

ALLIANCE CAPITAL MANAGEMENT HOLDING LP
Form 10-K/A
March 19, 2004

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

**FORM 10-K/A
Amendment No. 1**

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

For the Fiscal Year Ended December 31, 2003

OR

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

For the transition period from _____ to
Commission file number 001-09818

**ALLIANCE CAPITAL
MANAGEMENT HOLDING L.P.**

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

13-3434400
(I.R.S. Employer Identification No.)

**1345 Avenue of the Americas
New York, N.Y.**
(Address of principal executive offices)

10105
(Zip Code)

Registrant's telephone number, including area code: **(212) 969-1000**
Securities registered pursuant to Section 12(g) of the Act:

Title of Class	Name of each exchange on which registered
units representing assignments of beneficial ownership of limited partnership interests*	New York Stock Exchange

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

None

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

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

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Act). Yes No

The aggregate market value of the units representing assignments of beneficial ownership of limited partnership interests* held by non-affiliates of the registrant as of February 1, 2004 was approximately \$2,753,268,426.

The number of units representing assignments of beneficial ownership of limited partnership interests outstanding as of February 1, 2004 was 79,002,779.*

DOCUMENTS INCORPORATED BY REFERENCE

This Form 10-K does not incorporate any document by reference.

*

includes 100,000 units of general partnership interest having economic interests equivalent to the economic interests of the units representing assignments of beneficial ownership of limited partnership interests

Explanatory Note

We are filing this Amendment No. 1 to our Annual Report on Form 10-K for the fiscal year ended December 31, 2003 ("Form 10-K"), as filed with the U.S. Securities and Exchange Commission ("SEC") on March 10, 2004, solely to correct a typographical error. Specifically, in the sixth paragraph of "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" relating to Alliance Capital Management L.P., the reduction in fees is expected to decrease Alliance Capital revenues by approximately \$70 million, not \$40 million, in 2004. The correct amount (a) was previously disclosed in a Current Report on Form 8-K filed with the SEC on December 18, 2003, and (b) appears in "Item 1. Business Regulation" of Form 10-K. This amendment does not change any other portion of Form 10-K.

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

ALLIANCE HOLDING

The Alliance Holding financial statements and notes and management's discussion and analysis of financial condition and results of operations should be read in conjunction with the consolidated financial statements and notes and management's discussion and analysis of financial condition and results of operations of the Operating Partnership included in this Annual Report on Form 10-K.

RESULTS OF OPERATIONS

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Years Ended December 31,

	2003	2002	% Change	2002	2001	% Change
(Dollars in millions, except per Unit amounts)						
Equity in earnings of Operating Partnership	\$ 100.4	\$ 183.7	(45.3)%	\$ 183.7	\$ 182.0	0.9%
Income taxes	21.8	21.7	0.5	21.7	22.7	(4.4)
Net income	\$ 78.6	\$ 162.0	(51.5)	\$ 162.0	\$ 159.3	1.7
Diluted net income per Unit	\$ 1.01	\$ 2.11	(52.1)	\$ 2.11	\$ 2.10	0.5
Distributions per Unit	\$ 1.45	\$ 2.15	(32.6)%	\$ 2.15	\$ 2.73	(21.2)%

Alliance Holding's principal source of income and cash flow is attributable to its ownership in the Operating Partnership.

Net income of Alliance Holding of \$78.6 million or \$1.01 diluted net income per Unit for 2003 decreased \$83.4 million or \$1.10 per Unit from net income of \$162.0 million or \$2.11 diluted net income per Unit for 2002. The decrease reflects equity in lower net income of the Operating Partnership due principally to the charge for mutual fund matters and legal proceedings described in "Note 7. Contingencies" of the Alliance Holding Financial Statements included in Item 8 of this Annual Report on Form 10-K and a decrease in distribution revenues and institutional services revenues, partially offset by higher investment advisory and services fees and lower promotion and servicing expenses.

Net income of Alliance Holding of \$162.0 million or \$2.11 diluted net income per Unit for 2002 increased \$2.7 million or \$0.01 per Unit from net income of \$159.3 million or \$2.10 diluted net income per Unit for 2001. The increase reflects equity in lower net income of the Operating Partnership, due principally to a decrease in revenues, partially offset by a decrease in the Operating Partnership's expenses, primarily amortization of goodwill resulting from the adoption of Statement of Financial Accounting Standards No. 142 ("SFAS 142"), "Goodwill and Other Intangible Assets," on January 1, 2002, compensation and benefits expense and promotion and servicing expense, and an increase in Alliance Holding's percentage ownership in the Operating Partnership. Absent the adoption of SFAS 142, the decrease in net income for 2002 would have amounted to \$37.0 million, or 23.2%, and diluted net income per Unit for 2002 would have decreased \$0.51 or 24.3%.

CAPITAL RESOURCES AND LIQUIDITY

Alliance Holding's partners' capital was \$1,158.6 million at December 31, 2003, a decrease of \$71.9 million or 5.8% from \$1,230.5 million at December 31, 2002. The decrease is primarily due to cash distributions to Alliance Holding Unitholders of \$151.5 million and \$20.6 million for the purchase of Alliance Holding Units for deferred compensation plans offset by net income of \$78.6 million and \$21.6 million of proceeds from the exercise of options for Alliance Holding Units.

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Alliance Holding's partners' capital was \$1,230.5 million at December 31, 2002, an increase of \$8.5 million or 0.7% from \$1,222.0 million at December 31, 2001. The increase is primarily due to net income of \$162.0 million and \$22.1 million of proceeds from the exercise of options for Alliance Holding Units, partially offset by cash distributions to Alliance Holding Unitholders of \$174.7 million.

Alliance Holding's cash and cash equivalents remained unchanged in 2003. Cash inflows included \$172.5 million of cash distributions from the Operating Partnership. Cash outflows included \$151.5 million of cash distributions to Alliance Holding Unitholders.

Management believes that the cash flow from its ownership of Units of the Operating Partnership will provide Alliance Holding with the financial resources to meet its capital obligations.

COMMITMENTS AND CONTINGENCIES

See "Note 7. Contingencies" of the Alliance Holding Financial Statements contained in "Item 8. Financial Statements and Supplementary Data" of this Form 10-K.

CASH DISTRIBUTIONS

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Alliance Holding is required to distribute all of its Available Cash Flow, as defined in the Alliance Holding Partnership Agreement, to its partners and Alliance Holding Unitholders. Alliance Holding's principal source of cash flow is attributable to its ownership of Alliance Capital Units. The Operating Partnership recorded a pre-tax charge to income of \$190 million for the quarter ended September 30, 2003 to cover restitution, litigation and other costs associated with the market timing investigations and other litigation. The Operating Partnership recorded an additional \$140 million pre-tax charge against its fourth quarter 2003 earnings in connection with these matters. As a result of these charges, the Board of Directors of the General Partner of the Operating Partnership and Alliance Holding determined not to pay a distribution to their respective Unitholders for the fourth quarter of 2003. Distributions are expected to resume for the first quarter of 2004, with payout policy returning to traditional levels in relation to cash flow for the second quarter of 2004. For more information about the effect of the charges, a related \$250 million restitution fund and certain mutual fund fee reductions on the Operating Partnership's results of operations, financial condition and distributions, see "Item 1. Regulation" of this Form 10-K, and "Note 7. Contingencies" of the Alliance Holding Financial Statements contained in "Item 8. Financial Statements and Supplementary Data" of this Form 10-K and "Note 21. Charge for Mutual Fund Matters and Legal Proceedings" of the Operating Partnership's Consolidated Financial Statements contained in "Item 8. Financial Statements and Supplementary Data" of this Form 10-K. Alliance Holding's Available Cash Flow and distributions per Unit for the years ended December 31, 2003, 2002 and 2001 were as follows:

	2003	2002	2001
	(Dollars in thousands, except per Unit amounts)		
Available Cash Flow	\$ 112,085	\$ 163,517	\$ 204,141
Distributions per Unit	\$ 1.45	\$ 2.15	\$ 2.73

ACCOUNTING PRONOUNCEMENTS

See "Note 10. Accounting Pronouncements" of Alliance Holding's Financial Statements contained in Item 8 of this Annual Report on Form 10-K for a discussion of recently issued accounting pronouncements.

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FORWARD-LOOKING STATEMENTS

Certain statements provided by Alliance Holding and Alliance Capital in this report 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 which could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. The most significant of such 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, future acquisitions, competitive conditions and government regulations, including changes in tax rates. Alliance Holding and Alliance Capital caution readers to carefully consider such factors. Further, such forward-looking statements speak only as of the date on which such statements are made; Alliance Holding and Alliance Capital undertake 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, please refer to the Risk Factors section in Part I of this Form 10-K. Any or all of the forward-looking statements that we make in this Form 10-K or any other public statements we issue may turn out to be wrong. It is important to remember that other factors besides those listed in the Risk Factors section could also adversely affect our business, operating results or financial condition.

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ALLIANCE CAPITAL

Alliance Capital earns revenues by providing diversified investment management services, which includes charging fees for managing the investment assets of clients. Accordingly, management is focused on increasing the amount of assets under management ("AUM") by Alliance Capital and its subsidiaries. Increases in AUM result from appreciation in the value of these assets, and from inflows of additional assets from new and existing clients. Conversely, the amount of AUM can decline due to market depreciation and from client redemptions. Moreover, additional asset inflows and redemptions are driven, in part, by relative investment performance.

The growth of Institutional Asset Management remained strong, driven primarily by increased acceptance of the firm's global investment platforms in growth, value and fixed income, especially among clients domiciled outside the US. Large cap value services grew substantially and generally outperformed benchmarks in 2003. Large cap growth services experienced net redemptions and generally underperformed

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benchmarks, owing to in part to their emphasis on high quality companies with above average capitalizations, a segment of the growth universe that trailed broad market returns. Other institutional growth services generally outperformed their benchmarks, in some cases by a substantial margin. Institutional fixed income services generally outperformed their benchmarks, with the exception of high yield. Long-term results remain competitive in most services.

Retail value equity had strong performance over all periods relative to Lipper averages. Large cap growth and technology services underperformed the Lipper averages while mid-cap, global growth research and other services outperformed their benchmarks. Retail fixed income funds generally outperformed their benchmark, with the exception of the high-yield fund which underperformed the Lipper average.

The private client channel continued to perform well in 2003. Balanced accounts led their global benchmarks for both short and long-term periods. Additionally, management is investing in advanced wealth planning research, marketing and client services and a multi-year expansion of private client distribution in conjunction with expanded field force and market coverage.

The Operating Partnership's institutional research services showed continued growth in the development of its U.K. operations, Sanford C. Bernstein Limited ("SCBL"), a wholly-owned subsidiary of the Operating Partnership, while revenues declined domestically in 2003 driven by lower New York Stock Exchange ("NYSE") transaction volume and lower price realization. However, Sanford C. Bernstein & Co., LLC ("SCB LLC"), a wholly-owned subsidiary of the Operating Partnership, did experience continued and growing client acceptance of its over-the-counter and program trading platforms and, in addition, SCB LLC continues to be an industry leader in quality metrics and research. Management believes institutional research services are well positioned for growth in overall revenues in 2004.

In connection with the settlement agreement reached with the NYAG, the Operating Partnership agreed to a weighted average reduction in fees of 20% with respect to investment advisory agreements with its sponsored U.S. long-term open-end retail mutual funds for a minimum of five years which commenced January 1, 2004. This reduction in fees is expected to reduce Alliance Capital revenues by approximately \$70 million in 2004. Transfer agency fees were lowered in the fourth quarter of 2003. It is anticipated that management will further lower such fees in 2004. Management's focus on retail mutual funds will be aimed at simplifying its retail product offerings, achieving transparency in product offering disclosures and strengthening the funds' sales and marketing efforts. Management believes such actions will lead to lower costs to mutual fund shareholders in the form of lower expense ratios thereby leading to higher returns. Additionally, continued growth is anticipated in certain Alliance Mutual Funds including annuities, offshore mutual funds and managed account business.

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As a result of 2003 charges for mutual fund matters and legal proceedings, distributions to Unitholders were suspended for the fourth quarter of 2003. Distributions are expected to resume for the first quarter of 2004, with the payout policy returning to traditional levels in relation to cash flow for the second quarter of 2004. Management of the Operating Partnership is looking forward to an improved operating environment in 2004, however, capital markets are subject to change and future operating results can not be predicted with certainty.

ASSETS UNDER MANAGEMENT BY DISTRIBUTION CHANNEL

	<u>12/31/03</u>	<u>12/31/02</u>	<u>% Change</u>	<u>12/31/02</u>	<u>12/31/01</u>	<u>% Change</u>
	(Dollars in billions)					
Retail	\$ 153.8	\$ 135.9	13.2%	\$ 135.9	\$ 171.5	(20.8)%
Institutional investment management	269.5	211.0	27.7	211.0	241.5	(12.6)
Private client	51.5	39.7	29.7	39.7	39.2	1.3
Total	\$ 474.8	\$ 386.6	22.8%	\$ 386.6	\$ 452.2	(14.5)%

ASSETS UNDER MANAGEMENT BY INVESTMENT ORIENTATION(1)

	<u>12/31/03</u>	<u>12/31/02</u>	<u>% Change</u>	<u>12/31/02</u>	<u>12/31/01</u>	<u>% Change</u>
	(Dollars in billions)					
Active equity & balanced Growth:						
U.S.	\$ 97.2	\$ 89.3	8.8%	\$ 89.3	\$ 146.0	(38.8)%
Global & international	32.9	19.5	68.7	19.5	27.4	(28.8)

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	12/31/03	12/31/02	% Change	12/31/02	12/31/01	% Change
	130.1	108.8	19.6	108.8	173.4	(37.3)
Active equity & balanced Value:						
U.S.	105.7	74.0	42.8	74.0	80.2	(7.7)
Global & international	46.2	24.6	87.8	24.6	21.2	16.0
	151.9	98.6	54.1	98.6	101.4	(2.8)
Active fixed income:						
U.S.	118.8	123.9	(4.1)	123.9	116.0	6.8
Global & international	45.5	31.9	42.6	31.9	29.4	8.5
	164.3	155.8	5.5	155.8	145.4	7.2
Index and Enhanced Index:						
U.S.	22.1	19.0	16.3	19.0	25.8	(26.4)
Global & international	6.4	4.4	45.5	4.4	6.2	(29.0)
	28.5	23.4	21.8	23.4	32.0	(26.9)
Total:						
U.S.	343.8	306.2	12.3	306.2	368.0	(16.8)
Global & international	131.0	80.4	62.9	80.4	84.2	(4.5)
Total	\$ 474.8	\$ 386.6	22.8%	\$ 386.6	\$ 452.2	(14.5)%

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CHANGES IN ASSETS UNDER MANAGEMENT BY DISTRIBUTION CHANNEL

	2003				2002			
	Retail	Institutional Investment Mgmt	Private Client	Total	Retail	Institutional Investment Mgmt	Private Client	Total
(Dollars in billions)								
Balance at January 1,	\$ 135.9	\$ 211.0	\$ 39.7	\$ 386.6	\$ 171.5	\$ 241.5	\$ 39.2	\$ 452.2
Sales/new accounts	26.9	31.8	7.1	65.8	27.9	20.4	7.0	55.3
Redemptions/terminations	(26.9)	(23.0)	(2.2)	(52.1)	(31.0)	(16.7)	(2.3)	(50.0)
Net cash management redemptions	(5.0)			(5.0)	(6.2)			(6.2)
Cash flow/unreinvested dividends	(1.7)	1.6	(0.9)	(1.0)	(2.7)		(0.7)	(3.4)
Net asset inflows (outflows)	(6.7)	10.4	4.0	7.7	(12.0)	3.7	4.0	(4.3)
Transfers		0.6	(0.6)		0.5	(0.5)		

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	2003				2002			
Market appreciation (depreciation)	24.6	47.5	8.4	80.5	(24.1)	(33.7)	(3.5)	(61.3)
Net change	17.9	58.5	11.8	88.2	(35.6)	(30.5)	0.5	(65.6)
Balance at December 31,	\$ 153.8	\$ 269.5	\$ 51.5	\$ 474.8	\$ 135.9	\$ 211.0	\$ 39.7	\$ 386.6

AVERAGE ASSETS UNDER MANAGEMENT BY DISTRIBUTION CHANNEL

	Years Ended December 31,			Years Ended December 31,		
	2003	2002	% Change	2002	2001	% Change
	(Dollars in billions)					
Retail	\$ 143.1	\$ 151.5	(5.5)%	\$ 151.5	\$ 176.2	(14.0)%
Institutional investment management	233.5	223.6	4.4	223.6	235.8	(5.2)
Private client	44.4	39.7	11.8	39.7	37.3	6.4
Total	\$ 421.0	\$ 414.8	1.5%	\$ 414.8	\$ 449.3	(7.7)%

(1) Includes a transfer, primarily due to a product offering expansion in 2002, of approximately \$4.0 billion to active equity and balanced value and approximately \$1.0 billion to active fixed income from active equity and balanced growth.

The Operating Partnership's revenues are largely dependent on the total value and composition of assets under management.

Assets under management were \$474.8 billion, an increase of \$37.0 billion or 8.5% from \$437.8 billion at September 30, 2003 primarily from market appreciation of \$35.6 billion and net asset inflows of \$1.4 billion. Institutional investment management and Private Client asset inflows of \$2.7 billion and \$0.9 billion, respectively, were offset by Retail asset outflows of \$2.2 billion.

Assets under management at December 31, 2003 were \$474.8 billion, an increase of \$88.2 billion or 22.8% from December 31, 2002, primarily due to an improved market environment, which resulted from significant market appreciation, due to improved global equity markets, and net asset inflows.

Retail assets under management at December 31, 2003 were \$153.8 billion, an increase of \$17.9 billion or 13.2% from December 31, 2002. This increase was due to market appreciation of \$24.6 billion, primarily value equities, offset by net asset outflows of \$6.7 billion. Institutional investment management assets under management at December 31, 2003 were \$269.5 billion, an increase of \$58.5 billion or 27.7% from December 31, 2002. The increase was principally due to market appreciation of \$47.5 billion and net asset inflows of \$10.4 billion. Private client assets under management at December 31, 2003 were \$51.5 billion, an increase of \$11.8 billion or 29.7% from December 31, 2002. The increase was principally due to market appreciation of \$8.4 billion, primarily balanced account orientation, and net asset inflows of \$4.0 billion. Active equity and balanced account assets under management, which comprise approximately 59.4% of total assets under management at December 31, 2003, increased by 36%. Active fixed income assets under management which comprise approximately 34.6% of total assets under management at December 31, 2003, increased by 5.5%.

Assets under management at December 31, 2002 were \$386.6 billion, a decrease of \$65.6 billion or 14.5% from December 31, 2001 resulting from significant market depreciation, due to global equity market declines, and net asset outflows.

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Retail assets under management at December 31, 2002 were \$135.9 billion, a decrease of \$35.6 billion or 20.8% from December 31, 2001. This decrease was due principally to market depreciation of \$24.1 billion and net asset outflows of \$12.0 billion. Institutional investment management assets under management at December 31, 2002 were \$211.0 billion, a decrease of \$30.5 billion or 12.6% from December 31, 2001. This decrease was due principally to market depreciation of \$33.7 billion offset by net asset inflows of \$3.7 billion. Private client assets under management at December 31, 2002 were \$39.7 billion, an increase of \$0.5 billion or 1.3% from December 31, 2001. This increase was due to net asset inflows of \$4.0 billion partially offset by market depreciation of \$3.5 billion. Active equity and balanced account assets under management, which comprise approximately 53.6% of total assets under management at December 31, 2002, decreased by 24.5%. Active fixed income account assets under management which comprise 40.3% of total assets under management at December 31, 2002, increased by 7.2%.

CONSOLIDATED RESULTS OF OPERATIONS

Years Ended December 31,

	2003	2002	% Change	2002	2001	% Change
(Dollars in millions, except per Unit amounts)						
Revenues	\$ 2,732.8	\$ 2,742.4	(0.4)%	\$ 2,742.4	\$ 2,992.9	(8.4)%
Expenses	2,374.3	2,099.3	13.1	2,099.3	2,340.7	(10.3)
Income before income taxes	358.5	643.1	(44.3)	643.1	652.2	(1.4)
Income taxes	28.7	32.1	(10.7)	32.1	37.6	(14.6)
Net income	\$ 329.8	\$ 611.0	(46.0)	\$ 611.0	\$ 614.6	(0.6)
Diluted net income per unit	\$ 1.29	\$ 2.39	(46.0)	\$ 2.39	\$ 2.40	(0.4)
Distributions per Unit	\$ 1.65	\$ 2.44	(32.4)	\$ 2.44	\$ 3.03	(19.5)%
Pre-tax Margin(1)	13.1%	23.5%		23.5%	21.8%	

(1) Income before income taxes as a percentage of total revenues.

Net income for 2003 decreased \$281.2 million or 46.0% to \$329.8 million from net income of \$611.0 million for 2002. Diluted net income per Unit for 2003 decreased \$1.10 or 46.0% to \$1.29 from diluted net income per Unit of \$2.39 for 2002. The decrease was principally due to an increase in expenses, primarily the charge for mutual fund matters and legal proceedings as described under "Expenses Charge for Mutual Fund Matters and Legal Proceedings" and a decrease in distribution services fees and institutional research services revenues, offset partially by higher investment advisory and services fees and lower promotion and servicing expenses. Distribution services fees decreased principally as a result of lower average daily mutual fund assets under management, while institutional research services revenues declined primarily as a result of lower domestic price realization and lower NYSE transaction volume, partially offset by higher market share of addressable (non-program trading) NYSE volume and higher SCBL revenues. Investment advisory and services fees were \$34.5 million higher primarily as a result of market appreciation of assets under management and net asset inflows. Promotion and servicing expenses decreased primarily as a result of lower distribution plan payments and lower amortization of deferred sales commissions.

Net income for 2002 decreased \$3.6 million or 0.6% to \$611.0 million from net income of \$614.6 million for 2001. Diluted net income per Unit for 2002 decreased \$0.01 or 0.4% to \$2.39 from diluted net income per Unit of \$2.40 for 2001. The decrease was principally due to a decrease in revenues, primarily investment advisory and service fees and distribution revenues, offset partially by a decrease in expenses, primarily amortization of goodwill resulting from the adoption of Statement of Financial Accounting Standards No. 142 ("SFAS 142"), "Goodwill and Other Intangible Assets" on January 1, 2002, and lower compensation and benefits and promotion and servicing expense. Absent the adoption of SFAS 142, the decrease in net income for 2002 would have amounted to \$153.7 million, or 25.0%, and diluted net income per Unit for 2002 would have decreased \$0.60 or 25.0%.

REVENUES

	<u>2003</u>	<u>2002</u>	<u>% Change</u>	<u>2002</u>	<u>2001</u>	<u>% Change</u>
	(Dollars in millions)					
Investment advisory and services fees:(1)						
Retail	\$ 746.4	\$ 795.2	(6.1)%	\$ 795.2	\$ 957.3	(16.9)%
Institutional investment management	649.6	627.5	3.5	627.5	669.0	(6.2)
Private client	486.4	425.2	14.4	425.2	397.5	7.0
Subtotal	1,882.4	1,847.9	1.9	1,847.9	2,023.8	(8.7)
Distribution revenues	436.0	467.4	(6.7)	467.4	544.6	(14.2)
Institutional research services	267.9	294.9	(9.2)	294.9	265.8	10.9
Shareholder servicing fees	94.3	101.6	(7.2)	101.6	96.3	5.5
Other revenues, net	52.2	30.6	70.6	30.6	62.4	(51.0)
Total	\$ 2,732.8	\$ 2,742.4	(0.4)%	\$ 2,742.4	\$ 2,992.9	(8.4)%

(1) Certain amounts in the 2001 presentation have been reclassified to conform to the 2003 and 2002 presentation.

Investment Advisory and Services Fees

Investment advisory and services fees, the largest component of the Operating Partnership's revenues, are generally calculated as a percentage, referred to as "basis points", of the value of assets under management and vary with the type of account managed. Accordingly, fee income generally increases or decreases as average assets under management increase or decrease and is affected by changes in the amount of assets under management, including market appreciation or depreciation, the addition of new client accounts or client contributions of additional assets to existing accounts, withdrawals of assets from and termination of client accounts, purchases and redemptions of mutual fund shares, and shifts of assets between accounts or products with different fee structures. Investment advisory and services fees include brokerage transaction charges of SCB LLC for substantially all private client transactions and certain institutional investment management client transactions. The Operating Partnership's investment advisory and services fees increased 1.9% in 2003, primarily due to a 1.5% increase in average assets under management resulting from market appreciation of assets under management and net asset inflows and decreased 8.7% in 2002, primarily due to a 7.7% decrease in average assets under management resulting from market depreciation of assets under management and net asset outflows.

Certain investment advisory contracts provide for a performance fee, in addition to or in lieu of a base fee, that is calculated as either a percentage of absolute investment results or a percentage of investment results in excess of a stated benchmark over a specified period of time. Performance fees are recorded as revenue at the end of the measurement period and will generally be higher in favorable markets and lower in unfavorable markets, which may increase the volatility of the Operating Partnership's revenues and earnings. Performance fees aggregated \$81.8 million, \$54.1 million, and \$79.4 million in 2003, 2002 and 2001, respectively. Higher performance fees in 2003 were earned primarily by certain value equity- and fixed income-based hedge funds. Lower performance fees in 2002 were primarily related to lower investment returns, caused by adverse equity and fixed income markets, earned by certain hedge funds investing in value stocks and certain growth investment advisory contracts, partially offset by higher performance fees in certain value investment advisory contracts.

Retail investment advisory and services fees decreased by \$48.8 million or 6.1% for 2003, primarily as a result of a 5.5% decrease in average assets under management. Retail investment advisory and services fees decreased by \$162.7 million or 16.9% for 2002, primarily as a result of a 14.0% decrease in average assets under management and a \$5.1 million decrease in performance fees.

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	2003	2002	% Change	2002	2001	% Change
General and administrative	339.7	329.0	3.3	329.0	312.0	5.5
Interest	25.3	27.4	(7.7)	27.4	32.0	(14.4)
Amortization of goodwill and intangible assets	20.7	20.7		20.7	172.6	(88.0)
Charge for mutual fund matters and legal proceedings	330.0		n/a			n/a
Total	\$ 2,374.3	\$ 2,099.3	13.1%	\$ 2,099.3	\$ 2,340.7	(10.3)%

Employee Compensation and Benefits

The Operating Partnership had 4,096 employees at December 31, 2003 compared to 4,172 in 2002 and 4,542 in 2001. Employee compensation and benefits, which represent approximately 38.5% of total expenses in 2003, include salaries, commissions, fringe benefits and cash and deferred incentive compensation based generally on profitability.

Employee compensation and benefits increased 0.8% in 2003, primarily as a result of higher incentive compensation expense partly offset by lower commission expense. Base compensation and fringes and other compensation decreased in 2003 primarily due to lower base compensation as a result of lower average headcount. Incentive compensation in 2003 increased as a result of higher deferred compensation amortization due to vesting, partly offset by lower short term incentive compensation expense reflecting the decrease in net income caused by the charge to income for mutual fund matters and legal proceedings. Commission expense was lower in 2003 as a result of lower retail sales volume and the implementation of a new deferred sales substitution plan.

Employee compensation and benefits decreased 2.5% in 2002, primarily as a result of lower base compensation and fringes and other compensation. Base compensation and fringes and other compensation decreased in 2002 due to reduced headcount and expense control initiatives. Incentive compensation in 2002 was unchanged from 2001 due to lower operating earnings offset by higher deferred compensation amortization due to vesting, primarily attributable to a deferred compensation plan entered into in connection with the Bernstein Acquisition. Commission expense remained flat due to the payment of 2002 compensation for certain sales management professionals as discretionary incentive compensation instead of commissions paid in 2001.

Promotion and Servicing

Under the Operating Partnership's mutual fund distribution system ("System"), promotion and servicing expenses, which represent approximately 31.3% of total expenses in 2003, include distribution plan payments to financial intermediaries for distribution of sponsored mutual funds and cash management services' products and amortization of deferred sales commissions paid to financial intermediaries for the sale of Back-End Load Shares under the System. See "Capital Resources and Liquidity" and "Note 15. Commitments and Contingencies" of the Operating Partnership's Consolidated Financial Statements contained in Item 8 of this Annual Report on Form 10-K. Also included in this expense category are travel and entertainment, advertising, promotional materials, and investment meetings and seminars for financial intermediaries that distribute the Operating Partnership's mutual fund products.

Promotion and servicing expenses decreased 8.7% and 8.8% in 2003 and 2002, respectively. The decrease in 2003 was primarily due to lower distribution plan payments resulting from lower average mutual fund assets under management, lower amortization of deferred sales commissions resulting from lower retail sales, as well as lower printing and mailing expense as a result of cost containment initiatives. The decrease in 2002 was primarily due to lower distribution plan payments from lower average mutual fund assets under management and to decreases in travel and entertainment and printing costs.

General and Administrative

General and administrative expenses, which represent approximately 14.3% of total expenses in 2003, are costs related to operations, including technology, professional fees, occupancy, communications and similar expenses. General and administrative expenses increased 3.3% and 5.5% in 2003 and 2002, respectively. The increase in 2003 is primarily due to higher legal fees incurred in connection with litigation and higher insurance costs partly offset by lower occupancy and communication costs. The increase in 2002 was due principally to higher occupancy costs, including a one-time \$4.4 million charge during the third quarter of 2002 resulting from the sub-leasing of certain excess office space, and higher legal fees for litigation.

Interest

Interest expense is incurred on the Operating Partnership's borrowings. Interest expense for 2003 decreased primarily as a result of lower short-term debt. Interest expense for 2002 decreased primarily as a result of lower borrowings under the commercial paper and Extendible Commercial Notes ("ECN") programs.

Amortization of Goodwill and Intangible Assets

Amortization of goodwill and intangible assets is attributable to the goodwill and intangible assets recorded in connection with the acquisitions made by the Operating Partnership, including the Bernstein Acquisition and the acquisition of ACMC, Inc., the predecessor of both Alliance Holding and the Operating Partnership, by ELAS during 1985. Amortization of goodwill and intangible assets was unchanged in 2003 and decreased in 2002 primarily due to the adoption of SFAS 142 on January 1, 2002, which required the Operating Partnership to cease amortizing goodwill.

The Operating Partnership's Consolidated Statement of Financial Condition as of December 31, 2003 includes net goodwill, the excess of the purchase price over the fair value of identifiable assets of acquired companies, of \$2.9 billion and intangible assets, the costs assigned to investment management contracts of businesses acquired, of \$347 million. As a result of the adoption of SFAS 142, net goodwill is tested for impairment annually. Intangible assets are amortized on a straight-line basis over estimated useful lives of twenty years and tested for impairment periodically.

Charge for Mutual Fund Matters and Legal Proceedings

Management of the Operating Partnership recorded a \$190 million and a \$140 million charge to income for the quarterly periods ended September 30, 2003 and December 31, 2003, respectively, to cover restitution, litigation and other costs in connection with the terms reached with the NYAG and SEC with respect to market timing investigations into certain Alliance Mutual Funds and other litigation. See "Note 21. Charge for Mutual Fund Matters and Legal Proceedings" of the Operating Partnership's Consolidated Financial Statements contained in Item 8 of this Form 10-K.

Taxes on Income

The Operating Partnership, a private limited partnership, is not subject to federal or state corporate income taxes. However, the Operating Partnership is subject to the New York City unincorporated business tax. Domestic corporate subsidiaries of the Operating Partnership are subject to federal, state and local income taxes, and are generally included in the filing of a consolidated federal income tax return; separate state and local income tax returns are filed. Foreign corporate subsidiaries are generally subject to taxes in the foreign jurisdictions where they are located.

Income tax expense of \$28.7 million in 2003 decreased by \$3.5 million from 2002 primarily as a result of lower pre-tax income partially offset by a higher effective tax rate reflecting an increase in non-deductible expenses related to the charge for mutual fund matters and legal proceedings and higher proportionate taxable earnings of corporate subsidiaries. Income tax expense of \$32.2 million in 2002 decreased by \$5.4 million from 2001 primarily as a result of lower pre-tax income and a lower effective income tax rate due to lower state and local taxes.

CAPITAL RESOURCES AND LIQUIDITY

Partners' capital of the Operating Partnership was \$3,778.5 million at December 31, 2003, a decrease of \$185.0 million or 4.7% from partners' capital of \$3,963.5 million at December 31, 2002. The decrease is primarily due to cash distributions in respect of the Operating Partnership's Available Cash Flow (as defined in the Alliance Capital Partnership Agreement) in excess of net income offset partially by amortization of deferred compensation expense, cash received for options exercised and foreign currency translation gains. Partners' capital of the Operating Partnership was \$3,963.5 million at December 31, 2002, a decrease of \$24.7 million or 0.6% from partners' capital of \$3,988.2 million at December 31, 2001. The decrease is primarily due to cash distributions in respect of the Operating Partnership's Available Cash Flow in excess of net income.

Cash flow from operations, proceeds from borrowings and proceeds from the issuance of Operating Partnership Units to AXA Financial and its subsidiaries have been the Operating Partnership's and, prior to the Reorganization, Alliance Holding's principal sources of working capital.

The Operating Partnership's cash and cash equivalents increased by \$85.1 million in 2003. Cash inflows included \$758.0 million from operations and \$21.6 million of proceeds from employee options exercised for Alliance Holding Units. Cash outflows included \$566.6 million in distributions to its General Partner and Alliance Capital Unitholders, net repayments of debt of

\$22.1 million, net purchases of investments of \$26.1 million, capital expenditures of \$29.2 million and the purchase of Alliance Holding Units by a subsidiary of the Operating Partnership for deferred compensation plans of \$67.1 million.

The Operating Partnership's mutual fund distribution system includes a multi-class share structure. The System permits the Operating Partnership's open-end mutual funds to offer investors various options for the purchase of mutual fund shares, including the purchase of Front-End Load Shares and Back-End Load Shares. The Front-End Load Shares are subject to a conventional front-end sales charge paid by investors to ABIRM at the time of sale. ABIRM in turn pays sales commissions to the financial intermediaries distributing the funds from the front-end sales charge it receives from investors. For Back-End Load Shares, investors do not pay a front-end sales charge although, if there are redemptions before the expiration of the minimum holding period (which ranges from one year to four years), investors pay a contingent deferred sales charge ("CDSC") to ABIRM. While ABIRM is obligated to pay sales commissions to the financial intermediaries at the time of the purchase of Back-End Load Shares, it receives higher ongoing distribution services fees from the mutual funds. Deferred sales commissions are expected to be recovered over periods not exceeding five and one-half years. Payments of sales commissions made to financial intermediaries in connection with the sale of Back-End Load Shares under the System, net of CDSC received, totaled approximately \$94.9 million, \$81.6 million and \$163.3 million during 2003, 2002 and 2001, respectively.

In September 2002, the Operating Partnership entered into an \$800 million five-year revolving credit facility with a group of commercial banks and other lenders, which replaced three previously existing credit facilities aggregating \$875 million. Of the \$800 million total, \$425 million is intended to provide back-up liquidity for the Operating Partnership's \$425 million commercial paper program, with the balance available for general purposes of the Operating Partnership, including capital expenditures and funding the payment of deferred sales commissions to financial intermediaries under the System. Under this revolving credit facility, the interest rate, at the option of the Operating Partnership, is a floating rate generally based upon a defined prime rate, a rate related to the London Interbank Offered Rate (LIBOR) or the Federal Funds rate. The credit facility also provides for a facility fee payable on the total facility. In addition, a utilization rate fee is payable in the event the average aggregate daily outstanding balance exceeds \$400 million for each calendar quarter. The revolving credit facility contains covenants which, among other things, require the Operating Partnership to meet certain financial ratios.

At December 31, 2003, the Operating Partnership maintained a \$100 million Extendible Commercial Notes ("ECN") program as a supplement to its \$425 million commercial paper program. ECNs are short-term uncommitted debt instruments that do not require back-up liquidity support.

In August 2001, the Operating Partnership issued \$400 million 5.625% Notes ("Senior Notes") in a public offering. The Operating Partnership may issue up to \$600 million in senior debt securities. The Senior Notes mature in 2006 and are redeemable at any time. The proceeds from the Senior Notes were used to reduce commercial paper and credit facility borrowings and for other general partnership purposes.

In February 2002, the Operating Partnership signed a \$125 million agreement with a commercial bank, under which it guaranteed certain obligations of SCBL incurred in the ordinary course of its business in the event SCBL is unable to meet those obligations. If SCBL is unable to satisfy any guaranteed obligation in full when due, the Operating Partnership will pay such obligation within three days of being notified of SCBL's failure to pay. This agreement is continuous and remains in effect until payment in full of any such obligation has been made by SCBL. At December 31, 2003, the Operating Partnership was not required to perform under the agreement and had no liability outstanding in connection with the agreement.

The Operating Partnership's total available debt, amounts outstanding, and weighted average interest rates at December 31, 2003 and 2002 were as follows:

December 31,					
2003			2002		
Total Available	Amount Outstanding	Interest Rate	Total Available	Amount Outstanding	Interest Rate

(Dollars in millions)

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December 31,

Senior Notes	\$	600.0	\$	398.8	5.6%	\$	600.0	\$	398.4	5.6%
Commercial paper		425.0					425.0		22.0	1.3
Revolving credit facility		375.0(1)					375.0(1)			
Extendible Commercial Notes		100.0					100.0			
Other		n/a		6.5	2.8		n/a		6.5	3.4
Total	\$	1,500.0	\$	405.3	5.6%	\$	1,500.0	\$	426.9	5.4%

(1)

Excludes \$425 million of this \$800 million facility, which is intended to provide back-up liquidity for the commercial paper program.

The Operating Partnership's substantial equity base and access to public and private debt, at competitive terms, should provide adequate liquidity for its general business needs. Management believes that cash flow from operations and the issuance of debt and Alliance Capital or Alliance Holding Units will provide the Operating Partnership with the financial resources to meet its capital requirements for mutual fund sales and its other working capital requirements.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the consolidated financial statements and notes to consolidated financial statements requires management to make estimates and judgements that affect the reported amounts of assets, liabilities, revenues and expenses.

Management of the Operating Partnership believes that the critical accounting policies and estimates discussed below involve additional management judgement due to the sensitivity of the methods and assumptions used.

Deferred Sales Commission Asset

Significant assumptions utilized to estimate the Operating Partnership's future average assets under management of Back-End Load Shares include expected future market levels and redemption rates. Market assumptions are selected using a long-term view of expected average market returns based on historical returns of broad market indices. At December 31, 2003, the Operating Partnership's management used average market return assumptions of 5% for fixed income and 8% for equity to estimate annual market returns. Higher actual average market returns would increase undiscounted future cash flows, while lower actual average market returns would decrease undiscounted future cash flows. Future redemption rate assumptions were determined by reference to actual redemption experience over the three-year and five-year periods ended December 31, 2003. The Operating Partnership's management used a range of expected annual redemption rates of 16% to 20% at December 31, 2003, calculated as a percentage of average assets under management of the Operating Partnership. An increase in the actual rate of redemptions would decrease undiscounted future cash flows, while a decrease in the actual rate of redemptions would increase undiscounted future cash flows. These assumptions are reviewed and updated quarterly, or monthly when events or changes in circumstances occur that could significantly increase the risk of impairment of the asset. Estimates of undiscounted future cash flows and the remaining life of the deferred sales commission asset are made from these assumptions. The Operating Partnership's management considers the results of these analyses performed at various dates. As of December 31, 2003, the Operating Partnership's management determined that the deferred sales commission asset was not impaired. If the Operating Partnership's management determines in the future that the deferred sales commission asset is not recoverable, an impairment condition would exist and a loss would be measured as the amount by which the recorded amount of the asset exceeds its estimated fair value. Estimated fair value is determined using the Operating Partnership's management's best estimate of future cash flows discounted to a present value amount.

During 2003, equity markets increased by approximately 29% as measured by the change in the Standard & Poor's 500 Stock Index and fixed income markets increased by approximately 4% as measured by the change in the Lehman Brothers' Aggregate Bond Index. The redemption rate for domestic Back-End Load Shares was approximately 22% in 2003. Declines in financial markets or higher redemption levels, or both, as compared to the assumptions used to estimate undiscounted future cash flows, as described above, could result in the impairment of the deferred sales commission asset. Due to the volatility of the capital markets and changes in redemption rates, the Operating Partnership's management is unable to predict whether or when a future impairment of the deferred

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sales commission asset might occur. Should an impairment occur, any loss would reduce materially the recorded amount of the Operating Partnership's asset with a corresponding charge to the Operating Partnership's expense. Alliance Holding's proportionate share of the Operating Partnership's charge to expense would reduce materially Alliance Holding's net income.

Goodwill

Significant assumptions are required in performing goodwill impairment tests. Such tests include determining whether the Operating Partnership, the reporting unit, estimated fair value exceeds its book value. There are several methods of estimating the Operating Partnership's fair values, which includes valuation techniques such as market quotations and expected discounted cash flows. In developing estimated fair value using a discounted cash flow valuation technique, business growth rate assumptions are applied over the estimated life of the goodwill asset and the resulting expected cash flows are discounted to arrive at a present value amount that approximates fair value. As of December 31, 2003, the goodwill asset impairment test did not indicate that this asset was impaired. However, future tests may be based upon different assumptions which may or may not result in an impairment of this asset. Should impairment occur, any loss would reduce materially the recorded amount of the Operating Partnership's asset with a corresponding charge to the Operating Partnership's expense.

Intangible Assets

Acquired intangibles are recognized at fair value and amortized over their estimated useful life. Intangible assets are evaluated for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. Future cash flow estimates are used to test the intangible assets for recoverability. A present value technique is used to estimate the fair value of intangible assets using future cash flow estimates. The estimates used include estimating attrition factors of customer accounts, asset growth rates, direct expenses and fee rates. Developing these estimates requires highly uncertain assumptions as they are dependent upon historical trends that may or may not occur in the future. However, future tests may be based upon different assumptions which may or may not result in an impairment of this asset. Should impairment occur, any loss would reduce materially the recorded amount of the Operating Partnership's asset with a corresponding charge to the Operating Partnership's expense.

COMMITMENTS AND CONTINGENCIES

The Operating Partnership's capital commitments, which consist primarily of operating leases for office space, are generally funded from future operating cash flows.

	Contractual Obligations					
	Total	Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years	
(Dollars in millions)						
Debt	\$ 405.3	\$	\$ 405.3	\$	\$	
Operating leases	1,064.6	77.6	151.9	134.7	700.4	
Accrued compensation and benefits	165.7		68.4	27.2	70.1	
Minority interests in consolidated subsidiaries	10.5				10.5	
	Total	\$ 1,646.1	\$ 77.6	\$ 625.6	\$ 161.9	\$ 781.0

At December 31, 2003, the Operating Partnership recorded charges totaling \$330 million to cover restitution, litigation and other costs, in connection with the terms reached with the NYAG and SEC with respect to market timing investigations into certain Alliance Mutual Funds and other litigation. In January 2004, the Operating Partnership paid \$250 million in respect of the restitution fund plus additional amounts in respect of other litigation. Certain of the Operating Partnership's deferred compensation plans provide for the election by participants to receive Alliance Holding Units or Alliance sponsored mutual funds. From time-to-time, the Operating Partnership will fund participant elections and during the first two months of 2004, the Operating Partnership made purchases of the cash equivalent of the notional value of Alliance-sponsored mutual funds totaling \$108.0 million. The Operating Partnership expects to purchase Alliance Holding Units with an aggregate value of approximately \$31 million during March 2004. In addition, the Operating Partnership expects to make contributions to the Operating Partnership's qualified profit sharing plan of approximately \$23.1 million in each of the next four years. The Operating Partnership is required to contribute additional amounts to its qualified noncontributory defined retirement plan by January 15, 2005. This amount is \$1.4 million, based on current estimates, and the Operating Partnership expects to make this contribution during 2004.

See "Note 15. Commitments and Contingencies" of the Operating Partnership's Consolidated Financial Statements contained in Item 8 of this Form 10-K for a discussion of the Operating Partnership's mutual fund distribution system and related deferred sales commission asset,

certain legal proceedings to which the Operating Partnership is a party and mutual fund investigations.

CASH DISTRIBUTIONS

The Operating Partnership is required to distribute all of its Available Cash Flow (as defined in the Alliance Capital Partnership Agreement) to the General Partner and Alliance Capital Unitholders. The Operating Partnership recorded a pre-tax charge to income of \$190 million for the quarter ended September 30, 2003 to cover restitution, litigation and other costs associated with the market timing investigations and other litigation. The Operating Partnership recorded an additional \$140 million pre-tax charge against its fourth quarter 2003 earnings in connection with these matters. As a result of these charges, the Board of Directors of the General Partner of the Operating Partnership and Alliance Holding determined not to pay a distribution to their respective Unitholders for the fourth quarter of 2003. Distributions are expected to resume for the first quarter of 2004, with payout policy returning to traditional levels in relation to cash flow for the second quarter of 2004. For more information about the effect of the charges, a related \$250 million restitution fund and certain mutual fund fee reductions on the Operating Partnership's results of operations, financial condition and distributions, see "Item 1, Regulation" of this Form 10-K, and "Note 15. Commitments and Contingencies" and "Note 21. Charge for Mutual Fund Matters and Legal Proceedings" of the Operating Partnership's Consolidated Financial Statements contained in "Item 8. Financial Statements and Supplementary Data" of this Form 10-K. The Available Cash Flow of the Operating Partnership for 2003, 2002 and 2001 was as follows:

	2003	2002	2001
	<u> </u>	<u> </u>	<u> </u>
	(Dollars in thousands, except per Unit amounts)		
Available Cash Flow	\$ 418,107	\$ 615,603	\$ 759,087
	<u> </u>	<u> </u>	<u> </u>
Distributions per Unit	\$ 1.65	\$ 2.44	\$ 3.03
	<u> </u>	<u> </u>	<u> </u>

ACCOUNTING PRONOUNCEMENTS

See "Note 26. Accounting Pronouncements" of the Operating Partnership's Consolidated Financial Statements contained in "Item 8. Financial Statements and Supplementary Data" of this Form 10-K for a discussion of recently issued accounting pronouncements.

FORWARD-LOOKING STATEMENTS

Certain statements provided by Alliance Holding and Alliance Capital in this report 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, which could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. The most significant of such 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, future acquisitions, competitive conditions and government regulations, including changes in tax rates. Alliance Holding and Alliance Capital caution readers to carefully consider such factors. Further, such forward-looking statements speak only as of the date on which such statements are made; Alliance Holding and Alliance Capital undertake 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, please refer to the Risk Factors section in Part I of this Form 10-K. Any or all of the forward-looking statements that we make in this Form 10-K or any other public statements we issue may turn out to be wrong. It is important to remember that other factors besides those listed in the Risk Factors section could also adversely affect our business, operating results or financial condition.

Signature

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

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ALLIANCE CAPITAL MANAGEMENT HOLDING
L.P.

By: Alliance Capital Management Corporation,
General Partner

Date: March 19, 2004

By: /s/ Robert H. Joseph, Jr

Robert H. Joseph, Jr.
*Senior Vice President, Chief Financial
Officer and Principal Accounting Officer*
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Exhibit Index

Exhibit	Description
31.3	Certification of Mr. Sanders pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.4	Certification of Mr. Joseph pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.3	Certification of Mr. Sanders pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.4	Certification of Mr. Joseph pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

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