds and/or shareholders of these funds. Amortization of deferred sales commissions is offset against net revenues because such costs, over time, essentially offset distribution revenues earned by the company. We also excluded additional pass-through expenses we incur (primarily through our transfer agency) that are reimbursed and recorded as fees in revenues. These fees have no impact on operating income but they do have an impact on our operating margin. As such, we exclude these fees from adjusted net revenues.

Adjusted Operating Income

Adjusted operating income represents operating income on a GAAP basis excluding (1) the impact on net revenues and compensation expense of the mark-to-market gains and losses (as well as the dividends and interest) associated with employee deferred compensation-related investments, (2) deferred compensation charge, (3) real estate charges, (4) insurance proceeds and (5) the net loss or income of consolidated entities attributable to non-controlling interests.

Prior to 2009, a large proportion of employee compensation was in the form of deferred awards that were notionally invested in AllianceBernstein investment services and generally vested over a period of four years. AllianceBernstein has economically hedged the exposure to market movements by purchasing and holding these investments on its balance sheet. The full value of the investments' appreciation (depreciation) is recorded within investment gains and losses on the income statement in the current period. US GAAP requires the appreciation (depreciation) in the compensation liability to be expensed over the award vesting period in proportion to the vested amount of the award as part of compensation expense. This creates a timing difference between the recognition of the compensation expense and the investment gain or loss impacting operating income, which will fluctuate over the life of the award and net to zero at the end of the multi-year vesting period. Although during periods of high market volatility these timing differences have an impact on operating income and operating margin, over the life of the award any impact is ultimately offset. Because these plans are economically hedged, management believes it is useful to reflect the offset ultimately achieved from hedging the investments' market exposure in the calculation of adjusted operating income, adjusted operating margin and adjusted diluted net income per Holding Unit, which will produce core operating results from period to period. The non-GAAP measures exclude gains and losses and dividends and interest on deferred compensation-related investments included in revenues and compensation expense, thus eliminating the timing differences created by different treatment under US GAAP of the market movement on the expense and the investments. In the fourth quarter of 2011, we implemented changes to our employee long-term incentive compensation award program. As a result, mark-to-market investment gains or losses recognized in compensation expense will closely approximate mark-to-market investment gains and losses recognized in revenues.

Real estate charges have been excluded because they are not considered part of our core operating results when comparing financial results from period to period and to industry peers.

Most of the net income or loss of consolidated entities attributable to non-controlling interests relates to the 90% limited partner interests held by third parties in our consolidated venture capital fund. We own a 10% limited partner interest in the fund. Because we are the general partner of the venture capital fund and are deemed to have a controlling interest, US GAAP requires us to consolidate the financial results of the fund. However, recognizing 100% of the gains or losses in operating income while only retaining 10% is not reflective of our underlying financial results at the operating income level. As a result, we are excluding the 90% limited partner interests we do not own from our adjusted operating income. Similarly, net income of joint ventures attributable to non-controlling interests, although not significant, is excluded because it does not reflect the economic interest attributable to AllianceBernstein.

Adjusted Operating Margin

Adjusted operating margin allows us to monitor our financial performance and efficiency from period to period and to compare our performance to industry peers without the volatility noted above in our discussion of adjusted operating income. Adjusted operating margin is derived by dividing adjusted operating income by adjusted net revenues.


ALLIANCEBERNSTEIN

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EDITED TRANSCRIPT

AB - Q1 2012 AllianceBernstein Holding L.P. Earnings Conference Call

EVENT DATE/TIME: MAY 02, 2012 / 12:00PM GMT

OVERVIEW:

AB reported 1Q12 GAAP net revenues of \$682m, GAAP net income of \$87m and adjusted earnings per unit of \$0.29.

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Chris Spahr CLSA Limited - Analyst
Cynthia Mayer BofA Merrill Lynch - Analyst
Marc Irizarry Goldman Sachs - Analyst

PRESENTATION

Operator

Thank you for standing by and welcome to the AllianceBernstein first quarter 2012 earnings review. At this time all participants are in a listen only mode. After the remarks there will be a question and answer session, and I will give you instructions on how to ask questions at that time. As a reminder, this conference is being recorded and will be replayed for one week. I would now like to turn the conference over to the host for this call, the Director of Investor Relations for AllianceBernstein, Ms. Andrea Prochniak. Please go ahead.

Andrea Prochniak - AllianceBernstein Holding L.P. - Director of IR

Thank you, Matthew. Good morning, everyone, and welcome to our first quarter 2012 earnings review. As a reminder, this conference call is being web cast and accompanied by a slide presentation that can be found in the investor relation section of our website. Our Chairman and CEO, Peter Kraus, and our Controller and Interim CFO, Ed Farrell, will present our financial results today. Our Chief Operating Officer, Jim Gingrich, is with us as well and will participate in the question and answer portion of this call.

Now I would like to point out the cautions regarding forward-looking statements on slide 2 of our presentation. Some of the information we present today is forward looking and subject to certain SEC rules and regulations regarding disclosure. You can also find our cautions regarding forward-looking statements in the MD&A of our 2011 Form 10-K and in our first quarter 2012 Form 10-Q, which we filed this morning. I'd also like to remind you that under Regulation FD, management may only address questions of the material nature from the investment community in the public forum. So please ask all such questions during this call.

Now, I will turn the call to Peter.

Peter Kraus - AllianceBernstein Holding L.P. - Chairman of the Board and CEO

Thanks, Andrea. And thanks, everybody, for joining our first quarter earnings call. As Andrea noted, I will go over the business highlights. Ed will then go over the financials, and our COO Jim Gingrich, who is here as well, will join Ed and I for questions at the end.

So, let's start the morning with slide 3. In a more constructive operating environment, we were able to deliver better investment performance for our clients and much stronger financial results this quarter than last. Gross sales were \$18.1 billion and were up 21% from the fourth quarter of 2011 and 15% from the same period last year. That is our highest since second quarter 2010 when sales were \$18.8 billion, very close to this quarter's number. Net outflows were down versus prior periods. And that includes the impact of last year's AXA asset sales, which I will discuss in a moment. AUM increased 3% from year end 2011 due to both market appreciation and net new flows to retail, a business that performed extremely well in the first quarter.

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Our retail strength is clear from the distribution channel view on slide 4. If you take a look, retail gross sales of \$12.9 billion were 81% higher than the fourth quarter and 66% higher than 2011's quarterly average. This is our best retail sales quarter since the second quarter of 2007 when sales were \$13.6 billion, again pretty close to this year's level. While Asia remains our strongest market, we had growth across regions, asset classes and both new and longstanding products. As a result, retail had net inflows of \$2.3 billion, our first positive flow quarter since early 2010 when inflows were \$2.5 billion. Inflows would have been stronger were it not for about \$600 million in redemptions related to prior year AXA asset sales in Canada and Australia that hit during the quarter.

In Private Client, gross sales of \$1.4 billion were down from the prior quarter. The redemptions moderated, and that kept net outflows flat. In Institutional, gross sales of \$3.8 billion were down sequentially and year-over-year. CRS sales were much lighter this quarter compared with the large fundings we saw in the two comparable prior quarters. As expected, we had about \$5.2 billion in institutional redemptions related to AXA's asset sales last year. This pushed outflows higher for the second consecutive quarter.

Slide 5 breaks out the impact of this dynamic on institutional flows more clearly. As you can see from the chart at the top right, absent the AXA impact, outflows have been stable since the third quarter of 2011, and were substantially better than the first and the second quarter of last year. As you I'm sure noted, we also added to our pipeline during the quarter; 40% of our \$6.6 billion pipeline at quarter end represented new additions including in diverse services like Emerging Market Debt, Global Credit and Small Cap Growth. In fact we are seeing increased RFP activity in both Fixed Income and Equities. In Fixed Income we had first quarter wins in US High Yield and Global Plus for defined contribution and pitched for new business in Global Credit, Global Investment Grade, High Income and Munis. In Equities, we had wins in Market Neutral, US Small Cap Growth, and we are getting into more searches for Emerging Market Value, Japan Strategic Value and Select US Equity. Maintaining our recent improvement in investment performance will be a key factor in winning more business going forward.

As you can see on slide 6, many of our services beat their benchmarks in the first quarter. Most of our fixed income strategies continue to outperform. Global High Income, Global Fixed Income and Diversified Yield have all beat their benchmarks for the quarter, one-, three- and five-year periods. In Equities, consistent out-performers like US Small Cap Value, US Small Cap Growth and US Small/Mid Cap Growth lead in all time periods as well. And the first quarter is a column of green for Large Cap. In fact, US Strategic Value, Emerging Market Value, US Large Cap Growth all ranked in the top quartile ranked by eVestment for the quarter. We've said for a while now that in more rational markets we would once again be rewarded for stock level research and style pure investment discipline in growth and value. We began to see signs of that in the first quarter of 2012. At the same time, we have worked hard to offer an array of equity services along the risk and return spectrum that meet client needs of today and their needs into the future.

Turning to our retail business, highlighted on slide 7, our results this quarter clearly demonstrate our strategy of innovating with new products is resonating with clients around the world. Gross sales were the highest in nearly five years, with regional sales increases that range from double to triple digits. New product sales were \$1.9 billion during the first quarter of 2012, up 32% from the fourth quarter of 2011. They accounted for 15% of total retail gross sales in the quarter, higher in absolute terms but lower as a percentage of the total given how strong sales were overall.

The chart at the bottom right singles out some top sellers, including American Income and Asia ex-Japan Equity, which sold particularly well in Asia. At the bottom left you can see some of our fastest growing new products. Our inflation suite of products, Muni Bond Inflation, Real Asset and Bond Inflation, have together attracted nearly \$1 billion in retail and private client assets since we launched them in 2010. And in less than a year, our RMB Income Plus and Select US Equity Lux funds have already passed the \$300 million mark. We've been successful in gathering assets because we are launching the right products in the right places and at the right time.

In Private Client, which is on slide 8, our assets and fees were up in the quarter, and a new training class started as well. We are focused on enhancing the elements of this business that set it apart. There are distinct advantages to our model, which our clients appreciate today more than ever. First and foremost, we manage our client's money. That gives us unique insights into underlying portfolios and the ability to tailor risk management to a client's specific asset allocation with dynamic asset allocation. We monitor individual accounts to systematically rebalance them and make trades that take into account an individual's specific income tax rate.

Using these tools and a proprietary core capital model, we fully customize allocation by client offering them a greater probability of success in meeting their financial goals, and we are disciplined investors with a process for constructing client portfolios in a consistent way. We are accountable to our clients year in and year out and deliver strong results over investment cycles while avoiding the pitfalls of performance chasing. Delivering for our clients is our primary goal, and we have made a series of enhancements to client portfolios over the past two years that aim to mitigate risk and produce more consistent returns over time.

First, we introduced DAA, the strategy that has been successful in reducing volatility in client portfolios since we began implementing it in 2010. Then we added new alpha and beta sources in offerings like Real Assets, Bond Inflation and Alternatives. Now, we are enhancing our US equity advice model with Strategic Equities, an integrative portfolio designed to harness our highest conviction ideas in growth and in value and small and mid-cap and shorter time horizon equity strategies. With this new approach, we maintain our growth and value orientation, while at the same time, tapping into a broader universe of investment opportunities and research ideas.

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I will wrap up the business highlights with Bernstein Research Services on slide 9. Sell-side revenues were up 16% sequentially. BRS trading volumes rose in the quarter despite a 6% decline in US aggregate trading volumes. Year-over-year our revenues were down 11% versus a 13% drop in volumes. The story with this business remains growth of our global platform and research recognition. We focused on building out our capabilities and are particularly pleased with our success so far in Asia.

As you can see from the chart at the top right, the growth in both revenues and new clients for our Hong Kong-based Asian sell-side business has been explosive. And we hired new consumer and insurance analysts there in the first quarter of 2012 as well. In the US, we again scored high on an annual survey of portfolio managers. SCB earned the highest composite score across all research and analyst quality metrics, including service, research, knowledge, creativity and, of course, trust. I am more confident than ever that continuing to invest in this leading global research franchise is our best strategy for growing and gaining share long term.

Firm-wide we remain focused on our long-term strategic initiatives, and our progress was even clearer in the quarter's improved operating environment. On slide 10, we recap our most recent accomplishments. On the performance front, our European and Asian Fixed Income franchises were recognized again and again in Lipper's 2012 global retail surveys. Diversification and innovation are driving sales and net flows, particularly in fixed income and retail. In alternatives, we recently completed the successful close of our first US Real Estate fund with nearly \$700 million in capital commitments plus another \$200 million in co-investment capital from key strategic investors. And we just won a new UK DC client with a \$200 million initial mandate.

Finally, we reduced our non-comp expenses like T&E, communication costs and professional fees, and we are managing our comp ratio to stay within our stated 50% cap. This contributed to the quarter's margin expansion. We also successfully subleased more than 90,000 square feet in New York as we consolidate space on a region by region basis. We will begin to see the positive impact on our P&L in 2013. This is long term work, and it's by no means linear. We know from prior years that anything can happen from here. So, while it's early yet, the first quarter was a strong one for AB and further proved that our strategy to build the firm of the future is working.

Now I'm going to hand it over to Ed for a detailed review of the financials.

Ed Farrell - AllianceBernstein Holding L.P. - Controller and Interim CFO

Thank you, Peter. Before getting into the first quarter financials, earlier this morning we reported GAAP earnings and a distribution of \$0.26 per unit. I'm going to begin by reviewing our adjusted financials at a high level on slide 12. Then I will go into more detail around the major variances in the coming slides.

Adjusted revenues increased sequentially in the first quarter as a result of improved operating conditions, but declined versus the prior year period. Adjusted expenses declined both sequentially and year-on-year. For the first quarter, our adjusted operating margin was 18%, an improvement from 7% from Q4 2011 but down 4 percentage points from Q1 2011. Adjusted earnings per unit was \$0.29 in Q1, up \$0.22 sequentially and down \$0.12 from the prior year period.

Now I'll review our GAAP income statement on slide 13. Quarterly net revenues of \$682 million improved 9% sequentially. Versus the prior year period, revenues declined 10% from \$755 million. Operating expenses of \$581 million declined 50% from Q4 and 6% from Q1 2011. It is important to remember that the sequential variances in our GAAP metrics are largely driven by the fourth quarter \$587 million non-cash charge related to the acceleration of our deferred compensation awards and the true up of the 2011 full year compensation ratio. Net income for the first quarter was \$87 million.

Now I'll review our quarterly revenues in more detail on slide 14. Base fees increased by \$7 million, or 2% sequentially. This is in line with the increase in average AUM shown on an earlier slide. Bernstein Research revenues improved \$14 million, or 16%, from the prior quarter as our trading activity improved in all regions where we operate. We had investment gains of \$31 million in the first quarter versus \$3 million in losses in Q4 2011. The gains in our seed capital -- the gains were in our seed capital and deferred compensation related investments, as well as the AB Venture fund in which we have a minority interest. We continue to develop new products and ended Q1 2012 with \$536 million in seed capital investments, an increase of \$80 million in the quarter of which \$30 million was market appreciation.

Approximately two-thirds of our seed capital investments are hedged against market risk, and any gains or losses can be directly attributed to the portfolio manager generating positive or negative alpha. On an adjusted basis, net revenues were up 7% sequentially attributed to improved Bernstein Research revenues, investment gains and a 2% improvement in base fees. Compared to the prior year period, investment gains increased due to strong first quarter performance, yet base fees were lower by \$87 million, or 17%, year-over-year. This is due in part to the 13% decline in average AUM over this period and a continued shift over the last year from Equity to Fixed Income and non-actively managed assets. Together these assets now account for 70% of our AUM versus 56% one year ago. As Peter mentioned earlier, Bernstein Research revenues declined 11% year-over-year versus a 13% drop in US trading volumes. On an adjusted basis, net revenues were down 15% from the prior-year quarter due to lower base fees and Bernstein Research revenues, partially offset by higher gains in seed capital investments.

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Now let's review our expenses on slide 15. As I previously mentioned, first quarter GAAP operating expenses declined by 50% sequentially due to the deferred compensation charge in the prior quarter and the impact of our non-compensation related cost savings initiatives. Including the charge, total comp and benefits decreased 66% sequentially. Excluding the charge, total compensation and benefit expense of \$303 million in Q1 2012 increased 1% due to an increase in adjusted revenues offset by a decrease in the compensation ratio in the fourth quarter of 2011. We are managing a full comp -- full year compensation ratio to stay within the 50% of adjusted revenues. Versus the prior year quarter, total comp and benefits declined by 11%. This is due primarily to the decline in adjusted revenues. We ended the first quarter with 3,500 employees, down 7% from year end.

Now looking at our non-compensation expenses, promotion and servicing were up 3% sequentially, primarily due to higher volume-related costs, which were partially offset by lower T&E and printing. The 1% year-over-year decline is a result of lower T&E trade execution transfer fees offset by volume-related expenses. In the current quarter, we received a \$6.5 [million] class action fund distribution [company corrected after the call]. Let me stress that this should not be considered a run rate adjustment to G&A. Excluding this credit, G&A costs were down 6% sequentially due primarily to lower professional fees and office related costs. Versus the prior-year period, G&A expenses, again excluding the class action fund distribution, were down 1%. This decline is due to lower technology related costs and professional fees. As Peter mentioned, in the first quarter we sublet over 90,000 square feet in the New York area representing -- which we recorded of \$9.3 million charge in the fee area. On an adjusted basis, operating expenses declined 6% sequentially and 10% versus the prior year period.

Now let's move on to Slide 16. This summarizes the adjustments we make to get from GAAP to adjusted earnings. After the changes we made to our plan last year, the deferred compensation adjustment will be minimal on a go-forward basis. I just mentioned the real estate charge we had in the current quarter. And, finally, we adjust for non-controlling interest. Q1 2012 adjusted operating income was \$101 million, or a 174% sequential increase from \$37 million.

Our adjusted margin was 18% in the quarter. The factors that drove the margin expansion were higher Bernstein Research revenues and investment gains, lowered non-comp expenses, and the compensation true up in the fourth quarter to reach our full year compensation ratio target. Versus the prior-year period, adjusted operating income of \$101 million decreased 30% from \$144 million. That said, by nearly every financial measure, Q1 2012 was a better quarter than Q4 2011. Our flows improved, revenues were higher and expenses were lower as we continue to execute our cost reduction efforts. Together, these factors are yielding the unit holders' better financial results.

Peter, Jim and I will answer any questions you might have.

Andrea Prochniak - AllianceBernstein Holding L.P. - Director of IR

Matthew, I think we are ready to open the line for Q&A.

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QUESTION AND ANSWER

Operator

Certainly. (Operator Instructions) Michael Kim.

Michael Kim - Sandler O'Neill & Partners - Analyst

First, one of your competitors is rumored to be in the market to divest its private client business. Maybe they view it as somewhat of a non-core segment in terms how they are trying to position their franchise. I know you view your private client business differently. So can you just talk about how you see that business evolving and where you are gaining traction or market share?

Peter Kraus - AllianceBernstein Holding L.P. - Chairman of the Board and CEO

Sure, Michael. Our private client business is absolutely essential and critical to our firm-wide efforts. It has been a long-term part of the firm. It is central to our philosophy of servicing clients. We think we actually provide a service to individual clients that is unique in the industry, and we have talked about that many times during the earnings call. We see that business as a growth opportunity for us in the United States over time. And I cannot imagine AllianceBernstein not having the private client business and not continuing to grow it. It is just so essential and integrated into our advice and into sort of the way in which we intend to manage our clients' wealth over time. So, I think any opportunities for us to grow that business, including adding by acquisition, although it's hard to do and unusual, is something that we would continue to pursue and continue to think about. From our perspective, we see the private client business as a core business of the firm, a unique set of activities and products and services that we provide in the marketplace -- unique vis-a-vis the competition and one that we think will grow handsomely over time.

Michael Kim - Sandler O'Neill & Partners - Analyst

Okay. That's helpful. And then in just in terms of costs -- you continue to streamline the expense base. Just curious how you are thinking about incremental savings from here, maybe as it relates to occupancy or G&A. And then just your expectations for headcount going forward.

Jim Gingrich - AllianceBernstein Holding L.P. - COO

Michael, it's Jim. I think as we indicated last time we still -- while we are making progress, we still have a lot of work to do in occupancy and other parts of our non-compensation cost structure. So, we -- it's unfortunate that that work takes time. So, as Peter and Ed indicated, while we are making progress in the current quarter in terms of subleasing existing space, that will only show up in 2013. But I would anticipate that we will continue to make slow but steady progress across our entire non-compensation cost structure. With respect to head count, I think that we feel good about where we are at. We've made progress in the first quarter. A lot of tough decisions were made, but it's something that we always will continue to take a look at, again, as we have indicated in the past to make sure our head counts align with revenue.

Michael Kim - Sandler O'Neill & Partners - Analyst

Okay. That's helpful. Thank you for taking my questions.

Operator

Bill Katz.

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Steve Fullerton - Citigroup - Analyst

Hi. This is actually Steve Fullerton filling in for Bill. I was wondering if you could give some color around volumes in Private Client thus far in the second quarter, and what it's going to take to get to positive flows in Private Client.

Peter Kraus - AllianceBernstein Holding L.P. - Chairman of the Board and CEO

Steve, thank you for filling in for Bill. In terms of Private Client flows for April, we will probably have some information for you the next few weeks. As you know, we do put out our monthly asset flow information. I think Private Client flows in general have not been positive over the last few years reflecting the challenged performance that we had. I think we have continued to, though, show strong inflows in the business. In other words, it's not as if we're not actually adding new clients. And I think that as the performance abates, or the poor performance abates, and as some of these new strategies that we put in place and particularly the Strategic Equity strategy becomes known to our clients and prospects. But we expect that will do two things -- one, alleviate some the outflow that has occurred because of the challenged performance in '08, '10 and '11, but also add new clients. Because, as we said in the discussion, we really believe what we are providing clients is unique, and one of the most difficult things in the private client business is differentiating yourself. Many of the services look very similar. And what I think is special about the Bernstein private client business is what we offer clients is truly unique. And I think that that will have the dividends over time.

Steve Fullerton - Citigroup - Analyst

Okay. Great. And just one follow-up -- what should we be using for normalized G&A moving forward?

Ed Farrell - AllianceBernstein Holding L.P. - Controller and Interim CFO

I would use the number about \$130 million going forward. And, as Jim mentioned earlier, as we continue to make some decisions with real estate, that number will go down but it will trail in future periods.

Steve Fullerton - Citigroup - Analyst

Okay. Great. Thank you.

Operator

Chris Spahr.

Chris Spahr - CLSA Limited - Analyst

I'm wondering about the strong relative performance if that's continued into April versus the first quarter.

Peter Kraus - AllianceBernstein Holding L.P. - Chairman of the Board and CEO

Well, we don't obviously disclose all of the institutional accounts. I think the Lipper information you can get, and that is public. But most of our products have continued to perform well into April. The Large Cap Equity products have done less well but still have maintained most of their relative position -- relative to peers that is. The Fixed Income products continue to do well, and the Specialty Equity products continue to do well. April was obviously a challenging month in the market and so obviously challenged investors all over the world.

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Chris Spahr - CLSA Limited - Analyst

Okay. And just making sure I understand everything -- you have been expecting a good rebound in your three-year numbers as the weak '08 and 09' performance rolls off. But not clear if that's going to be the case at least in Large Cap what the one year numbers. What is your current take on the relative performance for the three years.

Peter Kraus - AllianceBernstein Holding LP - Chairman of the Board and CEO

I think we have mentioned to you that we were going to have a six month period where our numbers would look actually pretty attractive because, as you recall, in '09 we had significant out-performance for the market bottom. I think it was March '09 -- March 9, '09, to sometime in early 2010. And that that was going to create positive -- very positive -- performance for us on a relative basis. But that that wasn't going to last because, of course, the latter part of 2010 and 2011 were challenged for us. I don't have the numbers in front of me, Chris, but I would expect that what is going to be relevant for us is our performance in 2012 going forward and not bank on the fact that our three-year numbers are going to look particularly strong because we know we had a challenged 2011.

Chris Spahr - CLSA Limited - Analyst

Okay. Thank you.

Peter Kraus - AllianceBernstein Holding L.P. - Chairman of the Board and CEO

By the way, that comment is specific to the Large Cap Equity services. That's not the case for many of the Small Cap services, Specialty services and Equity and not the case for Fixed Income.

Operator

Cynthia Mayer.

Cynthia Mayer - BofA Merrill Lynch - Analyst

Maybe just a follow-up on that since Small and SMID are doing so well. Could you break out about how many assets those are?

Peter Kraus - AllianceBernstein Holding L.P. - Chairman of the Board and CEO

I don't have them at my finger tips. But we will try to get that information to you, Cynthia.

Cynthia Mayer - BofA Merrill Lynch - Analyst

And looking at slide four, it looked like the Retail Gross Sales were up and Private Client was down a little bit but not much. But Institutional Channel gross sales really fell off. Where did you see the drop off there, which products?

Peter Kraus - AllianceBernstein Holding L.P. - Chairman of the Board and CEO

I think as we noted CRS sales were light in the quarter compared to previous quarters when they were much stronger. The CRS sales -- defined contribution sales tend to be lumpy. There are large corporate plans that assigned mandates episodically effectively throughout the year, and when they do, they are actually quite large when they happen. And that was the major reason why the first quarter was lower.

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Cynthia Mayer - BofA Merrill Lynch - Analyst

Okay. And then maybe one more product question, if I may, which is it looks like overseas sales of the Global High Yield and American Income funds were doing really well. Are those hedged, or are they viewed at all as products to -- for overseas investors to get dollar exposure?

Peter Kraus - AllianceBernstein Holding L.P. - Chairman of the Board and CEO

Some of those products are hedged. Our currency risk in the products are substantially lesser or smaller than some of the competitive products. That is one of the competitive advantages we think we have in that space.

Cynthia Mayer - BofA Merrill Lynch - Analyst

Okay. Any particular reason those are excelling? Is that the main reason you think they are doing well versus competitors? Or just anything else we should take a look at?

Peter Kraus - AllianceBernstein Holding L.P. - Chairman of the Board and CEO

We think the returns are more consistent over time through more volatile markets. And we think people want consistency in returns, and they want yield, and those products provide both. They also are unconstrained bond products so they allow the portfolio managers to allocate to what the portfolio manager sees as relative value in fixed income markets. And that allows the returns one to be more stable, and, as we have performed in the last few years, those returns to be attractive. I think that the product's consistency in both levels of volatility and return have actually attracted lots of investors to that space.

Cynthia Mayer - BofA Merrill Lynch - Analyst

Okay. And lastly are the AXA shifts and outflows over by now?

Peter Kraus - AllianceBernstein Holding L.P. - Chairman of the Board and CEO

There is I think some money that will go out in the balance of the year. And I don't remember the exact number but maybe Ed does.

Ed Farrell - AllianceBernstein Holding L.P. - Controller and Interim CFO

And in June we anticipate about \$2 billion out and then we jump fast forward and go out to 2015, and there is another approximately \$2 billion then.

Cynthia Mayer - BofA Merrill Lynch - Analyst

Okay. Great. Thank you.

Operator

Marc Irizarry.

Marc Irizarry - Goldman Sachs - Analyst

Peter, thanks for the disclosure on the sales -- the gross sales by region on a gross basis. Can you give a little bit of perspective in terms of those markets -- what's happening, maybe with retail, redemptions in the US versus the rest of the world?

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Peter Kraus - AllianceBernstein Holding L.P. - Chairman of the Board and CEO

Well, I think the United States for us -- let's separate the marketplace from what's happening for AllianceBernstein. I'm not going to comment on the marketplace. You know those numbers better than I. What's happening for us in retail around the world is we continue to have significant penetration and success in Asia -- as you can see all over Asia. We've done I think a very effective job as building the brand and having, as I said earlier, consistent products. And we don't see, absent market changes, if the markets remain as they are, I think that we are comfortable in our position in Asia and think that what we have produced there had in terms of gross sales will be consistent. The opportunity for us is Europe and the United States where our penetration has been less. And I think that some of the momentum that we are looking to build in the future will come from those two markets as we do a better job with a broader set of services in the US marketplace and in the European marketplace. I'm sure you noticed in our fixed income activities we actually launched an ad campaign -- somewhat unusual for us -- launched at Fixed Income called Code Breakers. And I think that that's had a lot of excitement around it for us and a lot of excitement around it for the wholesaling force and the FAs who utilize our products. So, I guess I would just leave you with the impression, Mark, that we think that there is positive momentum in that retail space in the US and in Europe and that it's pretty much business as usual which has been quite good for us in Asia.

Marc Irizarry - Goldman Sachs - Analyst

Okay, helpful. Then, just in the first quarter, Institutional business, like I see the AXA-related outflows. Was there maybe seasonal or annual sort of rebalancing that happened this quarter with institutions that you can maybe dimension in some way? Or is that something that maybe we will see going forward? Or was there any sort of annual rebalancing that might have happened within the Institutional world?

Peter Kraus - AllianceBernstein Holding L.P. - Chairman of the Board and CEO

Well, as I mentioned to Cynthia in response to her question, that the levels are lower in Institutional in the first quarter versus the quarters due to the CRS fundings in prior quarters which we didn't have as many of in the first quarter. So that relates to the level. As it relates to the sort of tenor of the market, if that's your question -- what's going on in the Institutional space? For us, we have seen increased RFP activity. And, as you can see in the pipeline, that pipeline number is as large as it's been at least since I came to the firm. So I think that those are interesting signs that probably reflect some increased momentum and attractiveness of the AllianceBernstein investment platform.

I think, on a general note, what's going on in Institutions in terms of how do they allocate their assets, I still think there is not -- I don't think we have seen a point of inflection where institutions decided now they are going to take more risk. I still think that in the defined benefit world there is a consistent glide toward de-risking either in the form of less active management, more fixed income, more LDI. But a sort of a persistent de-risking in the defined benefit market principally in the private side in the corporate world. In the public side, I think less pronounced and a willingness there to continue to have a risk element in the portfolio. In a defined contribution side, I think it looks pretty much like the retail market meaning that there's probably less risk taking than there has been in history and in the retail markets you have seen the equity outflows as much as I have that continues to be a market that is shunning risk.

Marc Irizarry - Goldman Sachs - Analyst

Okay, thanks.

Operator

(Operator Instructions) Michael Kim.

Michael Kim - Sandler O'Neill & Partners - Analyst

Just a quick follow-up question. Can you maybe quantify the G&A cost savings you expect to realize next year just relative to the current sort of \$130 million run rate you mentioned earlier?

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Peter Kraus - AllianceBernstein Holding L.P. - Chairman of the Board and CEO

That's a fair question, but we were not going to project out what we think we will do next year with any sort of quantifiable numbers that you would find useful. But you should know that, as we have said, we are going to continue to work on this and to reduce those expenses. And that we would expect that would produce a better margin over time.

Michael Kim - Sandler O'Neill & Partners - Analyst

Okay. Is it fair to say -- I think last quarter you mentioned something like 5% to 10%. Is that sort of reasonable?

Jim Gingrich - AllianceBernstein Holding L.P. - COO

Again, Michael, we don't normally provide that type of guidance. I think, as Peter said, you should just take from what we are saying that we don't think our current margin levels are acceptable, and we are going to continue to work hard to improve them.

Michael Kim - Sandler O'Neill & Partners - Analyst

Okay. Fair enough. I thought I would take a shot.

Peter Kraus - AllianceBernstein Holding L.P. - Chairman of the Board and CEO

No, no. All is fair. We don't mind.

Operator

(Operator Instructions) We have no further questions at this time. I will turn the call back over to our presenters.

Andrea Prochniak - AllianceBernstein Holding L.P. - Director of IR

Thanks, everyone for participating in the call today. If you have any further questions, please feel free to contact me in Investor Relations. Thanks and have a great day.

Operator

This concludes today's conference call, you may now disconnect.

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