Accenture's Investor & Analyst Conference

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New York

KC McClure
Managing Director, Investor Relations

Good morning. I'm KC McClure, Managing Director of Investor Relations. It is my pleasure to welcome you here this morning.

The theme of the conference today is Driving Growth through Differentiation. We have an excellent program lined up for you here this morning, and I'm pleased to say that we have some of our top leaders here to take you through it.

Before we start, let me remind you that some of the matters we will discuss in today's conference constitute forward-looking statements relating to Accenture's operations and results. We wish to caution investors not to place undue reliance on such forward-looking statements. These forward-looking statements involve a number of risks, uncertainties, and other factors that could cause actual results to differ materially from those expressed or implied in the presentations, including that our results of operations could be adversely affected by negative or uncertain economic or geopolitical conditions, and the effects of these conditions on our clients' businesses and levels of business activity.

The risks also include, without limitation, the risks, uncertainties, and other factors discussed under the Risk Factors heading in our most recent Annual Report on Form 10-K and other documents filed or furnished with the Securities and Exchange Commission. As always, Accenture undertakes no duty to update any statements made in these presentations, or to conform such statements to actual results or changes in Accenture's assumptions and expectations.

I would also like to remind you that we will not be providing you with an update for, or making comments related to, our third quarter of Fiscal 2011, or our business outlook for the rest of the year.

So, once again, thanks for joining us today, and it's now my pleasure to introduce Pierre Nanterme, our CEO. Pierre.

Pierre Nanterme
Chief Executive Officer

Thank you, KC. Good morning everybody, bonjour à tous. I'm just delighted to be here today to welcome you to our Investor and Analyst Conference in New York.

Since becoming CEO, January the 1st, I've been traveling all around the world meeting with our clients, including many of our largest relationships, what we are calling our Diamond clients, as well as with our people. And, frankly, I couldn't be more pleased with what I've heard as with what I've seen about the great work that we are doing for clients day in and day out. It makes me, today, extremely proud to be leading Accenture.

Our goal today is to bring to life what Accenture is doing to drive sustainable and profitable growth through industry differentiation, enabled by leading-edge technology. Our full Global Management Committee is with me today — the front row and the second row, you see our Accenture Global Management Committee — and you will be hearing from many of them about our strategy in action.

And, of course, I'm extremely pleased as well that today we have with us Bill Green, our Chairman, who through these last months has been for me a fabulous mentor, coach and good friend during all the transition, so thanks a lot, Bill.

This year, we also wanted to try something which is a little different. We are going to bring part of the Accenture world directly to you by Telepresence here in New York, and you will see that later. So you will hear from our leaders in Brazil, China, India and the United States.

But first, let me start with a quick recap of our recent financial results. As you know, we have been on a solid growth trajectory in the first half of fiscal year '11, delivering 16% local-currency revenue growth, and 23% EPS growth over the first half of last year. Our growth has been well balanced across the different dimensions of our business, including nearly every industry and geography where we operate, as well as across Management Consulting, Technology and BPO. We not only delivered a very strong second quarter, but we also raised our business outlook for the full fiscal year. And we have been able to achieve these results because we have the right strategy in place, and we are executing it in a way that truly differentiates Accenture from the competition.

Our strategy is all about operating at the heart of our clients' businesses, from envisioning and architecting solutions, to designing and building them, and even operating solutions on behalf of our clients. We help our clients with their most-complex mission-critical issues, from the tactical performance improvement to the true business transformation. We have great discipline and execution. We are managing our operation with great efficiency, especially when it comes to hiring, training, and deploying our people around the world. As a result, we are growing market share and we are delivering strong financial performance.

We are confident in our ability to sustain profitable growth because, indeed, we are uniquely differentiated.

We have client relationships built on trust with the world's leading companies and governments. Guess what? We serve 94 of the *Fortune* Global 100. But even more compelling, from my perspective, of our top 100 clients, 92 have been clients of Accenture for at least 10 years, 10 years in a row.

We have an unmatched depth of industry skills, with expertise across more than 40 industries. And, again, even more compelling, more than 100,000 people in Accenture in our operating groups and growth platforms are aligned with industry.

We have a unique ability to integrate the full range of our services, including Management Consulting, Technology Consulting, Systems Integration and Outsourcing, as well as assets, to deliver innovative solutions to our clients. In particular, our Management Consulting capabilities are now recognized as industry-leading, with more than 16,000 professionals focused on delivering tangible, concrete value to clients, from top-line growth to bottom-line savings.

We have truly global scale, with more than 215,000 people around the world serving clients in more than 120 countries. And we are expanding rapidly in our high-growth markets.

We have a proven track record of delivering on our commitments to clients. Industry analysts rate Accenture at the top of the market in execution, noting our ability to deliver against business-outcome-based objectives.

We have built the world's largest global delivery network, with more than 50 delivery centers, and 122,000 delivery people around the world.

In addition, we are the world's leading implementer of ERP solutions. ERP is very important, for us. ERP is at the heart of our clients' business transformation programs, and we are seeing demand as consolidation continues.

And finally, in a world where trusted relationships with clients are the name of the game, we have built one of the most recognized and admired brands in the world, which today is ranked among the top 50 global brands.

Looking at the world today, I believe that the major business and technology trends play directly to our strengths and are creating unique opportunities for Accenture. Some of the key trends include, and they're probably already well-known:

- Globalization, which is driving more consolidation and fueling demand for our M&A services, as well as for global operating model transformation;
- Increasing regulation, which is driving demand for risk and regulatory compliance activities, the development of new capabilities, and an accelerated focus on sustainability-related solutions;
- Operational excellence to achieve greater productivity, which is driving demand for our core capabilities in ERP, process re-engineering and technology rationalization; and

- Innovation. Whether helping our clients bring products to market, leverage new technology waves, or enhance the customer experience, innovation is driving demand for next-generation solutions.

And, at the same time, our clients are navigating new waves of technology change, which are driving huge opportunities for us.

- Of course, everyone is talking about cloud computing which, over time, will change the way clients use technology to support their businesses. Clients are definitely attracted by the flexibility of the cloud, but it must integrate with their existing systems, and this is the key opportunity for Accenture. You will hear from Don [Rippert] later about that very specific topic; I know it's hot on your mind.

- Another technology wave is mobility, which is taking off across the enterprise. Our clients are working with us to tap into the power of mobility to interact with their customers in new and different ways, to roll out new products and services faster, and to engage with their employees and sales teams more effectively. Again, you will hear from Marty Cole, who is leading that initiative for us, later in the morning.

- Another technology wave is around the explosion of data. The incredible volume of data and the increased complexity of data management are driving demand for Accenture services.

So all these trends are accelerating the business- and performance-improvement agendas for our clients — the industry leaders — who know they have to act now to get in front of challenges and seize opportunities.

I've had the opportunity to meet with many of you, and one of the things you've been asking me is, what will you do differently? I believe it's pretty clear that we have the right strategy in place, and that we are executing against it incredibly well, and I think our Q2 results are just speaking for us.

So going forward, we are looking at a number of ways to accelerate the focused execution of our strategy through targeted investments. Let me explain.

- From an industry perspective: We will continue to invest and serve clients in all industries, just as we do today. And we will prioritize our investments around a core set of industries — including health, consumer goods, banking, and communications, among others — where today we see the opportunity for even greater return.

- In new initiatives: We will continue our focused investments in analytics, cloud computing, digital marketing, mobility and smart grid. These initiatives have proven to be the right bets, and our focus in these key areas these last years is already driving results.

- From a geographic perspective: Our focus is on rapid expansion, but, again, in a targeted way both in our high-growth markets, as well as in mature underpenetrated markets. And, again, later in the morning you will have the opportunity to hear directly from our leaders in those countries.

- And in our operations: We will continue to drive efficiency in everything we do. We will be as competitive as anyone else in each and every business we are operating in.

Differentiation and competitiveness are the two pillars of Accenture's strategy. We will execute at speed and at scale — at speed, because we are in a fast-changing environment, and at scale, because we are operating on the global stage with global clients.

During our time together this morning we will bring these growth opportunities to life and we will share with you the steps we are taking with the [Global] Management Committee to accelerate the execution of our strategy with discipline, driving efficiency into our organization to deliver the outcomes that our clients and shareholders expect.

After those few words, we are ready to go to the different presentations. And as you probably clearly understood from KC and from me, the theme of our conference today is all about driving growth through differentiation, two words which are close to the heart of our chairman, but close to the heart of all Accenture leaders and people.

So this morning, we're going to tell you how Accenture is differentiated in the marketplace, either by industry, which is going to be our first section, by technology, with our best technology leaders here, and by geography, with Pam Craig, who will lead that section in our virtual world of Accenture.

Industry Differentiation

Pierre Nanterme
Chief Executive Officer

So let's get started first with industry differentiation, and I will ask three distinguished members of our Global Management Committee to join me:

- Shawn Collinson. Shawn is our new Chief Strategy Officer. For those of you who were here last year, you'll remember that Shawn was already driving our global industry programs. He's as well a true client guy, driving one of our largest diamond clients, and when we contemplated the opportunity to appoint a new Chief Strategy Officer, the name of Shawn came first, as just a natural extension about what he was doing last year, and he's a true industry and client guy.

- Sander van 't Noordende. You probably remember Sander as not only the Flying Dutchman, but leading our Resources operating group extraordinarily successfully these last years. Sander is now our new head of Management Consulting, and again, he will leverage all his experience as an industry leader to infuse industry skills even further in our Management Consulting group of 16,000 people.

- And Mr. Communication & High Tech, Marty Cole, who runs for us this industry, but not more importantly, but I would say in addition — because Marty's definitely a big guy so he could do two things — he's leading our Mobility initiative, which is extremely important, as you noticed in my presentation, and he will explain to you what it is we are doing to take that initiative across all Accenture.

Shawn, over to you to start.

Shawn Collinson
Chief Strategy Officer

Thank you very much, Pierre.

Good morning everyone. I'm Shawn Collinson. As Pierre mentioned, I'm Accenture's new chief strategy officer, responsible for our growth and strategy. It's a fabulous role, and I'm delighted to take it on at this point in Accenture's history and the evolution of our industry. There's just so much to look at for all the reasons Pierre just explained so eloquently in his introduction.

I'm going to focus this morning, though, on one element of our strategy, which is how we're driving growth through industry differentiation. So, together with Sander and Marty, I'm going to tee this up first of all and basically cover three main things. Firstly, why does it matter to us…why is it important? Secondly, to share a few insights about how we do it. And thirdly, to bring that to life with a few examples, tying together the different components that constitute Accenture.

Why does it matter? In a way, it's sort of obvious. You saw it in the presentation –the little video at the beginning; you heard it from Pierre. Our clients value industry skills and experience. That was true before the crisis and it's even more true after the crisis. They want people who can see their industry issues in the same way that they do – but can bring some different insights to them. They want people who have the experience of having been there before and can show how technology can be applied to business advantage in their organizations. It helps us win more, it helps us deliver better and it leads to higher client satisfaction. We get that right; it creates the oxygen for us to invest in our business so we can differentiate further, win more, deliver better and have a higher client satisfaction. It's no surprise: 10-year client relationships with 92 of our top 100 clients. So, it's a virtuous circle.

So let me share a little bit more about how we do it. Pierre was kind enough to mention that I come to this role having done a couple of other things. Most recently, I was responsible for industry and market innovation across Accenture, all of the industries in Accenture, if you like, reporting to me. When I took on this role, together with Pierre, we decided we'd move industry into growth and strategy because it's such an important element of our strategy. I have 19 industry management directors who work for me in that role. These are some of our most senior leaders in Accenture. You'll find them in the C-suite of our clients, you'll find them in the media, you'll find them on the public stage. Earlier this week in Amsterdam, we hosted our International Utilities and Energy Conference. Our Utilities managing director and Energy managing director were the compères to that conference, and we had over a hundred of our leading clients from those two industry sectors there. In a couple weeks time, we'll be hosting our Global Convergence Forum. Again, a couple hundred of our leading clients around the world will be there, led by our industry managing director. So, we also look for these people to be in the market a lot, and that's very important for what we do.

Let me highlight three elements of what I ask these people to do because I think it's important. Firstly, around thought leadership and innovation, secondly, around asset-based differentiation and thirdly, around skills and talent. Our clients expect us to know what's happening in their industry so we can be relevant to it…so we can bring experience from outside. So, if we're talking about – I don't know – in the energy industry, what is the impact of rising population growth on the energy demand mix? How soon will clean energy come in as an alternative? What's the impact of clean fuel standards in the U.S. and the refining industry? What does that mean to the investment approach in their capital management programs? What's the impact of new risk and regulation in the banking sector? And so on and so forth. Vertical by vertical, we invest in our Institute for High Performance and Accenture Research, a unique worldwide network of talent, so we're really relevant to the industry themes which our clients are looking at.

The second part which we ask these people to drive for us in the industry strategy is around asset-based differentiation. That comes to the heart of how we sell more, deliver better and deliver higher client satisfaction.

We're investing in a more IT-centric asset-based approach than we may have done in the past, and Pierre alluded to some of that. We look at how we drive growth organically but also inorganically, and I'll share an example in a moment of one recent example of that just to bring the strategy to life for you.

And the third thing which is really important is how we drive our talent, our global talent. As Pierre mentioned, we get hired for some of the most complex business transformation programs that our clients do. They look to the same consistent brand execution of Accenture around the world. That is the reason why we have over 100,000 of our people specialized in industry skills across consulting, technology and outsourcing. If you go to the Global Delivery Network in any of its 50 locations, you will see industry all around you: you're walking through the insurance bay, you're walking through the retail bay, you're in the capital markets bay. That's really important in terms of the skill and talent.

And the last thing we ask these people to do is how we put that combination of industry and market together so that we get the concentration of skills and the location where it's important for local market development. So if capital markets — New York, London, Singapore, industry hubs. If it's energy — Rio, Houston, Aberdeen, Perth in Western Australia. If it's high tech — the West Coast, Korea. So there's a concentration of industries, clients, talent which makes us extraordinarily relevant to the geographical growth of our business. We have over a hundred of those industry hubs now.

So you can tell, I'm pretty passionate about industry; it makes a difference to us, it's hugely different for us, and it sort of sets clear distance between us, I think, and anybody else.

The third and last thing I wanted to cover was just to give a couple of examples. Pierre mentioned that we're focusing on some priority industries. Consumer goods, health, banking and utilities, amongst others. So, in consumer goods, you might have seen, recently we completed an acquisition of a company called CAS, a software company in the CRM space, with a particular proposition around helping consumer goods companies manage their trade channel better, sell more products, more profitably. We acquired CAS, and it brings together a lot of really important things about the way we do things in Accenture. It's software; we put it in Accenture software. We make it more than software — we pull through all the integration services around it. We integrate to our mobility capabilities and analytic capabilities — growth initiatives which Pierre talked about. So these aren't abstract nouns just talking in general, these are specific things focused on a particular part of a client's value chain — in consumer goods, in this case.

Secondly, in banking — an asset-based approach. So, we have a client we announced recently, BBVA in the U.S., where we're helping them with the technology transformation of their retail banking business here in the U.S. It's an asset-based delivery based on our Alnova core banking solution, and the value proposition will help them to get new products to market faster and will help them deal with all the changing regulations going around the banking sector. Clear value proposition, asset-based approach, priority industry, working with one of our largest long-term client relationships as they expand their footprint globally.

Health. Health around the world is a priority area for many governments and agencies as populations expand and get older, and the challenges around optimizing service and cost. We've taken a very distinctive look at health over the past year, led by Steve Rohleder and his group, looking at how we can be distinctive and become part of the fabric of that industry. We've chosen five priority areas — insight-driven health is the overall banner which we give to our approach around medical records, health information exchanges, customer care, and all the administrative processes that go around the back of that. A good and recent example of our success here is with the Singapore Ministry of Health, where we're helping them to implement their electronic health records for the nation.

And the last one in the time I have is to talk about utilities. So utility companies around the world are dealing with challenges of expanding their grids to meet new power demand, with aging infrastructure in the mature world, and very heavy investments in the developing world, but they're also dealing with the challenges of integrating new sources of energy generation on to those grids. They're also dealing with new sources of demand being placed on those grids, and so there's a requirement for more intelligence in the grid, the so-called smart grid. You may have heard me talk a little bit about that last year when I presented in the Morgan Library. You know, I think the measure of success for us with our focused strategy in that area is we're now working with clients in over 20 countries around the world helping them with their smart grid initiatives.

So that's a summary I guess of why it's important, how we go about it, and some examples to bring color to it. I suppose the net-net for me from all of that is industry just permeates through Accenture. It's not our only strategy and it's not our only source of differentiation, but in the end, it's really unique for us the way that we tie it all together.

So to bring that to life further, I'd like to pass on to Sander. He's going to talk about industry in Management Consulting.

Sander van 't Noordende
Group Chief Executive – Management Consulting

Thank you very much, Shawn. And it's, of course, great to be here. The last time I was here it was with Barbara Walters for International Women's Day. I don't know what company is better, but it's a good compare, I would say.

So Pierre commented on the business strengths and how we're positioned. Shawn commented on industry differentiation. Let's now look at the how — how we are addressing those opportunities and what role Management Consulting is playing there.

If there's one thing that I would like you to take away from my little speech here, it is that Management Consulting is a key differentiator for Accenture as a whole. That's the one thing I would like you to keep in mind. But before I tell you a bit more about it, let me grant you a little bit in what we're doing in Management Consulting, because it's quite broad and we have service lines focusing on the key executives in each of our clients. So we work with the CEO on strategy, on M&A, on sustainability; we work with the CFO on finance performance management and risk; we work with the COO on operations and supply chain; we work with the Chief HR officer on talent and organization performance; we work with the Chief Marketing Officer on marketing and sales. And to make sure that this is all industry-relevant, we have aligned all our 16,000 people to an industry, because finance in a bank is different from finance in an energy company.

So why do our clients like to work with Accenture Management Consulting? First of all, we understand our clients' challenges, aspirations, business issues — be it growth, costs or risks. Then we deliver, we deliver value. We deliver value with certainty, we deliver value early in the game, we deliver value at pace, as I said early in the game, but with certainty, we put skin the game, and we deliver value with strategic agility. And we make sure we leave our client's organization a better place so that they are equipped for the future.

So why is Accenture Management Consulting a differentiator for Accenture as a whole? Because we pull through other services. We're in there early with the client working on their

most important challenges, we build up the trust and the relationships, and that positions us very well for the subsequent phases of work. It's actually as simple as that.
So you might ask, Sander, well that sounds sort of interesting, but tell us a bit more, what's your secret, how are you doing it? And there are really five things that I would like you to take away.

First, we know how to do Management Consulting. Second, we have deep industry and functional skills. Third, we innovate the way we do Management Consulting. Fourth, we deliver with skin in the game. And fifth, we can do all that on a global scale. Let me take you through each of these.

So we know how to do Management Consulting, and when you hear me talking about we know how to do Management Consulting, you have to keep in mind that we have been in this business for 25 years. Management Consulting at Accenture is not a bolt on, it's not an afterthought. We have been doing it for many years for the same clients. And I was at that Utilities conference earlier this week delivering a speech, and I was seeing the same clients as I was seeing 20 years ago when I started as a Utilities consultant in the Netherlands. And we can do that because we have the best team — 16,000 industry-relevant people with what I call the Accenture Management Consulting character, smart but also pragmatic and focused on delivering results. And we have pulled together all our collective experience in what we call the AMC Way, how we do Management Consulting. All our assets and methodologies pull together to differentiate at the client, and to make sure all our clients get the best of Accenture every day.

Second, deep functional and industry skills. Probably best to illustrate that with a couple of examples. Based on our experience in the automotive industry, we worked with Tata in India to sell more cars, and they have increased their market share significantly in four states in just nine months. For PepsiCo, we combined our finance knowledge with learning, and we're training each year for them 3,000 finance professionals so that they are better equipped to help PepsiCo grow.

Then we innovate. We innovate not only for our clients, but we innovate the way we do Management Consulting. We now have over a thousand people in our global talent delivery network in India and in China, and these are Management Consulting people doing Management Consulting work either from where they are in India or China or at the client site. And you can understand that this has major benefits for us in terms of quality of the work, flexibility, and of course cost to deliver.

Then we deliver; we deliver end to end. Again, let me give you just a couple of examples. We worked with a big logistics company on streamlining their procurement and doing strategic sourcing. The client liked the results so much that we're now doing F&A outsourcing.

And we put skin in the game. With China Telecom, we do precision marketing. We focus on churn and client retention, and here comes the skin in the game. We only get paid if we deliver the results, and we can do that because we are confident that we can.

Then we operate on a global scale. For Vale, the mining company of Brazil, they have just done a number of acquisitions internationally, a key growth driver for them. We helped them integrate those acquisitions and do a risk management program for them.

So in summary, Accenture Management Consulting is a key differentiator for Accenture overall because we know our clients' issues, we know their challenges, we work with them side by side, we build up the C-suite relationships, and that is what sets us apart from our technology competitors. And we deliver with skin in the game, and that is what sets us apart from our traditional consulting competitors. And that's all important for you and for me, as shareholders, because it's driving profitable growth for Accenture.

Let me now hand it over to Marty, who can tell us where the rubber hits the road in CHT.

Marty Cole
Group Chief Executive – Communications & High Tech

It's great to be here with all of you today, it's great to be in CHT. And it's great to be back. We're growing again and we have the honor and pleasure of serving the most important companies in this sector.

Today we serve 14 out of 15 of the largest telcos in the world; six out of seven of the largest media companies around the world; and more than 80 percent of the largest technology companies throughout the world. So these are good times; these are exciting times. And as you heard a little bit from Pierre, from Sander and Shawn, there are a few themes that I'd like to focus on; there are really three themes that are driving our growth today.

One is around investing in innovation. So in the past, we talked about managing through challenging times. We've now moved on to investing in innovation. Secondly, you heard reference to globalization and consolidation, and what does that mean for our business? And then third, mobility. And then I'll also bridge from how we're working in mobility to how mobility is impacting the rest of Accenture and the initiatives we're driving.

So first, as you think about innovation, we've moved from managing for cost only, and now how do we grow that top line? So we're working with clients as they look to better acquire and retain customers. Think of it in particular in the wireless space. Sander made reference to an example in China on churn management; we're doing this in many telcos around the world. How can they acquire those customers, retain those customers, grow the top line while also managing to the bottom line? Another area that we're seeing is around just transforming the overall customer service function; how can I deliver better products more effectively and more efficiently? So think about new CRM systems, customer relationship management systems for large service providers, for large high-tech companies. There's a new wave that's occurring of implementing CRM systems — effectively the life blood of most of these technology companies — and we're participating there, as well.

The third area — and you'll hear more about this in much greater depth and with a lot more, probably, sophistication, from my colleague, Don Rippert, our chief technology officer — is the cloud. But I operate in a rather unique space in that my clients are building the cloud — the technology companies, the carriers — so we have the opportunity to work with them, to partner with them, to enable them to be cloud providers. And we're working with carriers around the world — probably the most visible right now, and where the greatest announcements have been made, is with Telstra in Australia, where we're partnering with them to be the cloud provider throughout Australia. But we're also working with other partners like VM Ware, Microsoft, Cisco, Net App and EMC. So it's quite an extensive network where we're enabling — it's like we enable their delivery, their product development.

Around globalization and consolidation — as the market has consolidated, as companies from Europe move into Latin America, as companies from Western Europe move into Eastern Europe, as providers from Asia-Pacific move into Africa — we have the opportunity to serve them and we are. The best example is work we're doing with Telefonica, the large Spanish provider, but also the large European provider who has moved very aggressively into Latin America. We work with them on a global basis leveraging our Global Delivery Network, so we can ensure that the same services we provide to them in Spain, Czech Republic are consistent with the service we provide in Brazil, Columbia, Chile and any other country in which they operate.

We also work with companies like Oi in Brazil as they're recently done the acquisition and have gone through the merger with Brazil Telecom, so, again, enabling through our Global Delivery Network, a consistent level of service.

On mobility, that third theme, which we see now as a major tech wave. You might think of this primarily as a consumer product where all the excitement is. But as we all adapt our own new devices, whether it's an iPad, a tablet, playbook, smarter phone, we're putting demands on our CIOs and they have to address those demands, so there's a new wave, this technology, as we look to develop new solutions in the enterprise where there's opportunities for us to deliver these services. There's billions of connected devices, there will be tens of billions of devices in the future as we then also look at the machine-to-machine wave, driven by technology companies, communications companies, all of which provide opportunities for us. And we're doing work today, again with Telefonica and other European carriers on the whole machine-to-machine architecture and platform. How do they deliver this in a more cost effective and secure way?

Because of my experience around mobility, being the Communications & High Tech operating group lead, Pierre asked me to also extend my reach and drive mobility initiatives across all of Accenture, because this isn't just about Communications & High Tech. Think about the opportunities that Steve Rohleder has in our healthcare sector. Think about the opportunities that Gianfranco has, wherever Gianfranco may be, in automotive, telematics, infotainment. There are opportunities in utilities. So we're now looking at how do we take the experience we have in Communications & High Tech, the experience we have in technology with our industry colleagues to develop industry-specific solutions on mobile platforms. Big wave for us, big opportunity, because that level of change demands integration, and that's where we're at our best.

So we've developed a set of offerings in the mobility area that's very consistent with what we do each and every day: consulting, software services, managed services with a business integration wrapper. We see this as an opportunity to take our day-to-day skill set, our technology skills, our industry skills and drive these offerings into the marketplace. We believe that being industry led with the technology enabler provides an opportunity for significant incremental growth, and that's really where we're bringing this together. So while we call it an initiative, it's not something that is an add on, it's how do we drive our capabilities in through the marketplace?

So we're very excited about it, as you can tell, hopefully you can sense my passion. This is an area where we see a lot of opportunity working with our clients in communications, working with our clients in high tech, and then driving it through the industries. A lot of opportunity as mobility is this wave, and we think about it as always on, always connected.

Pierre, back to you.

Pierre Nanterme
Chief Executive Officer

Thank you, Marty, and I'm sure that everyone has noticed your passion.

Thank you Marty, Sander and Shawn. I'm sure that now you have a better feel and understanding of what industry differentiation means for us, but as well, what it takes to be a leader in that game. And as you've seen, we continue to raise the bar in order to put more distance between us and any competition.

Technology Differentiation

Pierre Nanterme
Chief Executive Officer

Now we're going to turn our focus to Accenture technology differentiation. And I will ask Kevin Campbell, who runs our Technology business, and Don Rippert, our chief technology officer, to join me. We have a massive respect for those two gentlemen at Accenture, because they are leading 70% of our business day in and day out. And just for that, delivering around the globe, the way we do seamlessly, is just second to none. As you might know, every 10 years, there's a kind of big technology wave when you probably, for those that have been born before 1990, you would remember client server, then we have the Internet, and now we have again a new wave and maybe not one, but maybe the combination of multiple waves coming together at the same time to create the kind of unique combination, the kind of perfect storm, to create a unique set of technology opportunities for us. But I know that Don and Kevin will get us through that. So, Kevin, over to you.

Kevin Campbell
Group Chief Executive – Technology

Thanks, Pierre. Last year when I stood in front of you, my job was to convince you why we felt optimistic about our growth prospects in technology, how we were making investments, where we were making investments. This year the evidence is clear. We're growing, we're taking market share and we have an excellent position. So now your question is, can they sustain it? How can they sustain it? How are they doing?

So let me just remind you first about what technology is for us. Technology ranges from our technology consulting, when we consult on IT strategy and governance, to our security consulting, to infrastructure consulting, to application modernization. It also includes our systems-building business and our systems-running business, both applications and infrastructure.

We also work very closely with our BPO business on the outsourcing side in order to enable the processing that they do there, and we support the applications and infrastructure for that piece. It also includes our labs, our alliances and, of course, our Global Delivery Network. So it's a significant part; it's almost 140,000 of the people in Accenture that come to work every day.

So, we have — you've heard the waves and whether they're mobility, cloud, real-time data — those waves are ones that we've invested in, and sometimes in the past we've had to catch those waves. I think I feel very good about the fact that we've invested ahead now and we're riding those waves.

So why do clients pick us? Clients pick us for primarily four reasons. The first one is our ability to be global and to be the most-global provider. We do work today in 120 countries – 120 countries; that's much more significant than any of our other competitors.

Second thing, and you've heard this from Sander and Shawn and Marty, is the industry experience. And just like in management consulting, Sander talked about industry. In technology consulting, in technology overall, we're aligned by industry. So while we have technology experts, we build deep industry experience and we have industry experience at scale, not five people we went and hired. And we have a machine that continues to produce those.

Next, and I believe a very, very important factor these days, is our unique position in the technology ecosystem. We are the largest independent provider of technology. Clients look for us for unbiased advice, but with a point of view. And those of you who know Don and I, you can be sure we always have a point of view. Whether it's the large ERP providers or technology providers, we're number one in SAP. We're number one in Oracle. We have our joint venture with Microsoft; we're number one in Microsoft. Or it's the disruptors. Salesforce — we're the number one implementer of Salesforce; we're the number one implementer of Workday; we're a significant partner of Red Hat. We're a significant partner when it comes to SpringSource and all the rest of the other innovators. It gives us a unique position because not only can we help our clients choose the best, we get unique insights because they're willing to spend time. When Don and I spend our time in [Silicon] Valley and around the world, everybody opens their doors to us, walks out of board meetings, does whatever they need to, to meet with us, because they want us to understand their products and how to drive it.

And the last thing, probably the most important, is our track record of results. We not only can get the IT projects done and when we do that, we also get the business uptake, the business adoption. Because one thing is to get the systems screwed in; it's another thing to actually get the users to use it and get the business benefits and the business case. And that's where our end-to-end capability is unmatched. So if it's global, if it's hard, if it's a wide range of technology and it's unique to your industry, basically, the clients tell us they come to Accenture. We're getting them to come to us for some of the easy stuff too, but more and more we're working on it.

So, let me give you a couple of examples. At Freeport McMoRan. It's a global metals and mining company throughout the world, multiple acquisitions. They wanted to integrate the company as one so that they can operate from Chile to the Congo with the same models and the same information. We implemented SAP for them on a worldwide basis, wall to wall. But not only did we do that, we were also able to help them redo their technology infrastructure. They wanted to be able to have a more flexible infrastructure and be able to take advantage of some of the advances in technology. So we helped them implement that. We virtualized their infrastructure. We saved them significant dollars, which they could reinvest in other things, and we also have a contract to run that infrastructure on an ongoing basis. So we're running what we call a private cloud for them on a long-term contract. So we got the business together; it's flexible, it's responsive. It beat their cost numbers, and they're very excited about what we've done.

At a large insurance company, they asked us, hey, we've got a multitude of systems. Can I take those systems and can you help me reduce the costs? And we said sure. So we did that. Doing some application maintenance for them. But then when we got working with them and we understood the claims business — and these weren't side systems — they gave us the claims processing. And we looked at that, and the thing is the business didn't have a 360-degree view of their data and what they were doing. And the reason they didn't was because the systems weren't integrated. So we started with, some of you would say, the boring stuff, which is how you synchronize all the data. It's always more fun to talk about the analytics and predictive and stuff like that, but it requires a lot of work to be able to do that.

So where are they today? Their claims are getting processed faster. The adjusters in the field now have all kinds of geo-spatial analysis and other things, tools to help them figure out where things are going and what they're doing. We also have all that data in an integrated data source that we've delivered to them on a mobile platform. So not only do the executives have a 360-degree view of the business, they have that view right here on their handheld device. So that's an example.

The third example I have is, I know most of you don't travel quite as much as some of us and we're all trying to reduce our travel, but you're pretty familiar with hotels. So whether it be the Starwood family of hotels or it be the Hilton family of hotels or the Marriott family of hotels, we do a variety of things for them. And this stuff is stuff that has to work. Think about it, when they call in for those reservations and those numbers you looked at, that's usually the systems that we're running, that we have to plan for. And believe me, it's not an even pattern of how people call in for reservations. It's like everybody decides they're going to plan for their school vacation at the same time and everybody calls and goes through that search. When you check in and whether you check in at the kiosk in front, you check in with your mobile device — which you can do more and more right now, and we've implemented for some of them — or you go the old-fashion way and check in with the clerk. That's us, helping run those systems that they look at. When you go to your room and there's something wrong and you call the desk, where do you think they enter that information, that work order, to get that fixed? That's the systems that we maintain for them. When you want to make sure you get your points, because we might as well at least get our points if we're going to spend that amount of time. We get those points and those systems we keep track of, real-time, stuff that has to work every second of every minute of every day, 365 days a year.

So one of the other questions I know you have — so hopefully you can feel some of the passion about where our positioning is and some of the things we're doing with our clients — but I know you're all going to say, yeah, but what about cloud? Our favorite question of the day.

So I've asked Don, who many of you know is our chief technology officer and one of the most respected minds in technology, to talk a little bit about the cloud with you.

Don Rippert
Chief Technology Officer

Thanks, Kevin. And I do want to talk a little bit about the cloud. The trend of the cloud is kind of an interesting one on a lot of different bases. One, it's probably the worst-named trend in the 30 years I've been working in the technology business. I mean ERP, Enterprise Requirements Planning, was just that. Client Server was just that. Cloud is kind of a vaporous vacuous thing that floats around and is ill-defined and perhaps maybe for that point, it is just that.

We look at cloud by looking at how our clients' applications actually work and then asking ourselves, how can we help them intelligently move those applications into the cloud. And if you think about the back office of a client — I'm going to leave the kind of customer-facing systems out for now — if you think about the back office of a client, it's like a solar system. At the middle of it is an ERP system, at the middle of it is a transaction-processing system that is the basis of the audited financial reports that clients use to report their progress that they use to run their business. But there's an awful lot of functionality in orbit around that ERP. There are HR systems, there are CRM systems, there's an e-mail system, there are business intelligence systems. A lot is in orbit around it.

So when you look at what the cloud companies are offering and you look at what we're doing, which I'll talk about specifically in a minute, it really isn't to come from the sun out, it's to come from the outside in. So the capabilities that are being put into the cloud aren't the core transaction processing, it's the things in orbit around it. Now make no mistake, over time it'll end up being the core transaction processing systems, but that's not where the market is now, that's not where the market's going to be in the near or even mid-term, but there's a plenty big market.

We estimate today that our addressable market in the cloud is US$50 billion. We think that by 2015, that addressable market will have tripled. So there's an awful lot of business being done today by companies that are truly cloud providers.

Last year, we had this meeting on April the 8th, just a bit over a year ago, and on April the 8th, I stood here and said to you that in the prior 12 months, our pipeline for the cloud projects had doubled. Well today's April the 14th, a bit more than a year later, and I'll tell you again that over the last 12 months, our pipeline for cloud projects has again doubled. It now has multiple billions of dollars in that pipeline for work being done that truly is cloud-oriented. And it does include a bit of private cloud and it does include a bit of public cloud. The private cloud actually does kind of get to that sun, to that center of the solar system. If you remember last May at the SAP Sapphire Conference, we were on stage with Cisco, with Levi Strauss, with VMware and with EMC and with SAP, talking about how we'd virtualized Levi Strauss' SAP implementation, talked how we had reduced the total cost of ownership for that very much, ERP transaction processing core system. It is not in the public cloud. It's in the private cloud.

Let's talk a minute about the public cloud. Let's talk about what we're doing there. Kevin mentioned that we are the largest implementer of salesforce.com. That's true. In addition, we have more certified salesforce.com personnel than anybody else. We do project after project with salesforce.com. We do one for Fast Retailing, a retailer in Japan that wanted, again, to start using the public cloud on those applications that kind of orbit the core. So we moved their portals to the public cloud. We moved their e-mail to the public cloud and we moved their sales forces' expense reporting sales force management into the public cloud with salesforce.com.

We do work with Workday. We have implemented a number of Workday engagements for major companies like Cardinal Health. These are big efforts. Some of them are in the 45 - 50 - 55,000 seat range. So, again, it may not be the core transaction processing system, but it's a major planet. This is the HR work, these are the HR systems that control the talent inside a company. We're working with Workday today to put those systems into the public cloud, and to me, Workday is a public cloud, not a private cloud. I'd think that would be a fair definition.

If you look at what we're doing with Google, we're doing a number of things. You saw one of them in the video. We've done the Royal Wedding website with Google using App Engine, which is a terrific product, and built an excellent website in about four weeks, powered by App Engine, implemented by Accenture. You're going to see a lot more of that, a lot more of that public cloud, a lot more of using that platform as a service capability that comes from companies like Google with products like App Engine.

What have we done with Amazon? We've done a number of projects with Amazon. One very interesting one for a large retail company, we put their customer loyalty system, which we wrote, up on Amazon's platform. So we're using public cloud infrastructure with applications we wrote to work in the public cloud on that infrastructure. So again and again, we're out there at the point where the cloud is being implemented today, working with our partners who build these products, working with our clients who need these products, increasing flexibility, reducing costs of ownership.

Maybe the best story in the cloud we've got is what we've been doing with Microsoft. We have 18 Azure production projects. They're in production, they're running on Azure, they're in the Microsoft Cloud. We have well over a million BPOS seats delivered. So a million people are coming to work each day and using SharePoint Online and are using Office 365 and the other products in that suite to do their jobs every day. We have multiple millions in the pipeline.

And, again, there are people who will say, well, that's kind of e-mail and that's kind of SharePoint, and it is. But it's also the entryway to business intelligence. So in the old days you'd say, I'm going to implement your ERP and I'm going to spread out from there. In the new days, you say, I'm going to implement your e-mail system in the cloud and it's going to be the portal that goes to bringing you the information that comes out of your ERP system. So you got to think when you think about the cloud about coming from the outside in, rather than the inside out.

I also hear a lot of times the question, is the cloud a threat or an opportunity for companies like Accenture? And I think it's a good question with one caveat. I don't see the cloud as a categorical thing. So I have a little bit of a problem with the phraseology, "companies like Accenture." I can only speak about Accenture, and I think I only should speak about Accenture, and I'll say that, the cloud is going to require change for everybody. And for some companies it'll be good and for some companies it'll be bad. It'll be good for us.

If you go back to the ERP days, there were those who said ERP won't be good for companies like Accenture. And the feeling was that since we did a lot of custom development work, these new pre-packaged applications would remove the need for companies to hire us to do custom development work. That was a common theme I heard as I was working in years gone by in the business. Well, it turned out not to be true at all. In fact, we created a capability to deliver those integrated packages. We went forth into the marketplace that was demanding those integrated packages, and we implemented those integrated packages. ERP turned into a huge benefit for the company that is now Accenture. So I don't know that it was a categorical question, even though it was asked that way.

We're there today. Just more recently we were asked, will India – is India a threat or an opportunity for companies like Accenture? And I think it meant is off-shoring a threat or opportunity? You heard Pierre talk — 122,000 people in our Global Delivery Network. Obviously, it is an opportunity, but it's an opportunity because we seized it. It's not an opportunity because it categorically affected all companies like us the same way; it won't.

Cloud's the case in point now. Is it a threat or an opportunity? For Accenture, it's an opportunity. We're on the side that's going to the public cloud now. We're implementing BPOS. We're implementing Workday. We're implementing Salesforce. We're implementing Taleo.

We're also creating that private cloud. We're doing it with VMware, we're doing it with SAP. And as the world begins — as those two worlds begin to touch each other, we're going to be in a position — because we know our client's application set, because we know their industry and because we know the technology — to be able to use the cloud very flexibly, to be able to take workloads from the core and send them out to the cloud and take applications in the core and run them on the cloud. So to us it's an opportunity. We're working with Marty's clients on how to design clouds, the very nitty, gritty specifics of how your compute should be set up, how you should cool your data center, where you should locate your data center, how your intra data center networking ought to work.

We see the architectures, we see the opportunity, we see the advantage and we're out seizing it now. So in answer to the simple question, is cloud an opportunity or a threat for Accenture? The answer is that it is an opportunity. It's an opportunity that we are seizing and it's an opportunity that we will seize even more as time goes on and the industry continues to march forward. Thank you.

Kevin Campbell
Group Chief Executive – Technology

Thanks, Don. So, hopefully, that will — I'm sure you'll have a few follow-up questions — but, hopefully, it'll give you a sense that the cloud is something that we're very optimistic about and we think it will help fuel our business.

No talk on our technology would be complete without talking about our Global Delivery Network for a minute. And our Global Delivery Network not only supports technology, but it also supports our BPO business. We have a large well-functioning Global Delivery Network today, one that we're very proud of and is a key asset for us. Some of you have visited, and we appreciate that. But I'm here to tell you today, we don't think that's good enough. We want to separate ourselves even further; we've established a vision for what we're calling the next generation of our Global Delivery Center.

And what's in that next generation? What do we think you're going to have to have in a Global Delivery Center five or so years from now? We think you're going to have to have, first, deep industry expertise, not just technology expertise, but industry expertise. Deep industry expertise, and we are well on a program; we've identified 80,000 of our people that are working in our delivery network today and we've got them all aligned by industry or multiple industries, and they actually do training. And it's not just, oh well this is an industry person because they have been to a retail store before, but this is training that's followed up with proficiency tests. And they're expected over time to increase that proficiency, and I watch every quarter as those proficiencies go up and we move them, and when we have problems we adjust. So those industry skills are absolutely critical for us.

Second is, we've really taken advantage of the labor arbitrage that can happen when you use offshore centers correctly. But we think the next kind of area that you have to focus on is productivity, reliability and quality. And people talk a lot about quality. People say you go offshore for the cost savings and you stay for the quality. But we think we can use in our Global Delivery Network, we can demonstrate our people with our tools and our environment, can be more productive. And I told you last year that we had set out a goal. I'm here to tell you this year, we have 17 metrics that look at what we think makes up productivity, and we measure them and we are benchmarked by outside companies. And, so, we are on our plan, slightly ahead of our plan, and we are very excited about that.

I think the other thing is, are you using the Global Delivery Network to do end-to-end work? Because eventually the world of offshore has to disappear; it's just how you do delivery. And, so, we have leaders that run significant engagements from us that are located in our offshore centers. We have ones that we do that are 100% offshore, we have ones that are mixes and are still led by them. As importantly, the people that we have there that we've invested in are so important to us, those people are now becoming leaders in the rest of our business, and we continue to grow and work with Jill [Smart] and Adrian [Lajtha] on how we can do more with that. So we think you have to have — the technology skills are the requirement. In order to get there, you have to have industry differentiation, productivity, quality that's measurable, and you've got to have people that can do it end-to-end, and that's the vision we've set out, and that's the vision that we're working on.

So, hopefully, now you can see why we feel like those investments we made, the work we've done, has positioned us very well for the future. And the answer to the question of, is it sustainable? I would tell you absolutely, and I would tell you we believe very strongly, for us in technology, the best is yet to come. Thank you.

Pierre Nanterme
Chief Executive Officer

Thank you, Kevin and Don, and again you've probably seen the passion. If had to summarize what we heard, is just, change is good. Change is good because it's always been playing in our favor and, again, this is what's going to happen. We understand the game, we understand what's new, we are solving those technology waves. We almost anticipated many of those, and we started years ago when we put together our strategy to capture all those initiatives and we made tremendous progress so far. There's good news with change, it's going to force everyone, the companies, the competition — including ourselves — to reinvent ourselves, and by reinventing ourselves again and again, we're going to put even more distance between us and the competition.

Kevin just mentioned what we're starting to call our GDN 2 or 3.0, which is not only about having labor costs, it's all about productivity, it's all about industry expertise. We're going to put in our industry delivery centers. It's all about doing technology in a way which is going to be totally different for the coming, not three years, but for the coming decade, and that's all what we are working on.

The cloud with Don, we understand what that is, we understand the opportunity, we will navigate the cloud. When we see the pipeline and the growth we have in that activity from the technology consulting, to the implementation and to the impact on the rest of the business, sure, it is an opportunity today, and I know that question is big on your mind. I'm sure you will come back with more pressing on and trying to get from Don more on this, but we just feel extremely good about it.

Now, we're just going to move to another section and I'm just going to thank Don and Kevin for that presentation and welcome Pam Craig.

Geographic Differentiation

Pierre Nanterme
Chief Executive Officer

Of course, no need to introduce Pam. All of you, you know Pam very well. We've been visiting many of you these last couple of months, and working with Pam is just fabulous. I mean we've been through our strategy, we have been through all the numbers, she's on top of the game, she's understanding how you run the business properly, she's keeping us extraordinarily honest in everything we do with our financials. I mean you can be sure that your stock and your shares are in very good hands because they are in the hands of Pam.

So that's just great, but we're going to turn to another dimension of our business and we're going to try something a little bit different, and I will let Pam moderate that. I hope technology will be with us, because it's going to be important for the coming few minutes, but we're a technology company so we feel extraordinarily confident, and anyway we have Kevin and Don with us. And, for probably the first time bringing the world to New York here, and so you will get a feel about what we are talking around geographic expansion around moving in other countries. What are the leaders, how they think about the future? And I feel extremely excited with the next section, and I will move over to Pam to present that section. Over to you, Pam.

Pamela Craig
Chief Financial Officer

Thank you Pierre. Thank you and good morning. I've been equally delighted to work with Pierre, and as you could imagine, his style is a bit different from Bill's, but that's been all part of the fun as it's always been during the 32 years I've been with the company. Anyway, our next section is, we're going to go to the geographies where it all happens and we're going to go around the world, literally, live by Telepresence to four of our country leaders. And, as Pierre mentioned earlier in his remarks today – Brazil, India, actually China next, then India and the U.S. So I'd like to first introduce Roger Ingold.

I've known Roger for many years. He's one of the outstanding leaders of Accenture. He's joining us live from Sao Paulo and he's done just a phenomenal job, particularly in this past year, and Brazil will cross the billion-dollar mark as a business for Accenture this year, with a growth rate, by the way, well into the 20s in local currency. So, Roger.

Roger Ingold
Country Managing Director – Brazil

Good morning, I hope you can see me well. In my 30 years of Accenture I've never seen quite this positive momentum. The momentum in Brazil is very good. We have a unique combination of a strong and growing domestic market with very rich natural resources. Just to give you a few examples, in recent years, 30 million Brazilians joined the middle class. The oil sector is expected to double output to 4 million barrels a day, and the agribusiness sector is very dynamic and innovative. One example is the successful initiatives around biofuels. So this environment is creating three important dynamics for services for our addressable market.

First, you'll see the global multinationals invest in expansion and acquisitions. If you saw the numbers of the FDI [foreign direct investment] this year, the first quarter already surpassed last year's one. Second, you see the Brazilian companies consolidating, investing and transforming to seize this market opportunity. And most important you see the emergence now of the Brazilian multinationals such as Vale, Petrobras, BRF and many others aspiring to go global. So the bottom line is that this is a very active market for our services.

Let's turn to Accenture in Brazil now. So we have a solid footprint. As Pam said, we are close to $1 billion in revenues. We have been in Brazil for more than 30 years. We have 8,000 people serving this market and our leadership team is Brazilian-born. You have on average a tenure of 20 years in the leadership team, well connected to the business community.

In terms of positioning, we serve today 23 of the top 27 G2000 companies. We have four local Diamond clients, and according to the analyst IDC, we are first in systems integration, first in application outsourcing, three times larger than the next competitor. And management consulting is very important for us; we have close to 900 people, and the differentiation, the end-to-end work has been very important, as Sander mentioned. So management consulting is a very important anchor for us. With this, we are supporting key companies across all industries in their transformation. I will mention a couple of examples.

Vale — and Sander referred to this earlier — we are supporting their globalization in 15 countries today. Petrobras, where we have been working for 20 years, we are doing [everything] from IT support to capital projects, platform projects management in terms of controlling the financials and what is going on. In Petrobras, we created jointly with them a business called

Petronect that is a procurement organization for all Petrobras companies, where we designed, implemented and are operating their electronic marketplace. So this is an example of a joint venture with Petrobras.

Itaú, that you're probably familiar with, the biggest private bank, and we have been working with them for quite a while, specifically heavily in the integration with Unibanco, on the process and technology fronts. You are probably familiar with the big JV announced recently with Shell and Cosan. Cosan is the biggest ethanol producer in Brazil. They have a joint venture that's called Raizen, and this company will be a $30 billion company, and we have been working since the very beginning in their integration.

To change the subject here, in addition to client-specific experience, we invest in new market opportunities that we believe are going to generate big fruits in the future. First is the public sector, where you have a new president and new state governors, and they are basically building the agenda and their transformation. Second, the infrastructure area — in light of the upcoming World Cup and the Olympics — that is generating a lot of investment. Health — similar to the rest of the world — there is huge transformation and consolidation. And finally, agribusiness, where we capitalize on the natural industry evolution, but also leveraging the center of agribusiness excellence that we opened in Sao Paulo, and it's our node here for the global practice in agribusiness.

To summarize, we are very positive about the market and the momentum for us here. We have a good footprint and well differentiated and we feel very well prepared to capture the market opportunity in front of us. Thank you very much.

Pamela Craig
Chief Financial Officer

Thank you, Roger. I spent some time with Roger last year, and he moves at that speed. And it's great, a lot of fun.

Let's move now around the world to China, and I'd like to introduce Gong Li. Gong runs our business in Greater China. Gong, I've also known for a very long time. He and I worked together for Bill about 20 years ago in the Northeast of the U.S., and he's been back in China for many years. And China for us is, once again, on a path of hyper growth, well into the 30s this year, and Gong's going to tell you a little bit about that. Gong.

Gong Li
Country Managing Director – Greater China

Good morning from Shanghai. I'm very pleased to share with you some of the exciting things going on in China. As Pam said, we are seeing strong growth and a momentum here, as the market continues to mature and the clients are increasingly demanding the services Accenture has to offer.

First a bit about our presence here, Accenture in Greater China includes mainland China, Hong Kong and Taiwan. Our business in Hong Kong and Taiwan started in the '80s. Our practice in mainland China is relatively young; it started in the mid '90s and has experienced significant growth in the last decade. As China's economic growth really provides us with opportunities to build a strong foundation in the region.

Today, we deliver services to clients from seven cities. We have more than 5,700 people; 90% of them are local Chinese. We are known in the China market not only for being the one of the very few providers that offer end-to-end services, from management consulting to technology to outsourcing, but as well as a company that provides great career development opportunities.

We have worked with 29 of 54 *Fortune* 500 Chinese companies to help them build world-class capabilities that allow them to expand and to play in the global market. These companies include names such as State Grid of China, Sinopec, China Telecom, China Mobile, COFCO, just to name a few. Let me give you a few examples of the work we have done with them.

Our first Diamond client, State Grid of China, is the largest utility company in the world, ranking number 8 in the *Fortune* Global 500. We have been working with them since 2003 to deliver management innovation and IT projects, including ERP implementation, organization performance and improvement, smart-grid strategy, asset management, and are currently working with them on several business transformation initiatives, IT programs and smart-grid pilots. We also partner with emerging Chinese multinational companies like Huawei Technology, where we brought world-class experts to help Huawei to improve its customer relationship management, sales management and a lead to catch processes.

A third example I want to share is where we are called upon to help a client to design, develop and deploy mission-critical systems. We partnered with Shanghai Stock Exchange to build a new-generation trading system that went live successfully in 2009. Since then we have continued to partner with the client to enhance the system and to address new market and business requirements.

Of course, above and beyond the work we've done with Chinese clients, we also work with global clients in the region. With China being the number one foreign direct investment destination for many years, we have been helping many multinational company clients develop their market-entry strategies and then improve their local operations as they expand in the region. For example, we helped Dow Chemical build a world-class IT shared-service center as a key enabler for their growth agenda in China. Another example is our assistance to UniCredit in setting up their business from scratch in China, building and running some of their core systems and to help pave the way for their local incorporation.

As I look forward, I believe there are several key driving forces in the region that will continue to present new growth opportunities for our business. These drivers include increasing domestic consumption; the global expansion of Chinese companies; increased adoption of new technologies, particularly the green energy response to the Chinese government's decision to rapidly reduce carbon emissions; and, of course finally, the drive for closer economic integration of mainland China, Hong Kong and Taiwan. Given our client base, our unique capabilities and global network, I'm very confident that Accenture will capture these tremendous new opportunities and continue to grow. Thank you.

Pamela Craig
Chief Financial Officer

Thank you, Gong. He really is in Shanghai. Yesterday when we were rehearsing, we had everybody to the left or the right of the sign and they looked a little funny. So we said, sit in the middle – but that sign really is Shanghai in the back, and it really is about 10 or 11 PM there for Gong. So thank you, Gong.

Next, we're going to go to India and we have a new leader there. And, I'm delighted to introduce Avinash Vashistha, and he has great perspective on the business in India and our business in India already, and so we're delighted to have you here. Avi – please.

Avinash Vashistha
Country Managing Director and Co-Chairman – India

Thank you, Pam. Good morning. Let me share some highlights about Accenture India. Accenture has a very strong presence in India. We started operations in '87 and have built a significant organization in the country. Today we have more than 60,000 people in India working across seven major cities. India plays three important roles for Accenture. First, India is a strategic node in Accenture's Global Delivery Network serving over 500 global clients with consulting, technology and outsourcing services. Second, these centers are not only delivering work for clients globally, but also serve as a hub of innovation — developing assets, tools and methodologies for Accenture around the world.

You've heard about these first two from Kevin earlier in the meeting. So I'm going to focus on the third area where we work with local clients in India to help them expand their businesses domestically and internationally, and also global companies who want to create a footprint in the India market. In this third dimension, we are focused on accelerating our growth in the domestic business by capitalizing on our management consulting-led transformation programs.

For example, if you look at government, continued reforms have created opportunities for partnering at the state and federal levels. In the next five years, the federal government is expected to spend a trillion dollars on infrastructure development. Even only if half of a percent of this amount is allocated to what's procuring IT and business services from the private sector, this translates into a market opportunity of $5 billion and we are already working on mission-critical work with the government. For example, today we're helping to transform the Department of Post by building a new, more efficient reliable and user-friendly IT system. We're also advising them on the development of a wired in network environment on which various online services can run that will help connect all the post offices. We're also supporting the Government of Nagaland, a state in the Northeast of India, to develop the state's public service portal, which will be used to bridge the gap between the government and citizens by offering enhanced and efficient delivery of information and services.

Accenture is also implementing the biometric identification system for the Unique Identification Authority of India, the Indian equivalent of the U.S. social security number. We are building a system to manage identity related duplication and verification requests which will ultimately affect more than 750 million Indian citizens.

In the private sector we work with United Breweries, the largest spirits company in India and the second largest in the world, producers of the well known Kingfisher Beer, across consulting, technology and outsourcing and also oversaw the merger with Shaw Wallace. Moving forward, I'm confident that we have a solid foundation for growth and a unique disposition to capture many of the opportunities India has to offer.

With a number of mobile phone users exceeding 770 million we have the option to bring our global experience in mobility to help shift services in the mobile commerce area and expanding literally and mobile middle class creates strong consumer demand for services in banking, insurance, health care and education. We are actively customizing our industry solutions to address local needs. We have strong relationships with government agencies and will continue to help the government with their multibillion e-Governance and infrastructure-development initiatives, and we continue to collaborate closely with the universities across India to ensure that we attract the best resources the market has to offer.

For example, Accenture has been teaming with Indira Gandhi National Open University, one of the largest open universities globally, to offer a comprehensive BPO services curriculum and we continue to be the employer of choice in the market.

In conclusion, we are building on our success, attracting and retaining the top talent and capturing our share of the market opportunity by continuing to deliver business outcomes for our clients. Thank you.

Pamela Craig
Chief Financial Officer

Thank you, Avi. Now, as passionate as we are about the growth markets, we also have a very good story to tell about one of those mature markets. And I'm sure that it would not surprise you that when you look at the Americas growth of, I believe it's about 19% year to date, that the lion's share of that is indeed in the United States. So we have here today Bob Frerichs. You may remember Bob, for those of you who have attended some of these things in past years, as our Chief Risk Officer. I can still remember sitting on a stage with him and Steve Rohleder one year, and Bob for the last 18 months though has been our leader in the United States because we really felt like we needed to recharge growth there — which we have indeed done, and there is a lot more opportunity-wise as well. Bob is in Los Angeles today, and he joins us from there. Bob?

Robert Frerichs
Group Chief Executive – North America

Greetings from Los Angeles. As Pam mentioned, I was Accenture's chief risk officer for six years. A little over 18 months ago, Bill asked me to take on the role of leading our North America practice, which covers both the U.S. and Canada. I jumped at the chance. Pierre, Pam and the whole leadership team have been incredibly supportive. I'm really enjoying leading one of our practices again, especially this one. We have a very strong team, exceptional client relationships, deep industry coverage and the best technology skills out there. As you might imagine, I'm delighted with the results as well. I'm going to focus on just the U.S. market this morning, although I want to at least mention I've been equally pleased with the great contribution of our Canadian team.

Now let me tell you a little more about what we're seeing. Companies in the U.S. are investing in their future again. After hunkering down through the recession, U.S. companies have started to actively expand. Growth in some industries, such as energy and minerals, is being accelerated further by unprecedented global demand and robust profit levels.

An important item that has changed in our market and is benefitting Accenture is that our clients are focused more than ever on buying business outcomes. During the past few years many companies pursued inexpensive labor options and managed activities themselves. However, CEOs are now saying they're unhappy with the results of those practices and we see a change in direction. When clients undertake major programs today, they are asking their partners to commit to delivering clear business outcomes. We believe this trend will continue — and plays right into our hand. With markets emerging in new locations around the world, global expansion remains a priority for all U.S. clients. One example: we're working with the Americas division of a multinational consumer goods company to design and implement a new supply chain operating model. It spans North and South America. The transformation will create a new globally aligned process and technology platform and it is expected to deliver millions of dollars in incremental value to the client. We do global better than anyone else.

Other industries, such as banking and utilities, are responding to the changing regulatory environment. In the wake of the recent global financial crisis, a major global banking client knew they had to improve their controls and processes. With more than 50,000 employees in 25 countries, the bank engaged us to define a new operating model for their liquidity risk group to ensure they could report liquidity data to regulators with confidence. When it has to be right, clients turn to Accenture.

We've also seen an increase in large-scale M&A activity as companies have started a new wave of consolidation. In the last two months we have won the lead role in five merger integration assignments supporting large-scale acquisitions in banking, life sciences, chemicals, high tech and health care.

Innovation is another big driver as businesses drive to reinvent themselves. Accenture recently helped a major credit card company design a new card product in response to changing customer preferences and regulatory requirements. In healthcare, we're working with Stanford Hospital and Clinics on an innovative program to improve patient care by helping them advance to a near-paperless medical-record environment. And at Marathon Oil, we're developing a wireless-based life safety solution at an Illinois refinery that will allow the company to remotely monitor incidents on locations previously not suited for wireless networks. Other examples of innovation include the smart-meter and smart-grid initiatives we have underway in the utilities industry, where this year alone we've already won new work with 14 clients.

Post financial crisis, with changing business and social trends, we see companies aggressively using technology to power innovation. With business opportunities picking up, they're looking to maintain flexibility and capture productivity gains through process enhancements and outsourcing.

As companies expand to new locations around the world, respond to regulatory requirements, pursue mergers and acquisitions, and strive to improve operating efficiencies, Accenture's broad global coverage, technology depth, industry expertise and innovation positions us to grow in every sector in which we operate. Our ability to produce measurable business outcomes for our global clients sets us apart. Our pragmatic focus moving clients from issues to outcomes is how we've grown our business in the past and how we're growing it now.

In the United States, our largest market, we're seeing increased demand and are capturing new market opportunities in every industry. We are well positioned for continued growth and a further expansion in market share. We are definitely on a roll. Thank you.

Pamela Craig
Chief Financial Officer

Thank you Bob. You look good in a tie by the way. You ought to wear one more often.

Robert Frerichs
Group Chief Executive – North America

I knew you'd say that. I wore it just for you Pam.

Pamela Craig
Chief Financial Officer

Thank you.

Luckily the technology cooperated and hopefully this gave you a little flavor for our business around the world and hopefully you also agree that all of the sessions this morning show you how we're highly differentiated and really well positioned for future growth. But in the end that differentiation comes down to the eyes of our clients, and we'd just like to roll a video here to just give you a few of the clients' perspectives, in their words, about why they've chosen to work with Accenture.

[VIDEO]

We're going to take a break now, and I ask that you be back promptly at 11 because the next part is the finance piece, and we're going to be audio-casting that and so it has a very strict time to start. That part will be short, and then I'm really looking forward to being joined with Pierre so that we can take your questions to wrap up the day before lunch.

Financial Presentation

KC McClure
Managing Director, Investor Relations

Let me welcome everybody that has joined us on the webcast, as well as those of you who are back from our break. I'm KC McClure, Managing Director of Investor Relations. For those of you who have joined us on today's webcast, you'll be able to find the remarks from the earlier part of the session posted to the Investor Relations section of our website. We expect to have those posted in the next few days.

Before we get started, I'd like to remind you that some of the matters we will discuss in today's conference constitute forward-looking statements relating to Accenture's operations and results. We wish to caution investors not to place undue reliance on any such forward-looking statements. In particular, our financial goals concerning local-currency revenue growth, our earnings per share growth and our intent to return cash to shareholders through dividends and share buybacks, as well as expectations with regard to our ability to grow faster than the market, expand operating margin, command pricing, and manage our costs and our effective tax rate, are forward-looking statements.

These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those expressed or implied in the presentations, including that our results of operations could be adversely affected by negative or uncertain economic or geopolitical conditions and the effects of these conditions on our clients' business and levels of business activity.

The risks also include, without limitations, the risks, uncertainties and other facts discussed under the Risk Factors heading in our most recent annual report on Form 10-K and other documents filed with the Securities and Exchange Commission. As always, Accenture undertakes no duty to update any statements made in these presentations or to conform such statements to actual results or changes in Accenture's assumptions and expectations.

Today's presentations will reference certain non-GAAP financial measures, which we believe provide useful information for investors. We will include reconciliations of those measures to GAAP on the investor relation section of our website at accenture.com.

I would also like to remind you that we will not be providing you with an update for, or making any comments related to, our third quarter of fiscal 2011 or our business outlook for the remainder of this fiscal year. With that, let me turn it over to our CFO, Pam Craig.

Pamela Craig
Chief Financial Officer

Thank you, KC. And I think KC gave you a little preview of the agenda in her comments. As I said earlier, it's great to be here with my colleagues, our top leaders, our Global Management Committee, sharing with you the best of Accenture. And I am excited by the opportunities for growth that we see. Our current position of strength is a great foundation to further build upon. So now it's time to sum up our collective view through a financial lens.

As you've heard today, we're doing a lot across multiple dimensions of our business to accelerate the execution of our strategy in ways that demonstrate that we are greater than the competition. The great things you've heard about today will drive our growth and profitability, and I'll translate that into what we are preliminarily targeting for fiscal 2012, and more broadly, the financial goals we are committed to. Before I do that, let me take you back to where we were a year ago.

We were coming out of the worst downturn in a generation. Our business was perking up and showing signs of growth. Since that time, we've seen a strong return in demand for our services and the work that the leadership team has done to reposition Accenture is really paying off. We're a very different company and we are gaining market share. There's a buzz about the place. It's an exciting time for all of us to be here and to be part of such a thriving company. The slope of our recovery has been very strong these last four quarters — even stronger than we had anticipated. In local currency, we grew 18% over Q2 last year and 16% in the first half of this year, as Pierre mentioned this morning.

So let me tell you what I believe is different about this recovery. We took a look at just how different our business is than it was eight years ago when we came out of the last downturn in 2003. We've come out much stronger this time. There are many differences you heard brought to life today, but let me just touch on a few stats. We've doubled our revenues. We have three times as many Diamond clients, most of whom we've had long-term relationships with and managed through the downturn with. We also have almost three times as many people, growing from 83,000 to more than 215,000 today. Our long-term outsourcing business is now 47% of Accenture. And a dramatic difference, as Kevin brought to life so well this morning, is the positioning we achieved through our Global Delivery Network.

So looking more closely at our Global Delivery Network, it represents close to 60% of our total headcount, compared to 13% in 2003, making it much easier for us to scale our services and solutions to the more than 2,100 clients we serve out of the GDN.

Last year at this time, I mentioned that parts of our systems integration, and to a lesser extent, our application outsourcing portfolio, were at different stages of transition, with work shifting from onshore to our Global Delivery Network. This transition, largely driven by demand, continues as we had planned over the medium term. We are on track, as Kevin said this morning — actually a little ahead of where we thought we'd be in terms of the mix shift as well as in revenues and volumes.

So to summarize, the durability of our business came through the cycle and positioned us for strong growth. Our financial discipline and ability to navigate and deliver results in a world of uncertainty is proven and our strategy has been validated through the strength and pace of our recovery. So let me turn now to our financial goals.

Everything you've heard today gives us confidence about the financial goals we hold near and dear, and we are committed to them as we drive our business forward. The first is about revenue growth, where our goal continues to be that we will outperform the market. The second is about earnings per share, where our goal continues to be that we will grow EPS in double digits. And the third is about maintaining a strong balance sheet and generating strong cash flow and to return a substantial portion of that cash to shareholders through dividends and buybacks.

So, beginning with revenue growth, let's first look at the market growth for our services. Our projected addressable market again this year includes forecasts for management consulting, technology and BPO revenue growth. We rely on an external analyst data from both Gartner and IDC for these estimates and then we consolidate a view that aligns as close as we can get it to our addressable market. Over the course of the next three years, our fiscal '12 through fiscal '14, the addressable market growth — which reflects an assumption for GDP growth over the period — is estimated at 5.4% on a compounded basis. The highest growth is projected for management consulting, followed by BPO. Based on this analysis, our addressable market is expected to grow by 4.9% in fiscal '12. Management consulting services are estimated to have the highest growth, at 6.2%, followed by BPO at 5.8% and technology at 4.5%.

So, as you saw on the prior slide, the market growth is estimated at about 5% for fiscal '12, a little under. We're targeting 7 to 10% net revenue growth in local currency for fiscal '12. We are in the early stages of building our detailed plans. If there's one thing that my colleagues in the Global Management Committee sitting right here in the first couple of rows is focused on, it's delivering. And I think Kevin has taken mental possession of the upper end of the range.

We have a lot of analytics on our fiscal '12 growth. Certainly we have considered the macroeconomic environment we operate in today, but we've also looked at the health and durability across our core business and how our strategic new businesses have been taking hold, and at the development and rapid growth potential of our emerging geographic markets. Also, I should note that our target of 7 to 10% includes a level of acquisition activity consistent with our tactical tuck-in strategy. Any acquisition of bigger scale has not been factored in.

Growth, first and foremost, comes from our core business. Our core business is very durable and diverse, which differentiates us in the marketplace and positions us as an industry leader. We have and will continue to grow our business largely organically, and at the heart of that is a very vibrant core. We still see a lot of white space in the core. We heard a lot about that in the many examples shared by those who presented earlier today.

Now the second source of our growth is our strategic new businesses, and you heard a lot about those today too. And these are the ones we're giving special focus to and are building on top of our core, with the expectation that they will become part of our core in the future. We told you first about these at our investor and analyst conference last year, and these include the examples on this page — digital marketing, analytics, mobility, software, cloud, insight-driven health and smart grid. Each of these represents areas where we believe we are uniquely positioned, as they are already making a notable contribution to our growth in fiscal '11. A significant portion of our investment capacity and funding is directed toward these. But our innovation does not stop with these though, and there will be more to come.

Now as proof positive of our ability to build billion-dollar businesses, an example I'd like to highlight today is Avanade. Avanade is a joint venture with Microsoft, majority owned by Accenture, which we began about 10 years ago. Let me share with you some highlights. Avanade has grown 35% on a compounded annual basis since 2001. It is margin-accretive and will exceed $1 billion in revenue this fiscal year. It has over 13,000 employees and operates in 60 locations in 27 countries and, most importantly, it's the number one integrator for Microsoft products.

So let me turn now to a third area of growth, and that's in our emerging markets, brought to life today by our speakers on the Telepresence. Looking back at 2003, when we came out of the last downturn, we had a much larger revenue concentration in the U.S. and the U.K. versus today, where we are more geographically diverse and more developed in Eastern Europe, Asia and Latin America. Today, our emerging geographies represent about 13% of our revenue base, with a revenue growth rate that is significantly higher than our average overall. They will continue to be strategic to our growth, as you heard so well articulated today by Roger for Brazil, Gong for Greater China and Avi for India. Over the next three years we expect our business in these markets to double in size.

So that's a little bit about revenue, and let's turn now to our second goal, profitability. We remain focused on driving growth at the bottom line, and our target for fiscal '12 is earnings-per-share growth at a minimum of 12%. Our history tells a story of strong and consistent delivery of earnings-per-share growth since our IPO.

Now, let me spend a little bit of time on how we will accomplish this in our underlying assumptions. Starting with operating margin, we are confident in our ability to continue modest expansion of our operating margin and to do it in a way that is thoughtful and sustainable as a key component of growing earnings per share. It has been, and will continue to be, a primary performance objective for the Global Management Committee and their leadership teams. We will continue to work this, first by having rigor around the quality of contracts in our portfolio. Our ability to command pricing through differentiation is key. Second, by focusing on our labor costs, our biggest operating expense. This means strong management and balancing of market-relevant compensation, the right levels of utilization, and payroll efficiency. Third, by staying committed to our industrialization agenda — our methods, processes, tools and, of course, leveraging our Global Delivery Network. Fourth, by redoubling our efforts to drive down our selling costs, as there are still opportunities to drive efficiencies there, as well as in G&A. And, lastly, by carefully managing our investments in our industry and technology programs you heard about today and in our strategic new businesses that I mentioned a moment ago. We have many levers to improve operating margin, but we need to pull those levers in a way that supports our business in the long term. There's always a tradeoff between investing in our business and margin expansion. We will balance these priorities in a sustainable way to drive profitable growth into the future.

Now, turning to the tax rate. A little less exciting, but it's been leveling off at 28%. We believe this will continue at least for the next couple of years, and this does not include the impact of future final determinations, geographic mix changes and other items that may impact the rate each year.

In terms of share count, we continue to expect about a 2 to 3% reduction in our average diluted shares outstanding, as we plan to buy back stock at a faster pace than share issuances in fiscal '12.

So, last and third, our third goal is to deliver a strong balance sheet and cash flow and to return a substantial portion of our cash to shareholders through dividends and buybacks. Specifically, in fiscal '12, we expect to return cash to shareholders of at least $2.8 billion, and this is one area that really differentiates Accenture from the pack. When you look at our history, we have been a cash-generating machine.

Now our principles about acquisitions and capital expenditures remain largely unchanged. We are capital light and cash remains king, and all of us here are laser-focused on generating strong free cash flow. We also continue to be a company that grows primarily organically in different parts of the world and in the different sectors of our business. When we do look at acquisitions, our strategy is about gaining skills, assets and intellectual property that enable us to differentiate ourselves and enhance or expand our capabilities in specific service areas, industries, geographies or new markets, consistent with our tactical tuck-in strategy.

We've returned 94% of free cash flow to shareholders since our IPO. We will work with our board, as we always do, on the appropriate level of our dividend and share repurchases so that we can return a significant amount of free cash flow to our shareholders consistent with that history.

So to summarize, we have financial goals to grow revenue faster than the market, with 7 to 10% as the objective for next fiscal year; to achieve earnings-per-share growth in the double digits, with at least 12% as the objective for next fiscal year; and to continue to deliver a strong balance sheet and cash flow and to return at least $2.8 billion of our cash to shareholders through dividends and buybacks.

The importance of our clients, the relationships we have with them and the value we deliver to them remains paramount. Their demand for excellence makes us raise our game in developing talent, building our service offerings and delivering outcomes. Operational and financial performance underpins everything we do, and we do this with superior leadership and management. Our track record and the broad-based demand we are seeing speak to our unique positioning and durability, things we expect to build upon and strengthen.

In my view, we are as well- or better-positioned for the future as we have ever been.
With that, we'll open it up and take some questions — Pierre and I — and we may call on some people here in the front row, or you may ask us to call on some people here in the front row. So we're looking forward to that, and as long as the first question isn't on foreign exchange. By the way, on the foreign-exchange assumption, just so you know, we haven't done that yet, we're just assuming it flat with this year and we will update you on it in September as we always do.

Question & Answer Session

Tien-Tsin Huang
J.P. Morgan

Thanks, this is Tien-Tsin from J.P. Morgan. I wanted to ask, I guess, the – on the GDN side. Obviously, a lot of the heavy lifting there is done, it's now a majority of your headcount. I'm curious, as you're thinking about your planning, what the implications are for margins, not only margins but also revenues, and if you can share any numbers around revenue margins within the GDN to help us frame that, that would be helpful.

Pamela Craig
Chief Financial Officer

Not going to do that, but let's let Kevin give you a little on that.

Kevin Campbell
Group Chief Executive – Technology

As we've talked about before, the journey – it's a journey in the GDN, right? And I think while we've made very good progress relative to our goals, each time we do that, we tend to see that we can do more. And so as far as the margins and all the other things, you go back to what Pam says, it feeds into all the levers that we have and the tradeoffs that we make all the time. But I think we see – I don't feel like there's the heavy lifting –

Pamela Craig
Chief Financial Officer

We're not done.

Kevin Campbell
Group Chief Executive – Technology

I don't feel like it's done, because now there's so much more potential that we could do, that'll give us more industrialized the things that I talked about.

George Price
BB&T Capital Markets

Thank you. George Price from BB&T. Could you give us maybe some assumptions behind the growth in terms of consulting versus outsourcing, maybe geographically, even within some of the components of consulting, where you think the growth is going to be driven from, what the mix of the business is going to look like?

Pamela Craig
Chief Financial Officer

Well, geographically, as I mentioned, we do believe, especially in the emerging markets, we are looking for higher growth than the rest, and I quoted some numbers for you there, so definitely that's in the mix. In terms of consulting and outsourcing, I think you can expect that, at least at this point in time, we see the mix being similar to what we've experienced through this year. That's the way the pipeline is shaping up at this point.

Bryan Keane
Credit Suisse

It's Bryan Keane at Credit Suisse. I guess, just interested to hear a little bit about the pipeline, the qualified pipeline, you know, what are those growth rates? And when you guys talk about sustaining the momentum, last year you started at 7 and 10 in constant currency, and you obviously did a lot better than that, so I know I'm going to get the question about how conservative is that if you're sustaining the momentum, you know, can you do better than that 7 to 10, depending on, you know, what factors should we look out for?

Pamela Craig
Chief Financial Officer

Well, I'll do a quick one on the pipeline and then I'll let Pierre… The pipeline is up from last year, it's up about, I don't know, round numbers, 12%, so certainly we feel more confident around, you know, I mean, last year was more uncertain — not that there isn't a lot of stuff still going on in the world, right, but just in terms of the economy and all that, so we do see a pipeline being stronger. But, you know, we try to take into account everything, and where we see it. I mean, these guys all did detailed plans that — not detailed plans, you know, they rolled up stuff in terms of where we are in the process, the detailed planning comes next, but this is where we see it now in terms of our business for next year. And it takes into account a lot of things, macro stuff as we see it today, as well as how these businesses will grow over the next year.

Pierre Nanterme
Chief Executive Officer

Yeah, I mean, we put a lot of analytics behind, so we looked at our different businesses, we consolidated all that information, so that's what we are doing internally. Then we're looking at external data, what has been presented, with Pam understanding where the market is going, and then you need to factor what we know regarding the environment, and the environment has got a little bit, as you've seen, more volatile since last year and probably will stay so in the coming couple of years. So when you look at all of that information and you, of course, need to keep in mind that the compare between next year and this year are going to be, as well, different quarter to quarter, then we feel that, indeed, this 7 to 10 is the right place to get started, and as mentioned with Pam, we probably have a kind of mental model when we set a wrench that we want to get for the right size of the wrench, as Kevin would say.

David Togut
Evercore Partners

Thank you. David Togut, Evercore Partners. Could you comment on trends you're seeing right now in unit pricing across the three businesses? And then on the other side of that, what are you seeing in terms of wage inflation?

Pierre Nanterme
Chief Executive Officer

Maybe I can start with the pricing and you will take the wage or whatever. This is something we're tracking extremely precisely, quarter after quarter. I think we, at the minimum we could say is indeed we've seen now the price stabilizing for the last quarters, this is where we are. So, indeed, we are not seeing any more pricing going down, which is the first good news. Now, and we need to remain a bit cautious and look at what's going to happen the coming couple of quarters. But probably these last two quarters, we're starting to see some sign of improvement in some of the pockets of our business. It's probably too early to declare a victory on this, but at least we're pleased with the first stabilization of the pricing, and we're starting to see some evolution. We're tracking that and probably in two quarters from now we'll see what's going to be the trend.

Pamela Craig
Chief Financial Officer

Sander, do you want to comment on Management Consulting?

Sander van 't Noordende
Group Chief Executive – Management Consulting

Yeah, Pam, of course. On Management Consulting, what we see is the prices, I would say, is stable to up. I've been talking to a couple of you already in the break. Getting the prices up is extremely high on our agenda, but it's, at the same time, it's also hard work, it's one client, one project at a time, and, you know, we're doing everything we can to move them in the right direction.

Pamela Craig
Chief Financial Officer

Yeah, I mean, I think just coming out of the period we were in, the confidence of pricing is what's now coming back. And that then needs to work its way through in yield, but that's sort of a feel.

David Togut
Evercore Partners

In terms of wage inflation, what are you seeing in terms of general wage trends?

Pamela Craig
Chief Financial Officer

Well, I don't know. Kevin, do you want to comment on India? This is like our job, right, to deal with that.

Kevin Campbell
Group Chief Executive – Technology

Yeah, and the answer is complex, because obviously the market-relevant compensation, which is where we are trying to be with all of our people, is important, but it's only one of the levers we pull in the overall productivity, the other non-labor costs and things like that. So, you know, I think we've been happy with where our attrition numbers have been, we always want them lower, but I think they've looked pretty good, and we're working hard now to figure out what we need to do for next year. So there are certain skills, there's no doubt, that are in demand, that things are up, but I think it's more a skill-based thing rather than anything relative to an overall trend.

Pierre Nanterme
Chief Executive Officer

But again, it's something we're looking in an extraordinarily granular way, not only business by business but almost skills by skills and country by country, and Jill Smart, our Chief HR Officer, she's the team captain on this, to look at how we are managing our compensation in a way, which on one side is going to be attractive, because we need to provide attractive opportunity for the people, and on the other end, it's going to be affordable for us, and that's the equation we are working on every year, to be totally market-relevant, but to make sure we will recover from the marketplace in terms of pricing and condition. So far, we are striking the right balance.

Adam Frisch
Morgan Stanley

Adam Frisch from Morgan Stanley. I have two questions for you guys. First, on giving a perspective on where we are in growth. You've both been in this business for, between 20 and 30 years, both starting at the company when you were 8 years old. But where are we in perspective? There's always a cyclicality perspective in what you do and there's also a secular perspective in what you guys do. So where are we in the next five years versus some other times of big growth? And then I have a quick follow up, as well.

Pierre Nanterme
Chief Executive Officer

When you look at it in this post-financial-crisis environment — it's very difficult to say we are post-crisis, because there are all sorts of different crises in the world, but at least the big one, which has been the banking and the financial crisis, seems to be behind us. So we can state that based on what we see, I mean, internally with our clients, because this is where we're starting from — looking client by client, what are they planning to do, what do they have in mind, looking at all those trends. I mean, there's globalization, it's not here for the short term, it's probably here for the long term. All this increasing regulation thing is here for the long term, as well. All those technology waves are not here for the quarter but here, as mentioned with Don, probably for the decade. It appears that the conditions are being put together to signal that we are more in the beginning of a cycle. So that's the way we see that, that we are more at the beginning of a cycle, because all those business and technology trends are profound and should impact our clients for the mid term to the long term.

Adam Frisch
Morgan Stanley

Great. And then my quick follow up was, kind of a financial aspect, how you view the next three to five years in terms of your financials, not getting into specifics about specific growth rates or margins, but if I look at where the company – how the company is growing and where it's growing, your cost of delivery is going down. You continue to differentiate on the more value-add stuff, whether it's management consultant or otherwise. Those businesses are higher-margin growth, or higher-margin businesses, right? So that delta between revenue growth of higher-margin businesses and lower cost of delivery, the bottom line takes care of itself through what you generate plus on the buybacks, but that delta between that revenue growth, lower cost of delivery, what's happening to that gap? And if you could maybe expound on where you're investing, how you're investing, are you investing more in variable comp to keep your people in the seats, because that's obviously a big factor for growth, as well? What's kind of happening with those key factors there as we look at the model over the next three years?

Pamela Craig
Chief Financial Officer

Well, we do have a portion of our comp that is variable comp, but I would not characterize it as more, on a relative basis. I mean, it's still an important part of our comp and there is a piece that's very much based – or pieces —based on individual performance, as well as company performance, and that's still in place. I think the primary thing, as I had mentioned on the investments, is that we do see places where we do need to invest, either in market development or in the kinds of things, like what Marty talked about, with mobility, and so we do believe that we need to invest in those things so that we're positioned for those waves and positioned to ride them. And that's one thing that we did in this repositioning, was to learn that and say, okay, we need to do this better than we've done before. So philosophically, and when Pierre uses the accelerate word, at least that's what it means to me in terms of having that focus on where we, indeed, do need to accelerate in some places and have the investments linked to that.

Pierre Nanterme
Chief Executive Officer

You can see three buckets on where those investments are coming from, and probably the first is in our people, and we need to hire the best people, to train them, to deploy them, to make sure that they have unique skills, so that's a significant part of our investment we're making. And, of course, we're making that in a thoughtful way and making sure that from the comp we are getting very thoughtful in the way we deployed our compensation to fix the valuable, and we're looking at this business by business because the compensation structure might be different from management consulting to technology or to BPO, and other parts of Accenture, not mentioning the countries. I mean, the second type of investment is the investment we're doing in our differentiation. That was the big theme of this morning. If we want to continue leading in the marketplace, we need to continually differentiate and proposing things the competition couldn't propose. So it's all the program we have on our investment. And as you have seen, our strategy moving forward is to be extraordinarily focused, targeted in some industries — we're going to continue operating in multiple industries — but in some industries, in some capabilities, in some geographies, as mentioned with Pam, you have seen the 10 country markets we're investing in. And probably the last part is investing in our own competitiveness. And differentiation and competitiveness are two themes you're going to hear a lot from that group, 'cause moving forward we want to remain as competitive, if not more competitive, than anyone else in the marketplace in each and every business we are operating in. We want to be more competitive than anyone else in BPO, and that's why we are today winning in this F&A BPO, where we are now the number one, and beating on a regular basis the main competitors in the marketplace. We need to invest in the delivery centers to be more productive, that's all the job from Kevin, I mean, tracking productivity, which is not only labor cost, it's all the tools, techniques you're going to put in place so you're extraordinarily competitive. So people, differentiation, competitiveness, that's where it's going.

Lou Miscioscia
Collins Stewart

Lou Miscioscia, thanks for taking my question. You mentioned the word competition a couple of times. Maybe you could go into a little bit more detail, give us some more color on that. Obviously you guys sound very confident;, it sounds like you're gaining share, you must be gaining share from someone, so maybe if you could go into the three different businesses and just say how it's maybe changed over the last couple of years and where it is now, and maybe who's the toughest other ones out there? Thank you.

Pierre Nanterme
Chief Executive Officer

Yeah, I can make a kind of broader statement and then ask Kevin more from a technology perspective, or Don and Sander from management consulting. But, indeed, these last months we've been gaining market share across the patch. And we're pleased with that because of course we're gaining market share, but we're pleased with that because it means that our differentiation is playing in our favor and is recognized with our clients. So when it comes to, for instance, what we used to call the Indian pure players, indeed we are as competitive as they are, and that's all the role of the GDN, but, indeed, we are more involved in mission-critical programs. So that's the way we are driving the competition. We're as competitive but deploying to different solutions. When it comes to the management consulting, indeed, now with 16,000 people, we are the largest management consulting company on the planet. But, again, as mentioned with Sander, we want to be even more differentiated in the different activities we have. We are leading in the M&A space, and I think you heard how many M&A we've been driving this last year, which is just phenomenal. We are unique in our recombined CRM analytics, all the risk and regulatory management, all the BPM, are new activities we are developing to remain in MC at the intersection of the consulting that is being done with some of the pure players, but with the kind of pragmatic execution, and then we are adding the value-based engagement. So again, we are as good as any of the players in this quadrant, plus I think our specificities, value billing and unique combination of consulting and operation.

And then you have the global thing. Our clients are giants. They're operating on a global basis, and, at the end of the day, very few companies or competitors could support them on a global basis. And when I say very few, I probably mean very few, it would probably be half my hand at best, so that's our positioning. When many of the other competitors are much more local, European, country based, but so far no one else, except probably one, been able really to deploy the capability on the global basis. So we're combining this global thing, plus Management

Consulting and technology, and you put that with our extraordinary price point and, indeed, we are navigating well the competition, but maybe on technology, Kevin, you might say a few words.

Kevin Campbell
Group Chief Executive – Technology

I think there's three sets of competitors we look at. There's the hardware and software manufacturers that all have services arms. As we said, we believe our technology independence is a unique positioning for us, and we think that is more important today than it ever was.

The second set is the former accounting firms, or still accounting firms, that can come after us in specific areas and specifically in management consulting, technology consulting and things like that. We believe our implementation experience and being able to take people all the way through it is a unique differentiator relative to them, and our ability to understand technology and run the technology, to be able to live with what we say, is a huge difference.

And then we've got the offshore competitors. And the offshore competitors, Bill said last year and I figured it's more true this year than ever, which is, we proved that we can go down market and meet them at the price points they have offshore. They have yet to prove that they can come up market, do the big complex work and build the industry experience at scale in a global environment. So I think those are the things that we would say.

Darrin Peller
Barclays Capital

Thanks. Darrin Peller from Barclays. Pierre, you just mentioned around the — or Kevin just mentioned — the offshore competitors are obviously, they're good competition but you can move down scale a bit. With 57% now of your business in the GDN, can you just compare and contrast the growth rates you're seeing in your GDN business versus some of the offshore players you see in the market?

Pamela Craig
Chief Financial Officer

We don't provide that, but at least at this point, I'd stack them up. I mean, I think we're quite competitive there.

Pierre Nanterme
Chief Executive Officer

Yeah, and, as you know, we are not considering the GDN as an Indian pure player, that is not the positioning of the GDN in Accenture. The GDN is a unique capability we developed with an amazing productivity and competitiveness to support the business we are doing in Accenture, which is more at the intersection of the consulting, the transformation program with the operational program. So that's why we do not want, to some extent, to fall in that place where we would compare, like to like, our GDN with the Indian pure players. This is not the positioning. So, again, we want to be as competitive as they are, and, to some extent, it's been good, they've been showing up a few years ago, we think been pushing us of doing what we did. We are very competitive, but we are putting that competitiveness to deliver something which is extraordinarily different than what they are doing.

Darrin Peller
Barclays Capital

One follow up, on growth of your headcount, 60,000 people is a great achievement, and going forward, obviously, of 215,000 people, can you just comment a little bit on the capabilities of growing your headcount and what kind of numbers we should be seeing?

Pamela Craig
Chief Financial Officer

Why don't we let Jill? She's been dying to answer a people question, so let's let her do it.

Jill Smart
Chief Human Resources Officer

Well, thank you, yes, I love to get that question, and many of you ask me that. I'm very confident that we can continue to do that. Somebody said we couldn't keep doing it, and yes, we can. It's a core competence of ours and we have the proven track record. What's the challenge is to make sure that we know what we need, how many, where, when, what skills? That's the challenge. Getting them once we know that isn't the challenge. So we work very closely together. We also monitor our retention, demand that we have both now and in the pipeline. We look at our chargeability and utilization, and we do a lot of analytics so that we can get the numbers right that we need, but then getting them is not the problem.

Pierre Nanterme
Chief Executive Officer

Thank you, Jill.

Pamela Craig
Chief Financial Officer

And she has endless energy to do it.

Margaret Vitrano
ClearBridge Advisors

Hi. In one of the presentations earlier, you all had talked about performance-based payments and having skin in the game. And I was just wondering if you could give us some perspective on how that's changed versus three or five years ago with performance-based payments are a bigger part of your contracts and what that means for profitability over time? Thanks.

Pierre Nanterme
Chief Executive Officer

Just as a matter of intro, and then Sander will answer that one. Indeed, we're infusing that in a way which is extraordinarily cautious and where it's relevant and making the difference, and where indeed we have bullet-proof solutions so we can put some skin in the game. So it's something we're doing on top of, in addition, so it's as we speak, not a significant part, it's an element of our differentiation when we feel confident enough that we can use that weapon, if you will, to make the difference. But Sander is the master of this.

Sander van 't Noordende
Group Chief Executive – Management Consulting

Thanks, Pierre. With respect to skin in the game. I think first, you should all remember that we always had skin in the game in terms of delivering projects. We were never like a body shop and company just delivering people; we always had skin in the game with respect to delivering projects. So most of the work, we have skin in the game in terms of what we deliver. Our clients are more and more asking us, okay, well that's interesting Accenture, but now we need to see the real value. And given that we are very confident in areas such as procurement, telecoms, working capital, all that kind of stuff, we have seen it for many, many years in all those areas and we know what clients can do, so we're confident to be able to say, clients, you pay us X, and if we deliver the value, you pay us X plus. It's a differentiator for us in the marketplace. Not many of our competitors can do it because they don't have the consistent capability with confidence to deliver those benefits. And it works really well for us, obviously. As Pierre said, we have to make sure that we manage the risks that come with it on a very tight and day-to-day basis, and that's what we do.

Pamela Craig
Chief Financial Officer

I mean, just in terms of the trend, there is more demand for value out there in this environment, you know, during and post crisis, right, value for money. So this just works really well, and just how we've worked and built up skills and things over time, we can then have the confidence to do this on a deeper and broader basis. So it's kind of a good thing happening in terms of macro and what we can do.

Joseph Foresi
Janney Montgomery Scott

Joseph Foresi from Janney Montgomery. With guidance, what are your assumptions around pricing on large deals for, you know, embedded in that guidance, and then I just have one follow up?

Pamela Craig
Chief Financial Officer

Well, we're probably not quite at that point, just in terms of that. I mean, when we do what we do 'til now, we triangulate a bunch of things, the macro things, as well as in each of the portfolios, like the one Marty runs, we look at their industries, their geographies, their Diamond clients, how those are going to build, offerings, and just kind of do all that. And, I mean, in the end, we expect the right level of pricing, and that that's what's going to happen in terms of how those then manifest themselves into the actual work.

Joseph Foresi
Janney Montgomery Scott

And my second one, you talked about being ahead of plan maybe in the build-out of the Global Delivery Network. Are there any changes in the, you know, I know we've talked about, you know, delivering margin expansion. Should we think about that as potentially slowing, that you're ahead of pace, or should we think of it as in the same historical context that we always have?

Pamela Craig
Chief Financial Officer

In terms of the operating margin expansion?

Joseph Foresi
Janney Montgomery Scott

Yes.

Pamela Craig
Chief Financial Officer

Yeah, I mean, I think the only point about the shift is the shift's a little ahead, volume and revenues were also ahead of what we expected last year. But that doesn't change – because I tried to go through sort of all the levers, and in the end, we're managing to modest margin expansion, and that's one of the things in the mix.

Jamie Friedman
Susquehanna

Thanks, it's Jamie Friedman as Susquehanna. I wanted to ask about the dividend. You know, I think investors are grateful that you have –

Pamela Craig
Chief Financial Officer

I love that word.

Jamie Friedman
Susquehanna

-- that you moved annual to semi-annual, and in an ambitious way, you raised the semi-annual right out of the gate. But this time around you didn't, and you I think explained that you have an annual practice of treating your semi-annual. My understanding is that's not the best practice in the industry. I wanted to get you to kind of address, what's your appetite for the dividend, and would you consider actually making semi-annual adjustments the way some other companies do in industry? Thank you.

Pamela Craig
Chief Financial Officer

Well, we still view the dividend — and as you know, we work in the summer and the fall with the board to declare the dividend — and I think that when we do the capital allocation plan at the beginning of the year, I mean, the idea is we went from the annual to the two pieces of the semi-annual, and we certainly never suggested that we were going to raise the second semi-annual. And I don't view that as something that we would necessarily do, but we will review all that with the board as we plan for this next year, with the next semi-annual kicking in in the fall, and then how that would manifest itself through the year.

Ken Zuckerberg
Train, Babcock Partners

Ken Zuckerberg from Train Babcock. Pierre, could you talk a little bit broadly about the Japan opportunity. Obviously post-event, it seems like there's lot of demand for goods and services that you all could provide? Thanks.

Pierre Nanterme
Chief Executive Officer

Thank you for the question, and it's giving me the opportunity to mention our colleagues in Japan. Indeed, we've all been following what's going on here in Accenture, every day we have people taking care of what's happening, and to be honest, I've just been extraordinarily amazed by the character and the courage of our people in Japan at Accenture, but probably all the people in Japan, what they demonstrated under those dramatic circumstances, it is just amazing.

Now, when it comes from an Accenture perspective, of course this is something we've been considering and which has been factored in the elements of our target. The good news is, all our people are safe, first, and second, they all have work, which is just a demonstration of what is in the DNA of that country. Now, that being said, indeed, that country will go through a massive reconstruction, and through that massive reconstruction we believe that there are going to be opportunities for a company like us, and I'm mentioning a company like us because in Japan, it's the same story as in Brazil, we have a lot of Japanese, and during the crisis, they're clearly making the difference between the people who have been staying there, showing resilience and courage and all our close to 5,000 people, I mean 5,600 people there, supporting with their colleagues, but a lot of Japanese been there at work when some other consulting firms have been asking their people to come back. No credit from my side, I mean, everybody's charging what they have to do, but we know now that clients probably will at least recognize the people who have been there. We expect that, indeed, they will rebuild rapidly — first, for Japan, because we need a strong Japan in the world, and we want all of them to recover quickly, and then from a business perspective, because it's more your question, we believe that there is going to be opportunity. The big question is, when? It's not so much what, we know that's going to happen; it's when that kind of thing will kick. Is it a question of months, or is it a question of quarters, but inevitably, reconstruction will happen and we will participate at Accenture. Thank you for that question on Japan, I really appreciate it.

Moshe Katri
Cowen

Thanks. Moshe Katri with Cowen. Going back to the headcount topic. Pam, can we get an actual number for a net headcount addition for fiscal year 2012, and then can we kind of get a feel on how many will – of that number, how much of that number is going to go through the GDN?

Pamela Craig
Chief Financial Officer

Yeah, I'll post on that motion in September in terms of the exact number, but, obviously, with revenue growth, we're going to need people, but we're just not prepared to give you that number today. But we'll get it to you, and you can plug something into your model and see if it works.

Moshe Katri
Cowen

Understood. And then since discretionary spending kind of picked up, should we expect more, maybe some sort of a pick-up in hiring on-site versus offshore compared to where you have been hiring in the past few years?

Pamela Craig
Chief Financial Officer

We did see a pick-up in onsite hiring this year, and so that's already happened and you will continue to see, we expect a balance.

Moshe Katri
Cowen

On a different topic, outsourcing bookings picked up last quarter. Let's assume that that is a sustainable trend. Should that be margin-dilutive down the road, should it be neutral? What should we expect that to do to margins?

Pamela Craig
Chief Financial Officer

Not necessarily. As you know, we operate the thing to operating margin, and with this overall modest expansion in operating margin, so that all goes into the mix, and some of our outsourcing work is very profitable.

Pierre Nanterme
Chief Executive Officer

That's something we like to recognize. You know, Mike Salvino is driving BPO because, indeed, he demonstrated that with the proper restructuring of our portfolio, we've been able to drive our margin up in a very significant way. So again, it's all about the competitiveness, the focus you're putting, and so far we are very pleased with the margin we're driving from both AO and now BPO.

Pamela Craig
Chief Financial Officer

And I also said I expected the mix to stay about the same next year.

Julio Quinteros
Goldman, Sachs & Co.

I have a tough one for Pierre. Can you explain to us the current state of French football?

Pierre Nanterme
Chief Executive Officer

Either I'm taking much more time or I say no. We are probably not on our best, but we are recovering, we are recovering, and we're going to be at our best for the next World Cup, where we're going to definitely crush the rest of the world.

Pamela Craig
Chief Financial Officer

You heard it here.

Julio Quinteros
Goldman, Sachs & Co.

Seriously, the real question is — relative to the numbers that you guys are showing in terms of where your offshore is heading, almost 60% of the headcount, and I think even kind of back to Adam's question and some of the other questions we're hearing, why not expect more margin expansion from you guys with the amount of headcount that's coming from offshore? And benchmarking against some of the other guys, you know, at the low end of the margin curve, when you look at even Cognizant and some of those guys, they're operating at definitely much higher operating margins than you guys. So your global delivery is a big part of your business; why not expect more from the margin side?

Pamela Craig
Chief Financial Officer

Well, we do expect some from there. But remember, Julio, we're not a Cognizant, we're not – we're just not those companies; we're a completely different company coming from a different place, moving to a different place. So I know we get the question over and over again. I think we're extremely pleased with what we call cost to serve in terms of what we're doing in our Global Delivery Network, and, as Kevin said, it's a journey. We're going to continue to drive that and continue to expect more. But, at the same time, there's a lot of other pieces that we're managing, as well. So, it's not that it's not there, it's just that we manage the business to operating margin.

Closing

Pierre Nanterme
Chief Executive Officer

So let's maybe let's take just a few minutes to close and first, thank you for joining us here live in New York and for the people that have been with us in the webcast. We do really appreciate the time you're spending with Accenture, in working with us and sharing with us your views on the business.

I hope you found this morning interesting and, of course, insightful and convincing on what it is we are doing in Accenture to drive differentiation and to drive growth and to drive our business.

If there is one thing or one simple sentence I would give you to summarize the morning, it is just, we feel good. I feel good. We feel good about the business. We feel good about the strategy. We feel good about how we are putting our act together to differentiate our self from the competition. We feel good that we are executing with an amazing discipline, and we feel good because we are operating with passion, and that's probably what's going to make us extraordinarily different.

Now of course, what's most important is our people, so we like to recognize the 215,000 people working in Accenture, but probably here, we'd like to recognize that group which is with me today, which is our Global Management Committee. For me, it's just a privilege, a true privilege to be not their leader, but their team captain, because just believe me, this is the best leadership team in the industry. And for me, it's an amazing pleasure to work every day with all of them.

Thank you for coming, and I hope you will enjoy as well our lunch, where we'll have further discussions. Thank you very much.