

Remarks from Accenture's Investors & Analysts Conference

November 14, 2007

New York

Richard Clark

Managing Director – Investor Relations

Good morning and welcome to Accenture's Annual Investor and Analyst Conference. I'm Richard Clark, Managing Director of Investor Relations at Accenture, and it's my pleasure to welcome you this morning.

The theme for our conference this year is, "High Performance in Three Dimensions." We have an outstanding program planned. We will give you a look at our business from three perspectives of leadership: our operating groups, our growth platforms and our geographies. And we'll also hear from our operations leadership.

Let me remind you that the presentations today might contain forward-looking statements relating to Accenture's operations and results of operations, the accuracy of which is necessarily subject to risks and uncertainties.

Factors that could cause these results to differ materially from those expressed or implied include: general economic conditions and the factors discussed under the Risk Factors heading in the business section of Accenture's most recent Annual Report on form 10-K filed with the Securities and Exchange Commission.

Accenture undertakes no duty to update any forward-looking statements made in these presentations or to conform such statements to actual results or changes in Accenture's expectations.

I would also like to remind you that we are nearing the end of our first quarter for the fiscal year 2008, so we will not be providing you with an update or making any comments relating to our first quarter or our business outlook for the fiscal year. Those types of questions will be handled in our regularly scheduled conference call on December 19th when we announce our first-quarter results.

So again, thank you for coming. It's my pleasure to see all of you here this morning. It is also my pleasure to introduce our Chairman and CEO, Bill Green.

William D. Green
Chairman & CEO

Thanks for coming. Today we're going to talk about where we are in the business, what we're doing, what we see in the markets, what we're bringing to the market to drive our business forward. And we're going to talk about the diversity and the durability of our business, where we were the last time there was a slowdown on the horizon, the changes we've made to our company in terms of our mix of business, in terms of our big diamond \$100 million clients, in terms of places around the world that we've accelerated growth over the last five years. And I would just tell you straight up, we feel good about the business.

We read the newspapers like everybody else. We don't have our head in the sand. We are keenly aware of what's going on in the economy, of uncertainty, of people feeling spooked, and our job is to make sure that we have people up on the bow of the ship that are reading what's happening in the market and that are making corrections and steering the ship in the right direction to avoid icebergs. I would say that, philosophically, we operate the company not as one giant fish, but as thousands of small ones. And our ability to change course and navigate and move supply to where the demand is and change the mix of business and things like that is important.

I'd also ask you to take a real hard look at the industries we work in. Because I know certainly in New York, certainly in the United States and certainly in financial services, you can read the newspaper in the morning and start to have a bad day. But think about the industries we're in. Think about the size and the scale in energy or in chemicals or in pharmaceuticals or industrial products or in public services.

So what we're trying to do today in some way is to re-educate and remind you about who we are, what we do and how we run the place. And maybe equally important is to give you a sense for our leaders, because I don't think there's a company on the planet that can put up the leadership talent that we have. We use this term about keeping one foot in today and one foot in tomorrow. And the foot in today is about delivering on our commitments. And the foot in tomorrow is about positioning the company for the future.

When I look at where we are today and I look at the uncertainty that might be facing the economy in certain segments, the thing I am most thankful for is that we always kept one foot in the future. We invested in our business, and that helped us build a more durable, predictable and diverse company. And those things serve us particularly well in uncertain times.

So I think we're going to have an engaging day. There's a lot of material and we tried to keep it crisp. It's consistent with we did last year in that sense, but we're going to add one other dimension this year, and that is the geographic dimension, because we do drive the business forward in three dimensions. We drive it on our growth platforms. We drive it on our operating groups, which are the industries we serve. And we drive it on geographies, which are the 49 or so countries around the world where we have an office, the many countries around where Accenture people are working every day.

You know, about 64% of Accenture has nothing to do with the United States. As you see our leadership, you'll get a sense for that. And to recognize that we are a truly global virtual enterprise. We are flexible and really nimble. I think we have a great day planned.

Operating Groups

William D. Green ***Chairman & CEO***

We're going to start by inviting up our operating group chief executives. Some of these people you have known from roles in the past. Some of them are in year two; you met them for the first time last year. What we're trying to do here is to give you a sense of what's going on in the markets they serve, what the offerings and products we're bringing to those markets are, and how they have a sense for their business.

So I'm going to start with Pierre Nanterme, who leads our Financial Services business. He has been in this role for about two months; great timing to ask Pierre to take over the leadership of that business. He was delighted to do so.

Pierre grew up in this business. Over the last year we had asked him to step out of Financial Services, where he had run the Europe business, and implement the new operating model for Accenture. So not only does he know Financial Services cold, but he knows how to navigate Accenture, how to pull the strings and push the buttons better than anybody here. And so he's an excellent choice to lead Financial Services. So Pierre, a few comments from you.

Pierre Nanterme ***Group Chief Executive – Financial Services***

Thank you very much, Bill, and good morning to everyone. Let me begin by saying that for me, indeed, these are interesting days to be leading our Financial Services operating group. I spent most of my 25-year career in Accenture, mostly in Financial Services. Like many of you, I have experienced a number of market cycles and different market conditions.

As we all know, the financial services industry has been facing some significant challenges and turbulence for the past several months. However, if you look at the situation, even if all market segments have been affected recently—especially last week—we see different situations by industry segment, by geography and even from one player to another. So for example, the large U.S. based investment banks are feeling more consequences compared to the large global European-based insurance companies. Financial institutions in what I would call the Anglo-Saxon corridor—the U.S. and, to a greater extent, the U.K. and Germany—are feeling more of an effect than those located in what I would call the Latin corridor—France, Italy and Spain. And even companies in the same geography and in the same market segment have been affected differently. You've seen last Wednesday's announcement for instance of a BNP Paribas compared to a Société Générale in my home country, France. In this market environment our exposure remains limited.

Last year our Financial Services operating group contributed \$4.4 billion of Accenture's revenues, 16% growth in sales and double-digit growth in each and every part of our business. We have a very diverse portfolio of global clients, with industry leaders in banking, capital markets and insurance. And if you look at this, many of those clients are well-diversified businesses across market segments and across geographies. About 65% of our business is

outside the United States; 39% of our business is in outsourcing with long-term contracts; and only 15% of our revenues come from capital markets globally.

Now, these new market conditions create what we believe is a wide range of opportunities for Accenture. We are able to deliver a truly diverse set of offerings that respond to our clients' changing needs. And today, yes, we see some shifts from revenue-generating kind of offerings to business solutions that help drive operational efficiency, effective processes and industrialization to reduce costs first, but also to improve services.

Let me put some color and give you some specifics that illustrate these for each of our industries. First, in Banking, we see a strong demand in core banking offerings, which can radically reduce costs and improve customer service. We also foresee increasing activity in M&A on both a national as well as a cross-border basis. This is an area where we have always had very deep and proven capabilities. We participated in the past in most of the largest transactions in that space.

In Capital Markets, there is strong demand in the domain of core trading systems. Why? Because it contributes to transaction cost reduction. In wealth and asset management, we see a significant opportunity around retirement planning, as most of the developed and mature countries are facing aging populations and have to deal with that.

In property and casualty insurance, there is continuing demand for claims transformation offerings as a major lever for improving clients' loss ratios. All the major life insurers are looking to consolidate their legacy systems into one flexible platform. And that was exactly the basis for our acquisition last year of NaviSys, a leading US-based insurance software company.

A significant part of our business could be viewed as nondiscretionary in nature. Let me explain. Complying with risk and regulatory initiatives is not an option, especially in financial services. We see additional developments in that space. Basel II, Solvency II, MiFID, just to name a few, are all regulations that financial services institutions already have had to comply with or will have to comply with in the near future, making our risk and regulatory management offering extraordinarily relevant.

In addition, financial services institutions continue with their geographic expansions, especially the largest players. And they will have to implement new operating models as well as deploy IT infrastructures. And again, our set of offerings will serve us well in supporting those clients. Let me give an illustration. Last year we had 40% growth in countries in Europe and Eastern Europe just because of the geographic expansion of the major western institutions.

My final point is on our asset strategy, which is a major differentiator for us in the marketplace. We have significant investments in our proprietary assets as well as developing privileged partnerships with other solution providers. These include SAP, Calypso and Murex in Capital Markets. And we are developing unique technology solutions that truly underpin most of our offerings to help drive predictable outcomes for clients.

Another example: 60% of our insurance revenue today is related to our proprietary assets, creating a true competitive advantage in the marketplace. Another important element of our asset strategy is our industry-based delivery centers, which are part of our Global Delivery Network. People in these locations—Malaga, India, the Philippines, Mauritius, Bucharest, to name a few—have deep industry-specific knowledge that enables us to deliver cost-effective

solutions to our clients.

So in closing, you should consider the combination of our client portfolio, our relevant offerings and our global reach. I believe that we are in good shape. Thank you.

William D. Green
Chairman & CEO

Thank you, Pierre. Let me just ask you the obvious. If you read the newspapers, we're having something somewhere between a slowdown and a meltdown in financial services. So the question of the day is: Are you seeing any impact from this sub-prime issue and its related issues on your business?

Pierre Nanterme
Group Chief Executive – Financial Services

First, we still see very strong demand in the marketplace in all our services. Second, again, if you look at our portfolio of business and our global reach and the size of our Financial Services operating group, Capital Markets represents only 15% of our business. And Capital Markets in the U.S. is a third of our overall business, i.e., 5% of the overall Financial Services business within Accenture.

Three, of course we are watching the markets, and I'm watching personally every day and tracking every announcement. We are doing all sort of sensitivity analysis and so forth to understand where we are. And I feel that it's my personal responsibility to navigate that, to direct our best resources to the best opportunities, drive our offerings there and at the end of the day, drive us to execute the plan.

William D. Green
Chairman & CEO

Thank you. We're going to move on to the next operating group. And this one goes on regardless of what happens in the economy and everything else in the world. You'll remember that last year Lisa was somewhat new in her post, yet had grown up in this business. She's learned a lot about Accenture and most importantly, has exported a lot of powerful ideas around the public-services marketplace, taking what we have done in many of the developed markets of the world to the developing markets of the world. So, Lisa, I'll turn it over to you.

Lisa Mascolo
Group Chief Executive – Public Service

Thanks, Bill. I, too, like Pierre, have been with the organization for 25 years and have spent my entire career in our Government operating group, what we now call Public Service.

Our Public Service operating group is a \$2.5 billion business helping national, provincial and

local governments around the world become high performers. In addition, we work with third-sector organizations like the World Bank and the United Nations. We operate in 24 countries around the world, and a substantial portion of our business is driven by our work in North America. Approximately one-third of our revenues are driven by our work with departments in the U.S. federal government.

At the beginning of this fiscal year we launched our evolved strategy and changed the name of our operating group to Public Service to more accurately represent the broad marketplace that we serve as well as the evolution of that marketplace. The strategy and the name change also importantly represent the aspirations of our people to not only make a difference for our shareholders but also to make a difference for our clients' clients.

I'd like to cover three important areas of our business. First, our industry focus; next, what's driving demand in our market; and then finally, our differentiators in the market.

First, with respect to industry focus. We go to market in seven major industry segments: defense; immigration, justice and public safety; revenue and customs; postal; human services; health; and finance and administration. In each industry segment, we have points of view and assets—both software assets and process model assets that underlie those points of view—and in each industry segment we have a strong market. I'll highlight just three segments. First postal; then immigration, justice and public safety; and finally, defense.

The challenges facing the postal industry globally are significant. There are new technologies. Customer demand for more service options has put pressure on the traditional postal service. In the EU, for example, the looming deregulation of the postal industry is going to drive significant demand. There is no other company in the market better positioned than Accenture to help postal organizations face this challenge. More than half the world's mail is delivered through systems that Accenture has built. We work with 15 postal organizations around the world, which combined have over 1.2 million employees, 60,000 retail outlets and combined budgets in excess of \$100 billion. A recent win with the Poste Italiane as they transform themselves to become a mobile, virtual network operator is a great example of how our clients, with our help, are getting ahead of the deregulation curve.

In immigration, justice and public safety, we continue to be at the forefront of the global focus on securing nations' borders. The announcement early this morning by the U.K. government of the E-borders program award to the Trusted Borders team, which is primed by Raytheon with Accenture as a major subcontractor, is an important global initiative in continuing to secure nations' borders. A recent implementation success with a large European public safety organization in the area of criminal and asylum fingerprinting continues to position us well in this industry. This is an industry segment where we continue to see demand throughout the world. For example, in Japan, with the equivalent of U.S. Visit and eBorders on the horizon; in the United States, with opportunities with citizen and immigration services; and in the U.K., with the identity card program.

Turning to the defense segment, across the world the defense agenda continues to evolve as regional conflicts and global concerns alter the scale and scope of military operations. The focus remains strong on military and civilian intelligence. You likely saw the announcement last month about our acquisition of Gestalt, which is in line with our strategy to pursue tuck-in acquisitions when it's right for our business. In this case we specifically targeted and pursued

Gestalt to facilitate our entry into the C4ISR space. That is, command, control, computers, communications, intelligence, surveillance and reconnaissance. And this is an area that is big business. Over the next 12 to 24 months we expect over a dozen procurements in this space with combined value in excess of \$100 billion. The Gestalt acquisition helps open this important pipeline to us.

And a real impact of our work in these seven industries is seen through the eyes, not only of our clients, but our client's clients. For example, 5 million unemployed Germans are finding work as a result of the work that Accenture does with the German Labor Agency. Fair and equitable tax systems in more than 50 countries around the world are supporting government stability. And in Australia, for example, 21 million citizens are receiving their Medicare claims and rebates faster as a result of systems that Accenture has built.

Turning now to the marketplace and what's driving demand. We have strong demand across the globe. Year on year we've seen a significant increase in demand in each of our geographies in different areas of our business. Global trends driving demand consistently across our marketplace include concerns over public safety and national defense; aging populations with increasing demands for social services; and economic expansions in parts of the globe that are providing revenue to fuel transformations for local and national governments. And our clients are beginning to think "green."

Region by region, there are demand trends at work as well. These range from pension privatization in Europe to revenue and customs opportunities in Asia Pacific to strong outsourcing demand in the U.S. These global and regional demand drivers are consistent with our industry focus and position us well across the globe.

Turning now to our differentiators. We have four primary drivers of differentiation in the market. The first is our industry program, which I've already touched on. The second is our Institute for Public Service Value, which is at the forefront of groundbreaking research into how public-service organizations can better serve their citizens. And the institute is researching what citizens' expectations are of governments. Another agenda item for the institute is in the area of performance management, where we're driving the discussion from one of historical performance management and reporting to forward-looking performance improvement for our clients. Our research in all three areas informs our points of view and our asset development and enables new conversations with existing and potential clients.

Our third differentiator in this space is Accenture itself. Accenture is a company that primarily serves the private sector, and this provides a big differentiator for us against traditional government contractor competitors, because we're able to bring the best thinking from business and industry to our public-sector clients and do it in the context of the public-service environment. A great example of this in action is in the area of information management. AIMS, which is Accenture Information Management Services, is becoming an important part of our overall demand picture in the public service space. And in fact, demand has increased tenfold year-on-year. We have a strong reputation in the marketplace for being able to bring the best of industry to the government.

Our fourth differentiator is our focus on management consulting. In FY07, our focus on building our management consulting business resulted in significant year-on-year sales and revenue growth. But our focus is not just on management consulting for the sake of management

consulting. Rather, it is as a catalyst and a pull-through for systems integration and outsourcing demand with all of our clients. Recent management consulting wins at the Netherlands Ministry of Defense, the New South Wales Health Ministry, the U.S. Navy and the U.S. Department of Education showcase how we're using our management consulting skills to help our clients transform their businesses, increase customer service and achieve greater value.

Combining our industry focus with market demand, which is strong, and leveraging our differentiators, which are unique and relevant to our market, we aim to take market share from our competitors. In short, we feel good about our Public Service business.

William D. Green
Chairman & CEO

Thank you, Lisa. Let me just ask you: What are the three things that you are most excited about?

Lisa Mascolo
Group Chief Executive – Public Service

I guess the three things that have me most excited would be first, the demand that we have for defense, postal and the C4ISR work. That's very exciting. I guess the next thing that excites me is the passion that our people have for driving the intersection of our differentiators with the demand that we see in the market. And finally, what's exciting for me personally is the opportunity to lead a business where we get to make a difference, not only for our people and shareholders but also for our clients' clients.

William D. Green
Chairman & CEO

Okay, thank you. Next, let me turn it over to Gianfranco Casati, who leads our Products operating group.

Gianfranco Casati
Group Chief Executive – Products

Thank you, Bill. I'm pleased to have the opportunity to give you an overview of the Products operating group and its industries, which are Automotive; Industrial Equipment; Consumer Goods & Services; Health & Life Sciences, which combines pharmaceuticals and health care; Retail; and Transportation & Travel Services. In all the industries we serve are many immediately recognizable global brands. Our diversity becomes immediately apparent when you look at our industry list. And in fact, this diversity provides resilience across economic cycles, although in the past few years, all our industries have grown at a double-digit pace.

As we observe the market today, our clients remain cautiously optimistic for their operations in the more developed economies. In the meantime, they are accelerating the requests for both

consulting and outsourcing to support their global presence.

Let me give you a bit more insight into each of the industries, starting with Automotive. In Automotive, our clients are cautious in the current U.S. market. In the meantime they are in the middle of a new wave of transformation that creates high demand for some of our capabilities—and in particular, our direct presence and experience in emerging markets, and our knowledge about low-cost country sourcing.

In Consumer Goods, clients are accelerating their investments to capture the increasing global demand, while consumer behaviors become more and more homogenous. Similarly, pharmaceutical companies see increasing demand globally and are investing to accelerate both research and development and globalization of their operations. In the meantime, health care continues to grow in the more mature markets. Retailers are watching consumer spending very closely as they seek ways to compete for a more selective demand, particularly in North America, while expanding their footprint beyond their domestic markets. Transportation & Travel Services is growing very quickly for us in Asia Pacific, and in Europe and North America we see a lot of focus on sustainable development, with many projects in the area of e-ticketing, e-tolling and congestion charges.

As Bill said, one of our competitive advantages is that we have a solid critical mass of capabilities well-distributed among our three regions so that we are able to serve our global clients seamlessly everywhere.

One of my Asian clients in the travel industry keeps telling me that in 2008, Beijing will surpass Venice as the most frequented travel destination in the world. Our clients increasingly come from emerging geographies such as India or Brazil, or South Africa, where SABMiller is a client.

Beyond the industry dimension, another characteristic of the Products operating group is our portfolio of work. Last year we grew our revenue from outsourcing significantly, so we have achieved a well-balanced mix between consulting and outsourcing, and more and more we see our systems integration work, mainly ERP, evolving in outsourcing, as clients ask us to roll-out what we developed and then to maintain it.

What makes me feel very positive, though, is the durability that goes beyond contractual obligation. We have a large number of very long-term relationships with our clients. Forgive me if I mention one example from my own country, as I was there a month ago to celebrate the 34th anniversary of our collaboration with Fiat Group.

Many of our client relationships extend beyond 20 years. These long-term relationships, where we work closely as trusted advisors, serve us well in all economic cycles. We work with companies through CEO changes, and sometimes also through ownership changes. This is an important indicator that we are adding value beyond individual relationships.

I think this happens also because of the nature of our offerings that are at the core of our clients' business functions. There are not many discretionary initiatives; rather we have robust cost-optimization programs, from concept to execution. Examples are global servicing and global supply chain initiatives, and productivity enhancements through process outsourcing and off-shoring. We also focus on demand generation, for example, with new digital platforms for marketing, consumer analytics and post-sale services.

Let me go back to Fiat Group and give you just one example of how we helped them maximize their profit in the spare-parts business. We figured out together that the aftermarket is a rich market in the context of automotive. And unbranded products were actually reducing the original manufacturer's market share. So we came out with an innovative solution that has allowed Fiat to gain back the market share they lost. We already started similar operations with other top brands in Europe now, because while car manufacturers compete until the car is sold, they are keen to collaborate in the aftermarket.

Another example of a more recent collaboration is with Thomas Cook. We started helping them reduce their costs without lowering their level of service by outsourcing their operations to us, onshore at first, and then progressively we moved offshore to our centers in India. They didn't need organizational changes or particular skills to interact with India because they leveraged their existing trusted relationship with our onshore team. More recently, Thomas Cook has become our most awarded BPO by independent agencies. And not surprising, we just expanded the relationship following the Thomas Cook merger with MyTravel in June 2007.

As you can see, our best new clients are often our existing clients. We take nothing for granted in long-term relationships. And we work very hard on productive collaboration, supporting top-level contacts with ever-growing industry knowledge. Which brings me to my last point. These examples also indicate how we differentiate ourselves from our competitors through our industry knowledge and our industry-specific skills. Skills that are often considered more or less generic—such as finance and accounting or HR or BPO—are becoming more and more industry-specific. That means, for instance, that our extensive experience in finance and accounting in the retail industry is an important differentiation point. Clients want to have real case studies and stories from other clients in their same industry. The same is true for ERP. And we are capitalizing on this trend in our offshore delivery locations, going essentially from horizontal to industry vertical specialization.

We have centers of competence in operations in consumer goods, pharmaceuticals, and automotive. Our delivery centers in Chennai and Bangalore support our clinical data management capabilities, which we've broadened to cover research and development services for the pharmaceutical industry. In fact you may have heard that recently we announced the launch of a joint center for pharmacovigilance, which we opened in India with Bristol-Myers-Squibb. The new center processes and codes adverse event data and generates required reporting on safety. This delivers a substantial improvement in efficiency and flexibility to our clients.

In summary I feel very positive about our Products business, as we are set up very well to serve our clients globally and with visible industry differentiation. Thank you.

William D. Green
Chairman & CEO

Thank you Gianfranco. You know, in my early days with Accenture I was a Products guy, so I have a good sense for the business. But perhaps you could speak to this notion of global, because there's scale and a size to the programs. There's a C-level relationship agenda. There's an ability to move and deploy people around the world, so can you just give a little color on that—since your portfolio is so rich in terms of the big global clients.

Gianfranco Casati
Group Chief Executive – Products

You're right. When we are engaged in global programs, they are chief executive priorities more often than not. And chief executives want to see their programs implemented consistently across the world.

I think Accenture is unique in this area for two reasons. The first one is that we have a critical mass of industry skills everywhere in the world. And this makes a lot of difference. For instance, one of our clients wanted to test our ability to support their expansion plans in some geographies, and they wanted to visit our practices in China, Russia, Turkey, and Mexico. And in each of these countries our local leadership has been able to provide deep insight into the market and also up-to-date industry knowledge, which is really something that you need time and thought and experience to build.

The other is that we have critical mass distributed around the world and are also able to move people, whenever required. So, for instance, there are hundreds of Accenture colleagues on the Unilever team who are working away from their own country. And this will allow Unilever to implement their transformation program consistently across their organization.

These are examples of real-life differentiation that I think Accenture brings and no one else can.

William D. Green
Chairman & CEO

Thank you. Now let me turn it over to Marty Cole. He's run our Government operating group; he's run our Outsourcing business; he's bounced around the place a lot. And the toughest assignment in Accenture is usually C&HT, not because of the clients, but because of our own people; because they're sort of rocket scientists and visionaries and like to experiment. And C&HT is also where a lot of the technology for the other industries gets invented. And so Marty has another role, and that's to read the tea leaves and see where High Tech is going, and work with the Accenture Technology Labs and with Karl-Heinz and his team to make sure that the new ideas that are going to change the way things get done are built into the advanced offerings that we develop for our clients in other industries as well. So Marty.

Marty Cole
Group Chief Executive – Communications & High Tech

Thank you. These are exciting times in the Communications & High Tech sector. Convergence is a reality. We are helping companies in the communications, electronics & high tech, and media & entertainment industries bring some of the most exciting and talked-about products and services to the marketplace.

We serve companies in all of the major markets around the world. We're also in China, Russia and expanding in Asia and Latin America. We bring a full range of services, from management consulting to systems integration and the full suite of outsourcing services, including industry vertical BPOs and a new area which we're getting into around the development of embedded

software. We have a truly diverse business. Geographically and through our industries we have a strong book of business working across our clients' mission-critical areas.

Convergence is really driving demand for our services and our global capabilities are helping us capitalize on the opportunities in the marketplace. With the move to the Internet protocol, the IP network, the global emergence of the Web 2.0 business models, the wide-scale digitization of content and the proliferation of new devices, convergence continues to fuel tremendous change.

Our industry sectors are in fact converging into one digital domain. Companies like Telefonica, Telstra, British Telecom, AT&T, Comcast, B-SKY-B, Google, Microsoft—they're all competing for the same customers. Each is coming at it from different angles, yet all converging into the same space.

As companies up, down and across this value chain feel tremendous challenges to compete and win the digital customer, this is providing opportunities for Accenture. We are able to help them improve their sustainable business model and outmaneuver their rivals in the marketplace. So at the end of the day, at a minimum, our clients need to change the way they do business. But more likely, they need to transform their entire business. They've got to bring products to market faster, more efficiently, at lower cost, to compete for the consumer. And this presents significant opportunities for Accenture as we work with our clients to help them be more successful. To meet this demand we have leading-edge offerings relevant across the converging industries. Let me just share with you a few examples.

We have capabilities to help our clients launch new IP products to meet consumer demand in this quad-play or triple-play space. With our onshore and offshore IP services factory and Accenture Communications Solutions, we can help clients bring new services to market in a fraction of the time and a fraction of the cost of traditional development cycles.

Interestingly, you might think that this is great for the communications sector, but it's much broader than that because we're using the same suites of products to help service providers, manufacturers and retailers—with companies ranging from Telstra in Australia to Turkcell in Turkey to Hutchinson in Italy and cable and telco companies here in the United States.

A second area is around customer experience. As these companies compete, they must win the hearts and minds of their own customers, and we have offerings to help improve the overall experience of the digital consumer.

A third area is digital transformation. Here we have tools to enable an end-to-end digital supply chain as you think about the digitization of content. And all of this we can enable through our centers of excellence around the world, such as at the Accenture Broadband Innovation Center, which we launched earlier this year.

Let me just do a quick scan of our three industries and give you a sense of what is happening in each, starting with communications. As the move to IP is occurring, network transformation is front and center on the minds of all of our clients. They're building the next-generation networks. So, for example, we announced recently that we're helping TerreStar here in the United States build the first 4-G wireless network in North America.

At other clients we're helping dramatically reduce the cost of legacy networks. So we're using offshore capabilities to support the provisioning of network services.

In the customer service area we continue to be a leading provider of customer care solutions. Our work at Telstra supports the largest business transformation in the industry today. It is a great example of a company that is very focused on transforming, and changing, the customer experience.

And we're seeing increasing demand for supply chain solutions. You might be surprised by that. Why would someone in the communications industry be particularly interested in supply chains? Well if you look at their businesses, particularly in terms of their wireless and their retail operations, they have major demands in terms of getting product through the distribution network. I don't mean IP network, I mean the physical network, whether it's through a retail store or getting a set-top box to your home.

In electronics & high tech, manufacturers are driving costs out of the process while responding to the need to differentiate their products with better software. They're also being driven to deliver better customer service. So we're working with clients to develop, test and actually deliver software embedded on the product or on the handset. We're also helping our clients improve customer service and support a profitable differentiator by enhancing the customer experience at every point in the value chain. At Fujitsu Siemens Computers, for example, we are actually operating the warranty management function as a BPO business.

In the media & entertainment area, technological advances are enabling companies to redefine their role in the content value chain. So we're helping movie studios digitize their movie production process. We are also working with portals and social networking companies to improve vertical search, video and advertising capabilities. And earlier this year we acquired Digiplug, a global innovator in wireless and online music distribution. And we've used the Digiplug acquisition to launch essential digital media services, where we see advanced opportunities to work further in the digital supply chain.

I wanted to give you a sense of how convergence is really driving our business and is a driver for growth. There are many other areas for growth and opportunity for us. As I mentioned at the outset, moving further into Europe, Eastern Europe, further opportunities in Asia. And of course we always have the opportunity to extend our management consulting capabilities.

So through convergence our industry sectors are experiencing lots of change. And with change comes opportunities. There is no shortage of demand in our markets. Our global reach, industry capabilities and end-to-end service offerings provide the strength we need. We are helping companies operate in the increasingly complex multi-polar world. We are working at the heart of our clients' businesses as they transform their operations; we are right there with them shoulder-to-shoulder helping them be more successful.

William D. Green
Chairman & CEO

Thanks Marty. We often say that Accenture's fortunes are not tied up in the amount of technology spending in the market. Nonetheless, given that many of your clients in C&HT are tech companies, what have you seen in the market in terms of clients' investments or their innovation in terms of what they're doing for their own businesses?

Marty Cole
Group Chief Executive – Communications & High Tech

In the market in which we operate—with telecommunications and high tech companies—we continue to see robust demand. And it's in these areas where we are helping clients differentiate themselves. So this is mission-critical. We're helping them launch new products. We're helping them figure out market trends. And we're also helping them in areas where they're trying to take cost out to improve their overall cost profile, including through our outsourcing offerings, and we've been launching some industry-specific vertical BPO. So overall we still see very robust demand.

William D. Green
Chairman & CEO

Back in the day when I ran our Resources operating group, there was a bright young up-and-comer on the other side of the pond who we thought would have a big job one day. And now he does; he has the job I had a couple of jobs ago. So Sander, welcome, and over to you.

Sander van 't Noordende
Group Chief Executive – Resources

Thank you Bill. Fiscal 2007 was a great year for us in Resources. Our business grew by over 20%, and we increased profitability significantly.

When I talk to my people, I tell them that what matters most for me is that we have been able to increase our market share in each of our four industries. Because while it's nice to ride the wave, at the end of the day that's just not good enough for us at Accenture. We need to increase our market share.

As a reminder, in Resources we serve clients in chemicals, energy, natural resources and utilities. These are exciting times in these industries. Resources is in the headlines these days. This morning the *Wall Street Journal* said oil prices fell to \$91. Last year we were talking about oil prices of \$60, and not so long ago we were hovering around \$20. So there's a lot of things going on in this industry. And another headline this week about whether China will join the battle with BHP Billiton, the world's largest mining company, to acquire Rio Tinto Alcan. Syngenta is having a breakthrough on biofuels. And the *Wall Street Journal* just this Monday ran a special section on going green. So these are really exciting times in resources.

There are actually three trends that are driving our industries. First, there is a resources boom, driven by demand from China and other emerging markets. And it's not only oil prices that are at a record high, as copper, iron ore and other commodities prices are at extremely high levels.

Then the resources industries are living the multi-polar world. Our industries are either global or are rapidly becoming more global. Our clients are facing more and more what we call resource nationalism—think about Russia; think about Venezuela. And we also see companies from emerging markets becoming global leaders. Think about Gazprom. Think about CVRD of Brazil. Think about Tata Steel of India, now Tata-Corus.

Climate change and the need to reduce CO2 emissions is one of the biggest challenges of our time. And I think it can only be overcome if the whole world participates, including the emerging economies.

Let's connect the dots here, these three trends. Our industries are facing the biggest challenges in their history because they're trying to transition the world into a more sustainable model while demand is rising and powers are shifting. So this is a challenge that for me at the global scale is on par with healthcare or education. These times are really, really exciting for Resources.

What's driving demand for our services? Of course our clients do not sit still. They develop and execute strategies to address the challenges they're facing. They're globalizing their businesses, often through mergers and acquisitions. They're investing billions of dollars in operations, in assets, upstream and downstream. They're optimizing their supply chains and their operations. They're building shared services for their support functions. In utilities they're reducing cost to serve and improving customer service. And each and every one of these clients is positioning themselves for a more sustainable world. Everybody is looking at what it means to be "green."

At Accenture, our strategy in Resources is built, first of all, on Accenture's overall strategy, and then we have three specific Resources elements. We want to be the go-to company for clients who want to transform their business based on deregulation, based on globalization, based on M&A. And then it's about bringing the best of Accenture to these clients. We have, or are building, long-term relationships with many of these clients. And then it's about the book of business, a solid mix of business consulting, SI [systems integration] and outsourcing.

Here are a couple of examples. On the consulting side, we're working with Dow Chemical on their growth agenda. On the SI side, we're working with KOGAS in Korea on their SAP implementation. On the outsourcing side we're working with Shell on learning. So we want to be masters in executing the Accenture strategy.

Let's move on to the Resources-specific pillars of our strategy. And the first and most important one is that we have focused our offerings at the heart of our clients' businesses. We are relevant where our clients make their money. And that's extremely important for us to grow our business, because our clients' challenges are at the heart of their business — in the power station, in the mine, in the refinery.

A couple of examples. We're helping Hindustan Petroleum manage their investment project for their new refinery. We're helping BP develop their digital oil field. And we're helping Chevron, CVRD and Constellation optimize the operations in their refineries, in their mines and in their nuclear power stations. So operating at the heart of our clients' businesses is truly important.

In utilities, it's about improving customer services and reducing the cost to serve. And I'm extremely proud that this year we have had three major wins in utilities in our outsourcing business—at Washington Gas, at Enbridge and at United Utilities in the U.K. And now Accenture is providing billing service for more than 40 million end customers in electricity and gas. That puts us at par with some of the biggest utilities in the world.

The second pillar of our strategy is emerging markets. I've talked about the relevance of the multi-polar world for us in Resources. So we have to grow our business in the emerging markets faster than average. And we've done that in Asia Pacific, Latin America and South Africa.

In these emerging markets, we focus on clients that are the market leaders, and on clients that want to become international companies. We differentiate ourselves in these markets by bringing global best practices and by helping those clients become more international players. I am extremely proud that we have strong local teams in these markets—in China, in Brazil, in South Africa, in Russia. Because at the end of the day it's the local teams who make the connection and provide the access for our clients to the global world of Accenture.

The third pillar in our strategy is our climate change consulting practice. Our clients are in the middle of climate change because they produce energy in the oil platforms; they transform energy in the power stations; they transmit and distribute energy as utilities; or they consume energy, as chemical or mining companies. Our clients are looking to us for help in the area of energy efficiency, alternative fuels, renewable energy and carbon footprint. So we have started a consulting practice that we are looking to complement with specific IT and BPO solutions to help our clients address challenges related to climate change.

This year we have published two important pieces of research in this area, one on biofuels and another on consumers' attitudes to climate change. And that research shows that consumers are really concerned about climate change. You could say that's a threat for the resources companies, but it's also providing our clients with a lot of opportunities, which we will help them explore. We have already seen the first results. We're helping a couple of utilities with energy efficiency, and we're helping one of the oil majors with carbon footprinting.

So Resources is a very exciting place to be. The strategies that our clients are following are driving strong demand for our services. We at Accenture have the right strategy in place to continue to gain market share in a very profitable way. Thank you very much.

William D. Green
Chairman & CEO

Thank you Sander. I think you guys have recently won several ERP engagements. Just when we think there can't be anyone who doesn't have this, we find giant global companies that are setting up on multi-year journeys to get globally efficient and consistent. Can you speak to what you see in that part of the business?

Sander van 't Noordende
Group Chief Executive – Resources

ERP is an important part of globalizing a business. When clients try to become more global, they have to streamline and harmonize their business processes and run their business across the globe in a consistent way. One example is BHP Billiton, with whom we're working on their global one-step program. And it's clearly an example of a company that has distributed operations, and they now want to become a global company.

So how are we differentiating in that space? We have assets and solutions that capture our industry knowledge and help us speed up the delivery of the programs. We have strong teams built around those solutions in our delivery centers in India, from where we develop the assets and from where we deliver the work. And we have a strong pool of local and global experts so

that we can bring the right team to the right place at any point in time. This is something that I'm extremely proud of. We have recently competed eight times in the chemicals industries for global ERP rollout projects, and we have won seven of them against all competitors.

Growth Platforms

William D. Green *Chairman & CEO*

The next dimension we're going to go to is to talk about our three growth platforms. While they represent the diversity of our company in a lot of different ways, they are not run as three separate businesses. These guys are attached at the hip. Accenture on its best day is not just a winner in each of these three sections; Accenture on its best day is when we bring all three growth platforms to bear on our clients.

If you look at the nature of our diamond client relationships, for the most part this is where every element of Accenture shows up. Underneath diamond clients is foundation clients—which we sometimes call “diamonds in the rough.” The job of the teams out in the field is to convert those clients to the next generation of diamond clients. The people that put the things in their hands—the skills, the ideas, the knowledge, the know-how, the offerings—are these three guys.

We're going to start with Mark. We described our consulting business as the tip of the spear, if you will. It's very core to our business. But I'd ask you to listen closely to. Mark will tell us about the nature of our consulting business—the scale, the complexity we tackle, the differentiation—as well as the demand in this area and what sets Accenture apart.

Mark Foster *Group Chief Executive – Management Consulting & Integrated Markets*

Thanks very much, Bill. Good morning, everybody. I'm delighted to be back here again. This event always takes place around my anniversary with Accenture. In fact, today is my 24th anniversary, so it makes me realize I've had another year of fun, and I'm another year older.

Last year when I spoke to you, I talked about our plans for the reinvigoration of management consulting. We've always operated at that intersection between business and technology with a really strong focus on our clients' businesses and the industries they're in. We have a unique portfolio in management consulting that spans strategic consulting, operational consulting, process re-engineering and broader-based systems and change enablement. It's that broad portfolio that's so powerful to our management consulting business.

We operate across the five key functional areas of strategy, customer relationship management, supply chain management, human performance, and finance and performance management, and also through 18 industry management consulting practices, where we have deeply embedded industry insights. While our key C-suite relationships have been built in management consulting, it's very important to recognize that our whole approach to management consulting is really focused on execution, outcomes and results. In other words, we're not just there for the

study; we're there to see the entire process through to action by our clients. We also benefit from the fact that working within the Accenture family gives us an opportunity to integrate our efforts in management consulting with our outsourcing capabilities to effect differentiated large-scale change for our clients.

We had a great year in fiscal 2007, with growth across most of our practice. We're now up to some 15,000 people in management consulting around the world, which makes us the largest management consulting organization in terms of headcount. And, we've been able to focus that head count by really driving into the marketplace.

This year I've tried to focus on three main things. First, making sure that we are working with our best clients on the mission-critical areas of their business where value can really be created. Second, on hiring the best talent. And finally, we've focused on broadening our geographic footprint around the world to allow us to serve our clients wherever they demand our services. We've seen continued recognition of our practice. Our CRM, Finance & Performance Management, Human Performance and Supply Chain practices have all been recognized as number one leaders by industry analysts in the sectors they serve. We've also been number one in share of voice because of our thought capital—the innovative ideas we bring to bear in the marketplace. Also this year we've been able to mobilize our Indian management consulting capacity in terms of creating a new source of talent to leverage for serving our global clients. Over the past year we've acquired the George Group to reinforce our growth in the process excellence Six Sigma area, which we think is going to be an important part of the management consulting picture moving forward. We also continue to work on reinforcing our high-performance business points of view on what it takes to succeed in every industry and every functional area in the world, inside a more dynamic global context.

You've heard a number of my colleagues reference a phrase we've coined called the "multipolar world." What we mean by this is that from Accenture's point of view on globalization, we're actually at a tipping point in terms of the dynamics between the developed world and the developing world, and we're experiencing shifting economic power and a shifting balance of activity around the world.

It's a view that's borne out of the fact that there will be a billion new consumers coming into the world between now and 2015, 90% of them in the emerging markets, and that there's going to be a billion new workers coming into the world between now and 2050, 92% of them in the emerging parts of the world. It's also a fact that 70 of the global 500 companies are headquartered in what we would have called emerging markets in the past, and not just the BRIC countries—Brazil, Russia, India, China—but also Korea, Mexico, South Africa and Argentina.

This tremendous shift has opened up what we consider to be five new battlegrounds for consumers and customers. First, how do I hold onto the consumers and customers I've got and how do I connect with these new consumers that are emerging around the world? The second battleground is for talent: how do I look after my legacy workforce while accessing talent that's emerging in different parts of the world? The third battleground is in innovation; we're seeing patenting activity and R&D and innovation now emerging in many different parts of the world.

We're seeing a fourth battleground emerging in the quest for capital. We're all living that every day in terms of where the new capital sources are — not the traditional Western sources, but sovereign funds, private equity and families around the world that are becoming major players in

providing cash and capital. All of this is underpinned by the fifth battleground: the battleground for resources, the one that Sander so eloquently described a moment ago.

This shift represents a huge world of both opportunity and threat for companies everywhere, and this is driving much of Accenture's activity in the marketplace. Our ability to help our clients, to partner with them as they navigate in this new multi-polar world, is at the heart of our opportunity and our differentiation. We're able to help our clients deal with the pace of change, enable them to move quickly to respond to change, provide them with greater certainty and help them eliminate much of the risk in the actions they take. We help them achieve strategic flexibility so that when they actually make a move, when they get there, they're ready for the next change that's coming.

And of course, all of these changes, all these programs, are large-scale. They're multi-year. Some of them are focused on growth: how to get into new markets, how to build new products, how to innovate. Others are focused around cost reduction, productivity and efficiency. This is what's really shaping our work across the entire spectrum of management consulting.

No matter what the industry, we're seeing clients who are having to think more and more about where to place the nodes on their supply chain and where to place their customer service centers. There are a whole series of issues to answer as companies focus on serving new customer sectors. Where should I put my finance functions around the world to help me measure and manage my business? What tax-efficient operations do I now need to put in place to allow my business to operate? All of these are the kinds of strategies that we're helping people deal with. Location, location, location, as I like to call it—really the CEO agenda in terms of how you decide where to place assets, talent and strategy across the world. And we're doing this not just for the additional developed-market companies, but increasingly we're helping the developing-country companies as they go global for the first time, as they put out their platforms for growth as they think about what it's going to take to be successful in the global economy.

A lot of this is also being driven off M&A. Merger and acquisition activity continues to be ripe across many of our industries—consumer, pharmaceuticals, industrial, energy—and we've been helping our clients around the world with the whole area of post-merger integration; not just putting in place the blueprints for these new organizations, but driving it deep into their processes, their organizations and their cultures. It's been really exciting for us to take on work in this space for the new giants—the new emerging companies, the ones that are going global for the first time, and it's allowing us to see first-hand what the new companies' management cultures are going to be, how they're going to drive success, and what high performance will look like in the future.

So at one end a lot of our activity is being driven by globalization by scale and by stretch. At the other end, a lot of our focus is on that battle for the consumer: the need to be super-local and to understand the needs of individual customers. We're seeing that work again across many industries—utilities, banking and others—where we're able to see that desire to segment customers. And we're doing a tremendous amount of work with telecommunication companies around segmenting and understanding the customer base. They have to target loyalty programs to avoid churn and make sure that our clients' businesses are staying robust.

One interesting example of that is also doing that in emerging market for a company like China Mobile. Imagine a company that's got 350 million customers—5 million new customers every

month. That's a customer segmentation challenge and a half to deal with. And it's exactly the kind of thing that we're helping our clients with. But we're also helping other organizations, like in the public services sector in retail, and in the financial service sector, where they have branch networks, where again we're focusing on how we make the customer experience truly differentiating. How do you make sure those customers come back in and really understand that experience in a durable way? So that's also driving a huge amount of activity for us around the customer experience.

You heard Marty talk a lot of about the work we're doing in the communications industry around new product introduction, and this whole area of getting to the front end of our clients, helping them bring together the new convergent solutions—the devices, the content, the delivery—and bringing those to market across the world is a truly important part of what we're doing around the planet.

But we're also helping more traditional companies as they think about how they bring their products to market in a world where consumers and customers can be accessed through multiple channels. How do I devise a new marketing strategy to go with my products? A lot of front-end work we're doing across the world in that area.

I mentioned the battle for talent as one of the major battle grounds in the multi-polar world. And talent management is an issue for public service organizations, for retailers, and indeed energy companies, as much as it is for banks, in terms of how do they understand what's happening to the demography of their current workforces—in many cases aging workforces nearing retirement. How do you attract new skilled workers into these industries? And how do you access the talent pools around the world and make sure you're optimizing the human capital strategy for the whole enterprise? These issues are driving new work for us around the world.

Sander referenced the work in Resources around the sustainability agenda. And we're seeing that beginning to be an area or topic of focus for us outside of that industry as well. We're doing our first carbon management projects in the consumer goods industry. And we're also helping companies put in place their wider corporate social responsibility offices and reporting systems as this becomes a bigger and bigger part of what it takes to be successful in the modern world.

So, as we look ahead to this year, we're looking to continue to grow our business. We can see a huge amount of demand, and we want to look forward to growing our business around the world. We're looking to continue our focus in terms of our strategic and operational consulting to help our clients with their mission-critical issues. We're looking to be able to help them to design, envision and then deliver on the business models and the operating models of the future. We're looking to continue to deepen our management consulting skills and make sure that as we do so, we wrap them around the large-scale offerings we can build with our Systems Integration & Technology and our Outsourcing colleagues as well. At the end of the day we're looking to continue to drive the economic leverage of this part of our practice. For instance, by just the sheer increase of its scale and breadth around the world, the fact that we're looking to also be able to price for value and to be able to price for gain share or outcomes because we're so confident of the outcomes we can help to achieve. And of course the broader halo effect that we can have through differentiation, which can apply itself for management consulting into the SI&T and the outsourcing work that we pull through. Thanks very much.

William D. Green
Chairman & CEO

Thank you Mark. Let's tackle something head on here. You know, when we look at our consulting business, we look at the business that we sell to C-level executives; in which we're focused on outcomes; in which some people bet their badges, their whole companies on, the things we do. We're looking at engagements that are between \$10 million and \$100 million, and then we read some stuff written about us saying that our consulting business is discretionary. So maybe you can tackle the discretionary point.

Mark Foster
Group Chief Executive – Management Consulting & Integrated Markets

Bill, I think you've touched on a couple of the key dimensions there, and I've talked about the kind of global issues that we're dealing with. And the trends that I've described of the multi-polar world are durable trends. Clients and companies will have to deal with them, whether they're on the receiving end or are proactive about this. And honestly, our desire is to work with clients on the proactive side of that, but we're working with a range of issues and opportunities that we think are durable and have scale around the patch. We also referenced the durability and strength of our client relationships, and I think the fact that we have these long-term client relationships, and that the things that we're doing are C-suite relevant, remain a very important part of making sure our ladder's linked to get to the right tree in terms of our clients. I would also say that so much of our management consulting work is actually connected with and wrapped around these larger-scale change programs, which are multi-year journeys for our clients. So again, that significantly reduces the amount of the work that is discretionary. And of course we also have this tremendous global footprint of skills being moved around the world to serve our clients, which again gives us resilience in this marketplace.

William D. Green
Chairman & CEO

Thanks Mark. Karl Heinz, you've got a lot of moving parts going on in your shop. One of the things I'm most proud of is that Accenture has reestablished its technology leadership in the last several years. I think we're sort of the last of the independent guys out there that can look across technologies and do what's right for clients. And then there's all we've done around the Global Delivery Network. So why don't you share with them what's going on in your shop.

Karl-Heinz Floether
Group Chief Executive – Systems Integration, Technology & Delivery

Let me give you an overview about systems integration, what's driving demand and what sets us apart, and then talk a little bit about service-oriented architecture.

First, SI&T has three major areas: systems integration—where we go to market mainly through the operating group leads and cross-sell and up-sell with outsourcing and management

consulting; technology consulting, which covers data centers, data center optimization, centralization, server optimization, security and application renewal, just to name a few; and then our Global Delivery Network.

In systems integration—which is about designing, building and deploying IT systems typically based on either or a combination of Oracle, SAP, Microsoft, information management or functional and industry solutions—we had a very good year, growing two times the market rate. According to a leading industry analyst, we are the number one systems integration firm. According to SAP and Oracle, we are the number one firm driving direct licenses for them, and in the SAP space we're definitely one of the top three service providers. So we had a very good year in systems integration. And in technology consulting, we grew four times the market rate.

The Global Delivery Network covers all our offshore delivery centers, our onshore delivery centers and our local Solutions workforce. We now have about 71,000 people in our Global Delivery Network; offshore headcount grew by 48% and onshore grew by 22%, so while we are growing offshore very, very aggressively, we are still growing across all geographies. In India in particular—where we now have about 37,000 people—we grew last year by 68%, so we have higher growth rates than I believe all of the pure plays, and we're hiring the absolute same number of people per year as the pure plays, so I think we really caught up. In the Philippines we have another great story, where we now have more than 13,000 people and grew by 47% last year. Latin America grew by 56%, and Central Europe grew by 28%, so we had very strong headcount growth across our Global Delivery Network.

Now let me get into a couple of things that we're doing and why we are different. One example is our work at the U.S. Defense Logistics Agency, which possesses about 5 million consumable items and has about 30 million transactions per year. If it were a private company, it would be definitely among the Fortune 100 companies. We have been helping them replace their systems by restructuring the whole organization, including roles and responsibilities; reengineering 700 business processes; putting in SAP and Manugistics; and driving \$1 billion in savings to the bottom line. Now, a lot of it is about what Mark is doing in management consulting, but then systems integration is involved and of course our Public Service operating group is at the forefront of what we are doing here.

A second example is at a major stock exchange, where we built a new trading and information distribution system using bleeding-edge technology: Microsoft.net—a big demand driver for us, by the way. And we reduced the latency by 75%, which translates into four times performance improvement, and at the same time we multiplied capacity by a factor of five.

Now, other areas that are driving demand for us are continued mergers and acquisitions. As Mark and the operating group chief executives mentioned, with the multi-polar world, mergers and acquisitions are not just going in one direction, from the United States and Europe into the developing world, but the other way as well. And there is continued M&A activity out there, particularly by strategic buyers. But then most of the M&As of the past have not been properly consummated, and there are many companies—in the communications, consumer products and many other industries—that have not yet synchronized their back-office and their IT systems internationally, and we're helping many of these companies do that. While our demand could be considered to be discretionary to a certain degree, many of the things we're involved with are not. And it's not just about regulation but there are things like, for instance, the decennial census in 2010 in the United States, for which we are building the portal, the reporting systems and all

mobile applications. And because we're going to serve 600,000 users, this is going to be the largest mobile application developed ever.

Let me now discuss service-oriented architectures and give you my view of what's going on here. SOA is not this small thing; rather, it's huge. And if you would ask me how much of our revenues are from SOA, I have to say I don't know, as much as I don't know how much we did in client-server work or how much we did in e-Commerce, because SOA is going to be pervasive—and it is with us. Let me give you some examples as to why it's going to be big. A couple of data points: When I joined Accenture in 1979, I went to Accenture's training center in St. Charles, had my training in assembly language, and my first job was in Cobol. And for at least the past five years, people who come out of university no longer have Cobol skills, and people in our Global Delivery Network are not interested in doing Cobol. But the installed base of Cobol applications still grows by 10% every year in spite of all the new stuff we're putting in. Now, there's a huge legacy out there, and the new stuff is coming on top of it. There's a huge complexity issue to deal with.

So now what is SOA? SOA is a way of building systems, how systems should have been built 30 years ago and how they should be built 30 years from now—those are just the proper ways of building systems. And second is a set of tools and applications that enable it. It's becoming a big wave because performance is less of an issue, because the software vendors are having a legacy issue, and clients are having a legacy issue, and technical standards are emerging. So the big opportunity for us is to go into our clients and do an application planning exercise to identify which applications they replace, which they rehabilitate, and which they service and enable. One example was using our roadmap for Oracle Fusion to help Cisco replace 300 outdated applications with 100 new applications, most of them based on Oracle Fusion. A second major engagement was helping Deutsche Telecom build a new reporting structure that took data from a lot of disparate systems, put them into a data management environment, drive the accounting automation off of it and reduce the time to close their books, which was the primary driver of the project. We built this solution on SAP's master data management version 5.5, which is an SOA application, and we actually built some of the business objects in order to enhance the system to make that happen. So we have been working on SOA engagements and are building a comprehensive set of offerings to deal with all the issues in this space.

When I look across our practice, I think we have a huge portfolio effect in it because we are operating in at least 18 industries—and that doesn't even cover all the other segments that the operating groups chief executives mentioned—we are operating in 50 countries, across six major service areas and probably have a hundred major offerings. And from what I can see, there are huge opportunities from a business perspective and from technology developments, which position us extremely well in the market. Thanks.

William D. Green
Chairman & CEO

Karl-Heinz, can you comment on the progress we're making in the technology consulting space, following our announcement this past year about accelerating our investments in this area?

Karl-Heinz Floether
Group Chief Executive – Systems Integration, Technology & Delivery

First, as I said, we had a good year. We grew four times the market rate, and I think we will continue to stay on a very high growth trajectory for several reasons. First, there is huge demand in the market because many of our technology consulting offerings are driven by cost-reduction objectives. And there is a lot of work out there, like data center consolidation, rationalization, virtualization and so on, which is going to be with us because many of these mergers and acquisitions, and many of the needs to drive down the operational costs are focused in that area. One example is our work helping Alcatel Lucent take about 1,000 servers in-house from outsourced operations, including operations support, which reduced their costs significantly. And then as a second step, we took about 500 internal servers and virtualized them, and it drove down the cost further.

Another big growth area is going to be data security and data privacy. This is becoming a much bigger issue, particularly in an SOA-based world, where you have all these services out there and are potentially even moving to a software-as-services approach, which creates some very interesting challenges. So I think this is an area where we could be supply-constrained.

I already talked about the Microsoft space, which is going to grow very strong. And I mentioned the area of application renewals when I addressed the topic of SOA. So we have a good set of offerings and have found our rhythm. Now we just have to focus on accelerating how we go to market, in the sense of taking innovation and insights into offerings and then building the channels and driving growth. But we can be very proud of what we have achieved so far.

William D. Green
Chairman & CEO

Great, thanks. Okay, so we've envisioned and architected, we've designed and built, and now as Kevin says, we're going to sustain and maintain. As I mentioned before, the last time we had an economic slowdown, outsourcing was 15% to 17% of our business, and now it's 40%. We implemented an operational excellence agenda over the last couple of years, because it's one thing being able to sell outsourcing deals and it's another thing being able to execute them, which some of our competitors are going to find out the hard way. So Kevin, can you give us a little color on your business?

Kevin Campbell
Group Chief Executive – Outsourcing

Thanks, Bill. I'm very excited about the progress that we've made in our outsourcing business. As Bill said, outsourcing is now 40% of Accenture's revenue. We now have over 75,000 men and women who come to work every day in outsourcing at Accenture. We've got a client base that's second to none, we have more than 625 clients who renew, extend and strengthen year over year. Clients like Dow, Dupont and BP—who've been with us from our early beginnings—and clients like Deutsche Bank, Unilever, Best Buy and Microsoft, just to name a few. Renewals and extensions now happen as a matter of course of business every day in our business. We're big

enough now that it's self-sustaining. Our deep relationships—some of which you heard about from Gianfranco and the other group chief executives—and our industry skills lead to sole-source relationships. In fact, 40% of the outsourcing deals we sold last year were sole-source. And many of our clients—including Thomas Cook, BP and Microsoft—outsource multiple processes to us, and we continue to feel good about our ability to expand those relationships.

For instance, BP has outsourced HR to us for a long time and has now expanded into finance & accounting and other areas. And most importantly, part of the key differentiator for us is our ability to routinely deliver application outsourcing, infrastructure outsourcing and BPO services to global clients around the world. And what's key there is the amount of complexity that we have to address with those clients. For example, in some cases we deliver services to a client operating in over 100 countries, and we have to deliver that service in over 30 languages. To accomplish that, we have to provide services from five of our delivery centers around the world. And we don't just do that for one client; rather, it's routine for us to be able to do that, and clients look to us because we're uniquely positioned to be able to deliver that in a seamless manner.

We see healthy demand across all of our outsourcing service segments and our geographies. Asia Pacific and EALA [Europe, Middle East and Latin America], in particular, have shown more take-up on the applications and the BPO outsourcing recently.

Outsourcing is now so recognized as a fundamental lever of business that CEOs routinely use it to help accomplish the change. In addition to seeing opportunity in the traditional areas of lowering costs and becoming more efficient, we also see more and more examples where people want to fundamentally change their business. They need more "speed to market," they need to address rising customer expectations or different segments of customers, and they need to leverage new sources for growth. Those changes, which are more than just about reducing costs, are increasingly where we've seen increased demand from our clients over the last six months. We believe there's still a lot of market out there. There are a lot of companies that have not tapped outsourcing to its full advantage. For example, less than 10% of the Global 2000 have actually outsourced their application development and maintenance functions. So there is a huge market to go after. And we also have opportunities to capture a lot more of the runs for the SAP and other projects that Sander and Karl-Heinz mentioned. So rather than doing the projects and turning them over to the client to maintain over time, we have the chance to do that ourselves.

We continue to expand our industry BPO. This last year we added three new official offerings, and we have about six more that are in the "percolation" stages right now. And the changes that Karl-Heinz described in the technology landscape related to virtualization and other advances around how to use technology to an advantage really make us excited about our differentiated position in the infrastructure outsourcing business. We know how to run our competitors' hardware and software better than they know how to run it, and we're motivated to get the most out of that, rather than to just sell more.

And lastly and probably most importantly, just in the last six months, when I talked with two different clients about the reasons we won work with them—one was a large SAP design build run project, and the other was a very large finance and accounting outsourcing project—both of them said basically the same thing to me. In short, they said that they can stack up the plusses and minuses with us and our competitors and evaluate all those, but at the end of the day when they're looking for a partner to help them drive change in their company, when they've got an important project—whether it's a complex SAP installation or changing how they're going to

look at their customers—they turn to Accenture. They said to me, “You differentiate yourselves because you can drive change, you can make it happen.” So it’s not about coding or all those other things that we do very well, but it’s about driving change in those companies.

And we built this business for the long term. As Bill said, we’ve spent a lot of time and effort over the last two years getting our platform in place, making sure that we doubled our efforts on operational excellence, made sure that we had factory-like approaches to enable us to move this work around from where we are. And we believe we’re well positioned to capture the share of the market as people look for higher and higher performance. We have a plan, we’re executing to that plan, we have criteria for the deals we do and don’t do, and with the help of all my colleagues, we stick to that plan and we continue to execute on it.

So I’d like to leave you with four differentiators that I think uniquely position us to continue to grow our outsourcing business. Number one is the global reach and delivery capability. That ability to be able to deliver on that level of complexity is uniquely differentiating. And it’s not just being able to have factories—those are important to deliver—you’ve got to have feet on the street to be able to make that change happen and to work with it. Our industry experience — the showcases, the industry wrappers that we put around things, and the insights we have—that’s a huge differentiator for us. Third, our ability to bundle services together. And fourth, our ability to drive change and get the business outcomes. And I think there’s more demand than ever for those kinds of skills.

William D. Green
Chairman & CEO

Thanks, Kevin. I know there’s a lot going on there horizontally, vertically, on the technology side, the process side. What are the three things that have you most excited?

Kevin Campbell
Group Chief Executive – Outsourcing

The three things that have me the most excited are, one, from an applications outsourcing perspective, people are realizing that while labor arbitrage was great in enabling them to cut costs, they want to know what else they can do beyond that. It still takes them too long to make the changes to their application portfolio necessary to enable them to respond to the multi-polar world and expand geographically. So I’m excited because I think that the core effort of making those hard changes that require the skills from all three of our growth platforms, that is back as the number one agenda on the table.

The second thing is our industry BPOs. I think we are just tapping, with all the work we’ve done, the things we can do with our industry skills. So, the investments we made in the late 90’s in the utilities area within Resources, we’ve been able to move that all over the place. In Products, specifically in pharmaceuticals, both our clinical data management and our pharmacovigilance offerings are huge differentiators in terms of our industry skills, so that’s something that we’re going to continue to tap. And lastly, on the infrastructure business, which we haven’t traditionally been known for, I’m very excited because I think the game moves more toward what we do; it’s more about services rather than hardware and software. It’s more about

being able to do those 2,000 servers from around the world for a large financial institution. It's about helping Best Buy get more cost effective use of their IT, and that's exciting.

Geographic Operations

William D. Green ***Chairman & CEO***

Okay, so we've talked about two sections—the industries and the growth platforms. We haven't spent a lot of time about geographies. The reason I and the rest of us up here have so many frequent-flier miles is because we have a lot of locations around the world. These are places where the clients are and where our people work and live, and showing up matters. We try to be globally efficient, be locally responsive and leverage worldwide learning—which is to get ideas, knowledge and know-how from where it's created to where we need it, regardless of geographic boundary, just like we get people from where they are to where we need them, regardless of geographic boundary, industry or anything else.

I'm going to ask David Thomlinson to come up here and give you a peek inside that geographic dimension. You'll remember him from when he led our Resources operating group, when he used to have a job that went to the far-off locations of the world. We start to focus more on our geographies and the balance of our model—how do we keep a balance between every dimension of our company? Because we want to drive growth from every dimension of the firm.

David ran our U.K. business for the last year, and as you know, we had an issue in the U.K. a year or so back and some challenges there. And so as part of this discussion I'm going to ask David to describe what's been done in the U.K., but maybe more importantly, David, how would you characterize the geographic dimension of Accenture, as we say it, on the matrix?

David Thomlinson ***Senior Managing Director – Geographic Strategy & Operations***

To give you the facts on our geographic presence today, Accenture has established operations in 49 countries around the world. But in addition to where we have established operations, we serve our global clients in many other countries working on their global transformation programs. So, as of today, we actually are working in 120 different countries around the world, and just to clarify, I haven't been to all 120 yet. So, that is our presence, and the very strong global presence of Accenture is a key differentiator in the market.

When I look at the geographic dimension, I really see my role as threefold. First, to optimize our business performance across the dimensions, across the operating groups and growth platforms in our established countries with strong local leadership teams. Second, to identify those countries where we may have somewhat under-penetration in the market and where, by focusing investment and resources on those countries, we can really turbo charge growth to drive up our market potential. And third, to develop our strategy and implement our plans for geographic expansion in the emerging and developing countries. Accenture has had a long-term geographic

presence in many of these countries and today we are really established as market leaders in many of them.

Let's look at continental Europe. I was actually in Milan with our Italian leadership team at the end of last week, and if we go back 10 years, our presence in Italy was relatively small. Our firm has focused continuously on building our market in Italy, on building our presence, on doing great work for our clients. Gianfranco told you about some of the great work we've done with Fiat, and today we have over 8,000 people working and dedicated to our clients just in Italy. And, possibly more importantly, we're absolutely involved in business activities across all industries in Italy. Staying on continental Europe, I could also cite Spain, where for many years we've really been the dominant player in the market.

Turning to some of the countries where we see opportunities for increased growth, I would probably choose Japan. We have had a presence in Japan for many years, but our presence has been relatively small, certainly compared to the size of the economy. So, in the last year, we've made a very focused effort to pay more attention to Japan and to grow our business there. And we were delighted that at the end of our last fiscal year we achieved strong double-digit growth and we're really on a very strong upward trajectory in Japan.

And finally, looking at some of the emerging economies, clearly we have established presences in such countries as China, India and Russia, and all of those are very important to us.

I'd like to focus a bit on India. Karl-Heinz mentioned the incredible success and progress we've made in building our offshore delivery capability in India. We have 37,000 people, and now we're looking at how we can build on that to really grow a domestic market in India.

In the last month, I've had two visits to India with our local management team there, focusing on each of our operating groups to see how can we grow our business in India.

William D. Green
Chairman & CEO

Well, it's a very complex role. The title is Geographic Strategy and Operations. So when you think of the strategy part, you're taking the high road, establishing the new markets. When you think of the operations, you're taking the down and dirty, the plumbing. How do you make sure that each one of the nodes on the Accenture Global Network operates with high performance? Why don't you give us a little color on what you did as the leader of the U.K. before assuming your current role as Accenture's geographic leader, because I think it's consistent with what our leaders in geographies do.

David Thomlinson
Senior Managing Director – Geographic Strategy & Operations

At the start of our last fiscal year, I think the U.K. had a somewhat challenging time. And you know, living in the U.K., we'd heard our country mentioned in Accenture's early reports probably a little bit too frequently in the past few years, generally for the wrong reason. So as we saw this as a turnaround time, where we had to take charge to drive our business forward.

To jump to the end, our business across the U.K. and Ireland in the last fiscal year grew by 27% year on year. So in terms of a turnaround and really driving confidence and growth back in our market, I'm certainly delighted in our progress. And that was growth across each of the dimensions — across the five operating groups and the three growth platforms.

In the most recent earnings report, the U.K. was actually highlighted as one of the key contributors to the growth of the overall firm. The imperative last year was to really get our business back onto profitable growth. And I see that starting with our clients.

In our U.K. business we have some great clients. To give you a bit of data, 18 of Accenture's largest diamond clients are based in the U.K. And these are major clients where we both do work year on year in the U.K. and also on their global operations. This includes the major oil and energy companies, the global companies, banks, retail companies and major government departments. So that's a great starting point of long-term major, established clients.

Building on that, currently, 80 per cent of the FTSE top 100 companies in the U.K. are Accenture clients. So the opportunity we have for growth and really building our three growth platforms is how can we expand the breadth of our service to those clients? We have great companies. We have great clients. So frankly, the easiest way to really turn up the dial and drive growth is to expand our presence with them in terms of how we can deliver value.

Last year we also developed a regional growth position, focusing on Scotland, which was an area in which we had been relatively under-penetrated, and we have made some great progress there. And we determined that we had to work very tightly with each of the operating groups and growth platforms. We set up an initiative to proactively create our demand—actually working out how we could bring all of Accenture's capabilities together to approach clients proactively with value propositions. In other words, we had to create our pipeline rather than wait for the clients and opportunities to come to us. And I'm very excited with the progress we're making on that front. So that's what we did with the clients.

Now clearly, in order to drive demand to get that growth, it's also essential that we focus on and pay more attention to our people. So we focused a lot of attention on how we recruit people, how we retain people, how we really deliver on the career promise and their expectations for career progression. And to put it in context, in the U.K. and Ireland, we have over 12,000 people.

Earlier this calendar year, we initiated what I believe was the largest recruiting program ever for a professional services company, certainly in the U.K., and probably one of the largest worldwide: Accenture Careers Time, a very high profile recruiting effort. I can tell you it's been incredibly successful. The quality and numbers of people who have approached Accenture and really seen it as the market leader in which to advance their careers has been great.

And, we've been very pleased with the results. In the last few months, we have been recognized in the U.K. as the top employer in the technology sector for university graduates. Additionally, Accenture was voted as the best company to work for in Ireland across all sectors. So I think we've turned the corner.

William D. Green
Chairman & CEO

I asked David to share that because we've got 48 other people like him in locations around the world. Our job is to run the business. We don't just let stuff happen. We make stuff happen. In these markets, our market share in Italy or France, or Spain, matters to us. And our people take great ownership and pride in how they represent Accenture to the clients in their particular geographies.

I guess the last thing I'd ask you is to give us a sense of how Accenture brings together the skills and knowledge required to meet our client service demands. How do we bring this all together on the ground?

David Thomlinson
Senior Managing Director – Geographic Strategy & Operations

Well, the foundation which we need to put in place is to have a strong leadership team in each country or in each group of countries, so that you can actually take charge. And this is very much the local representation of the operating groups and the growth platforms. How do we pull this together around our clients and our people to optimize our business?

Coming into this role—I'm now in my third month—I have been very impressed with the quality of people and the focus and commitment of teams we have around the world. What's impressive is the fact that our people are not focused on siloed positions to make their job or their country work well. Their focus is on how to optimize Accenture's global capabilities.

One of the things which I suspect we're actually uniquely positioned to do is to really move our people around the world to positions of demand. We can move people with core skills to where they're needed as demand requires. One example over the past year that really demonstrates the scale of our ability to move people around has been our business in Australia. We've had tremendous growth in demand and growth in our business in Australia. We've actually had more than 70% year-on-year growth of our business in Australia, to put it in perspective. Obviously, in order to deliver that, we've had to bring people around, and we've had several hundred people from all around the world move to various key client engagements in Australia.

One of the things which always impresses me is how, because they have common training and common values, our people can come off the plane and be effective immediately. I guess we should be used to it now, but it's always incredibly impressive when you go to a client site and you find people from different countries all switched on and really delivering from day one. To put it into context, for one project in Australia, I believe we currently have people from more than 20 countries represented.

William D. Green
Chairman & CEO

Let me just ask you one other question. Can you give us some insights on our U.S. business?

David Thomlinson

Senior Managing Director – Geographic Strategy & Operations

In the U.S., as in all of our established markets, we see tremendous headroom for growth. It's actually the tremendous breadth of Accenture's services across the three growth platforms, and our tremendous current client list that give us the confidence for growth. Just expanding our scope at our existing clients gives us the room for growth.

So, we have great confidence and see real headroom for growth in the US and in other countries. And, coming back to the leadership teams in the US and in the other markets, we have very experienced senior leaders who are completely focused on this and who are in charge of making it happen. So I have complete confidence they will.

Operations Panel

William D. Green

Chairman & CEO

Let me ask Pam, Steve and Bob to come up. I've asked Pam, Steve and Bob to give you a little color on their roles since they all have titles which may or may not fit your standard definition of what their roles and responsibilities are. Pam, of course, has finished her first year as CFO, and Steve and Bob have been in their posts around three years. We tend to lead the firm in a very collaborative way with a series of interchangeable parts, and that really goes for our whole leadership team. Some days I honestly believe we could reshuffle everyone's title and chair, and they could wake up the next morning and execute the other person's role, including mine, in a first-class way.

So I'm very fortunate to have these three helping me lead the firm. Pam, we'll start with you.

Pam Craig

Chief Financial Officer

Okay, Bill. Thank you. I had a smooth transition to the CFO role just over a year ago, and I must say it is a pleasure to be working with all of the people that you've seen before you today. Let me give you three themes that are important to me in Finance.

The first is driving high performance in our business. And we're aiming to do that in Finance by making Finance more efficient and doing some of the work we do in lower-cost locations, but most importantly, continuing to drive it very effectively. That's working with all our client teams to drive profitable growth. It's about strong internal controls everywhere, and it's also about getting everything we can out of that terrific SAP financial system that we put in a year ago.

The second theme is eyes and ears everywhere. We have Finance people working with deal teams that are trying to construct deals. We have Finance people on the contracts. We have Finance people up and down the organization. My operative words to the Finance team are vigilance and proactivity. And that's what we do—serve up issues, give insights and guidance.

The third theme I'll stress is independence. In Finance, we're not always popular, but we are included. We make it a priority to keep developing a very strong Finance bench. And I'm pleased to say that we're making good progress in driving a shareholder mindset across the whole organization and embedding it in all the business and commercial decisions that we make.

William D. Green
Chairman & CEO

Thanks, Pam. Steve?

Steve Rohleder
Chief Operating Officer

I'm Steve Rohleder, our Chief Operating Officer. Let me talk just briefly about the role, and then I'd also like to touch on some of my operational priorities for FY08 because I think it's important to link both of those.

First of all, one of the key things in the job is watching demand management from the marketplace. And what I mean by that is proactively watching our pipeline in every dimension of our business: how that pipeline shifts between our types of work; how it moves from Stage Zero to Stage One to Stage Two to Contract; and noting any changes that we see in that pipeline to try, as Pam said, to proactively identify trends or market conditions that could impact our business. I look at win rates. I look at renewals. I look at sole-source engagements and what percentage we have. And I talk to the chief operating officers that we have in the business to make sure that we're really on top of where the market is going from a pipeline standpoint.

The second area is supply-demand management. We can sell all the work in the world, but if we can't staff and deliver it, you know, we basically go out of business. So we have to have a very tight connection between our pipeline, the opportunities and the skills we need, and what we deliver to our clients every day. We have a set of actions that happen every week, every month, to monitor that supply-demand balance, and it involves our targets for recruiting, where our attrition is in any given week or any given month, what we're doing from a training standpoint to make sure that we've positioned the people with the right skills to the right clients, and how we share people and move them across all of our geographies, as you heard David say in the prior presentation. So supply-demand management, and measuring those levers and adjusting those levers, and reacting to that, is a very important part of the business.

The third area is managing our cost base. And that's SG&A, that's managing our geographic operations and our contract execution to make sure that we're delivering within the financial goals of what we've contracted for on any given contract.

So those three areas are what dominate my time. In the May planning process, we start with a financial plan, but I also try to adjust the priorities of where we need to spend time to drive improvement within the business. And this year I've got four operational priorities. Number one is pricing transformation. And I'd write both of those words down because it's very important. This is a multi-year process to drive pricing improvement, behavioral change, tools and techniques into our business to allow us to implement pricing decisions quickly and effectively

in any given time period. We do a good job of it now. We need to do a better job of it, and I think we have room for improvement.

Second is sales effectiveness. I think we can get more efficient and more effective in how we sell into the marketplace. It's how much money we spend on sales opportunities and what our win rates are.

The third area is a continued focus on SG&A reduction and how we drive, not only our corporate functions to lower-cost locations, but how we consolidate procurement and drive savings through our base of spending within the firm.

And the fourth area is contract execution—how do we get more efficient and more effective in how we deliver our services to our clients and improve the economics on any given job that we contract for.

So those four areas are the operational agenda for '08 for me. They've actually been cascaded down to each one of our chief operating officers. In October, we held a leadership meeting with 4,000 senior executives, and each was exposed to those agenda items, and will have some subset of those operational priorities in their objectives as well.

William D. Green
Chairman & CEO

Thanks, Steve. Bob, can you take a shot at describing your current set of responsibilities.

Robert Frerichs
Chief Risk Officer

My primary job is managing risk. My role is to make sure that we have a good handle on it and that we have mitigation plans for everything we could possibly see coming at us, to either eliminate it, minimize it, or at least see it early so we can react quickly to it. But I also have a few other things. I'm chairman of the Capital Committee, which has final approval for anything large and complex that we commit to. I'm chairman of our M&A Steering Committee, which works with the groups at the onset of an opportunity, and evaluates it, prioritizes it, prices it, works through the integration and a look-back process where we try to take a look at how we did and how we can improve.

Last year we decided to put a lot more focus on three organizations, which I now have responsibility for. They are Commercial Management, the folks that are on our largest contracts whose jobs are to deliver the commercial aspects of the job; Contract Management, where we're taking the whole art of managing the contract itself to a new level; and Major Subcontractors, where we're taking advantage of our major scale, and we're taking that whole area to a different place. On all three of those I work very closely with Pam and her team in Finance.

I have the Quality Program, which has done a very good job for us and is still a very high operational priority. I help Steve on the Operational Council, and we take on the issues of the day and the issues of the year.

The three of us work extremely closely together. Pam and Steve both help me on the Capital Committee. Pam's worked very closely with me in the M&A area. Pam and I tackled an initiative last year. We've got one in the hopper right now, and there's one on the horizon we're going to go after. And Steve and I work the operational issues and play tag team and work together. So we're just kind of a band, I guess.

William D. Green
Chairman & CEO

By now hopefully you understand that this company's in really good hands—and the seriousness and professionalism with which we do these roles. Managing the assets of the company—the people, the money, the brand, all those things—is essential.

I'm going to ask these folks a few questions. Steve, let me start with you. In your place as COO, looking out there at the economy, reading the tea leaves, how do you feel about the business and why?

Steve Rohleder
Chief Operating Officer

I feel very good about our business. You have heard this morning about the different dimensions of our business. As I look at the evidence of what they talked about, whether it's industry, growth platform or geography, I think we're in a very, very strong position in this marketplace. I think we have a differentiated operating model. I think we're able to deliver seamless service anywhere in the world. I think we have a very unique value proposition that's focused on outcomes for our clients. And everything that I see in the marketplace indicates that we have a differentiated model that's going to be successful. I'm very upbeat on our market right now.

William D. Green
Chairman & CEO

Bob, let me go to you. Last year you talked about the risk profile of the Accenture portfolio. What can you tell us about the risk profile of our portfolio today? How has it changed, if it has changed?

Robert Frerichs
Chief Risk Officer

Last year I mentioned our Capital Committee, which is the body responsible for the final approval of the big things. It has six members, with average experience at Accenture of 30 years. So we've got folks that have seen about everything. We look at the technical aspects. We look at the economic models. We look at pricing. We look at the way that the capital is being used. We look at the terms and conditions. We look at the deal structures. We go through the whole thing. And, of course, a lot of groups have looked at it before it gets to us. But the proof is in the pudding. And last year again our performance in delivering on our commitments has taken a

significant improvement for the third year. At the next level, the quality program has a slew of initiatives we keep focused on. Last year we measured every single contract all the way to the completion and compared that against what we committed to at the onset and how we delivered it. We measure that difference, and that difference has improved again. And I have to tell you in both the big stuff and the rest of the portfolio, there's nobody in the market that's even close to us in being able to deliver what we can. So I feel very good about our portfolio.

William D. Green
Chairman & CEO

Thanks, Bob. Okay, Pam, I've got a couple for you. There's been some press, or some rumors, about Accenture potentially buying ACS or even Bearing Point. Can you address that?

Pam Craig
Chief Financial Officer

There are always rumors, and maybe we're sought out because we're known to have a strong balance sheet. To the specific question, I'll just say that we have very high investment criteria. Let me be clear. We're continuing with our tactical tuck-in strategy on acquisitions. And our recent transactions confirm that. Mark mentioned the George Group, with Lean Six Sigma, process consulting, which we completed in August. Last month we purchased H.B. Maynard, a small company with workforce offerings in the retail industry. We've announced Corliant, which has deep technical expertise in network consulting. And Lisa mentioned Gestalt, which is focused on public service consulting. This is our strategy. It serves us very well. And, as you know, when we think we can do it ourselves organically, like we did with our global delivery network in India and elsewhere, then we're going to opt for that. So I think that given that we have some founders shares out there that are still to be unlocked, the best use of our cash remains buying back stock. It's accretive immediately and the outcome is clear.

William D. Green
Chairman & CEO

Great, thanks. And then one other question where there's confusion and a lot of these are even confusing to me sometimes, is the thing we call the '09 issue. Maybe you could just give us a little clarity and a simple explanation of the '09 issue and what we're doing about it.

Pam Craig
Chief Financial Officer

Sure. As you may have seen in our 10-K, we have 98 million shares of stock held by partners who have left Accenture. And those shares are scheduled to become unlocked in July 2009, which is eight years after we IPO'd. And that's lots of shares. That 98 million has been referred to as the '09 shares. It's really important to note that over 70% of the 98 million shares, 72 million or so, are only redeemable through Accenture. They are SCA Class 1 Shares. In the

past, we've overwhelmingly used cash to redeem SCA Class 1 Shares from founders, and it is our current intention to continue to do that. So a strong and liquid balance sheet, coupled with a total share repurchase authorization of \$4.65 billion, gives us the means to do that. So the point to remember is that we at Accenture control how 73 million out of that 98 million will be redeemed. And they do not go directly into the market. Now, less than 30% of the 98 million are held by founders who hold Ltd Class A shares. And they are the ones that can be sold directly into the market. Needless to say, we're very focused on making sure there's an orderly transition of those shares into the market, just as we have been all along on this eight-year journey. We actually started out with 800 million founder shares when we IPO'd. And we've been on a path where all along the split has been that—roughly 70% SCA Class 1, and 30% Ltd. All along we've been on a path to assure a smooth transition of those shares into the market. We're going to continue with our quarterly opportunities for founders that are active with Accenture. All people that continue to work at Accenture that are founders have quarterly opportunities to sell or redeem shares. We also did three sets of discounted transactions, which you may remember, for the inactives—the ones who had left. We actually reduced the '09 overhang by 73 million shares through those discounted transactions. And, finally, I think it's important to note that the founders, both those who are still with us and the many who have left, actually have held onto 80 million of their unrestricted shares. So I'm really confident that we have the tools and the means to smoothly work through the final stages of lifting the transfer restrictions on founder shares. And we intend to do it in a manner that benefits all of our shareholders, and, most importantly, is not disruptive to the market.

William D. Green
Chairman & CEO

Let me just wrap up here quickly. I feel good because we've given you an update, a refresher, about who we are, about what we do, about where we do it. I think we've addressed the issues of economic challenges and discretionary spending head-on. I think we've tried to articulate where we are and what we see and what we feel about the business to make sure you understand that we are managing this business for both the short and long term. As I say, one foot in today and one foot in tomorrow. We have a lot of levers so we know where we are. And maybe most importantly, we have a leadership team that nobody in this business else can touch. We get up in the morning, we've got to drive this business, and so we're going to do the darnedest we can to make sure we navigate through whatever happens.

As I said at last year's conference, our aspiration isn't to be the best-performing company in our sector—because we are the best company in our sector. Our aspiration is to be one of the world's great companies. And these times are the test of the world's great companies, and I frankly think we're up to it.

I appreciate your support of Accenture. I appreciate you being here and listening and understanding what's different about us. Because there may be challenges in the market, but they may be a unique set of opportunities for the future of our company. That's what we're going to find, and that's what we're going to take advantage of.

So thanks for your support, your help, your leadership, and for tuning in today.