Accenture
Investor & Analyst Conference

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KC McClure
Managing Director, Investor Relations

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

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

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. Any statements other than statements of historical fact may be forward-looking statements. In particular, information about our financial goals and capital-allocation strategy, including share buybacks and dividends, are forward-looking statements. These forward-looking statements are subject to known and unknown risks and uncertainties that can cause actual results to differ materially from those expressed or implied in the presentations and are not a guarantee of our future performance. Such risks and uncertainties include, but are not limited to, general economic conditions and those factors set forth under the Risk Factors section of our Annual Report on Form 10-K and quarterly reports on Form 10-Q and other filings with the Securities and Exchange Commissions.

As always, Accenture assumes no obligation to update any statements made in these presentations or to conform the 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 or making any comments related to our first quarter of fiscal 2013.

So, once again, thank you for joining us today, and now it is my pleasure to introduce our CEO, Pierre Nanterme.

Pierre Nanterme
Chief Executive Officer

Good morning, and thank you KC for the introduction.

I'm just delighted to welcome you here for our Investor and Analyst Conference. As KC mentioned, the theme for our conference this year is Driving High Performance Through Differentiation, and this word, differentiation, you're going to hear a lot about all throughout the morning.

We are joined today by many members of the Accenture Leadership Team, who will bring this theme to life. We will focus on the diversity of our business — by industry, by technology, and by geography — which differentiates Accenture in the marketplace and enables us to deliver sustainable and profitable growth.

But before we get started, I'm just going to take the opportunity of us being in a private setting and a small group to wish our general counsel a happy birthday today. Happy Birthday, Julie.

Okay, so let's get started. You'll all remember that at our last Investor and Analyst Conference, 18 months ago now, we talked about how in Accenture we would accelerate the focused execution of our growth strategy by investing in key priority industries, strategic growth initiatives, and high-priority emerging markets, as well as by further improving our own competitiveness. I'm very pleased, I could say probably delighted, that we have made significant progress, and our strong financial performance over the last two years is the proof of our success.

In fiscal year '11, we achieved record annual revenues, earnings per share, operating margin, free cash flow and new bookings. And just two weeks ago, we announced record results for fiscal year '12. We posted strong and broad-based revenue growth of 11% in local currency. We grew earnings per share 13% and expanded operating margin 30 basis points. We generated exceptionally strong free cash flow, and continue to have a very strong balance sheet, ending the year with a cash balance of $6.6 billion. And, as demonstrated by record annual new bookings of $32 billion, we continue to see strong demand for our services in the marketplace.

Our performance over the past two years clearly demonstrates our ability to sustain profitable growth, even in the face of significant volatility and uncertainty in the macroeconomic and geopolitical environment.

With that context in mind, let me now talk about our strategy in action. We are executing our growth strategy in a very focused and disciplined way, providing highly differentiated services that create tangible and measurable value for our clients. And let me start with our clients.

Over time, we have developed long and enduring client relationships with the world's leading companies, and we, Accenture, operate at the heart of their businesses, supporting them with some of their most complex mission-critical issues. We serve more than three-quarters of the

Fortune Global 500, including 92 of the top 100. And I'm particularly pleased that over the last 18 months, we have increased the number of our Diamond clients — and as you know, Diamond clients are our largest client relationships — across all five operating groups and all three geographic regions, including our priority emerging markets. Today, we have 125 Diamond clients in Accenture. And just as important, we continue to increase the amount and scope of work we are doing for our clients by combining, bringing together, our unique capabilities across management consulting, technology and business process outsourcing to help them address the challenges presented by the long-term trends of globalization, regulation, rationalization, and technology innovation, and you know that we've had multiple opportunities to talk about those trends in our earnings calls. Over time, we will continue to focus on increasing both the number of Diamond clients, as well as the scope of work we are doing for them, because we believe that this will create even greater durability in our business.

From an industry standpoint, we have an unmatched depth and breadth of skills, with expertise across 40 industries. And today, out of our 257,000 people at Accenture, more than 150,000 have certified industry skills and are aligned to specific industries. To accelerate the execution of our growth strategy, we are investing both organically and inorganically around specific industries where we see opportunity for even greater returns, including banking, insurance, retail and, most recently, pharmaceuticals. And health is another priority industry where we have made great progress over the last couple of years, and you will hear more about our health business from Steve Rohleder later this morning, and Mike Salvino will tell you about how we are combining our industry skills with our technology capabilities to drive value in business process outsourcing.

Now turning to technology leadership. We are uniquely differentiated as the largest technology-independent provider of professional services. Our independence has helped us establish strong and trusted relationships with leading technology providers, including Microsoft, SAP, and Oracle — and more recently, with companies such as Salesforce.com. We have made very good progress with our strategic growth initiatives, especially in the fast-growing areas of cloud, analytics and mobility, where we are now operating at scale in response to increased demand from our clients.

And when it comes to delivery, given the size and scope of our capabilities and our global scale, we are unmatched in the marketplace. Our clients turn to us for their most complex transformational programs, and they tell us that our execution and delivery capability sets us apart from the competition.

I'm really excited about the momentum we have in technology, and again, you will hear more from Marty Cole and Paul Daugherty later this morning.

Geographic expansion is another key dimension of our strategy, and now we are serving clients in more than 120 countries, and our broad global footprint truly differentiates Accenture in the marketplace.

We continue to invest to expand our business in growth markets, both mature under-penetrated markets as well as priority emerging markets. In our mature markets, I'm particularly pleased with the strong performance of our business in the United States, which remains our largest market and one of the most competitive. We continue to gain market share, growing our U.S. business by 13% in fiscal year ’12 and 14%, on average, over the past two fiscal years. We have also made significant progress in our 10 priority emerging markets, where we increased revenue 16% in local currency in fiscal year ’12 and 23%, on average, over the past two years. Our goal is to make these markets an even more significant part of Accenture’s revenue by the end of 2015. Again, you will have the opportunity to hear directly from the leaders of four of our key priority emerging markets. When I said directly, I mean directly, from their own countries — from Brazil, from South Africa, from ASEAN in Singapore, and from China — later this morning. And I’m sure and I hope you will share my excitement about the opportunities these markets represent for us.

And, of course, we continue to run Accenture as a high performance business, otherwise we would not be Accenture. Our Leadership Team has a relentless focus on value, cost management and productivity to further improve our own efficiency and competitiveness. And this is particularly important in the current macroeconomic and geopolitical environment, where we continue to experience volatility largely due to uncertainty around Europe’s sovereign debt challenges. We are carefully watching the actions that governments in Europe are taking to stabilize markets, restore confidence and create conditions that would support a return to geographic growth.

Moving forward, we will continue to monitor the macroeconomic environment very closely to understand and assess any potential impact on our business.

As we enter fiscal year ’13, I feel confident in the ability of Accenture to continue to drive profitable growth and deliver our business outlook for the year. We will continue to execute our growth strategy in a focused and disciplined way to further differentiate Accenture from the competition. We are well positioned to seize market opportunities, to create competitive advantage, to gain market share, and to deliver value to our shareholders.

So, this morning, we’re going to take a deep dive in our growth strategy. Members of our Leadership Team will share some of the very exciting opportunities we see in the marketplace, and how we are moving at speed and at scale to take advantage of them. And, of course, later this morning, you will hear from Pam Craig, our CFO, who will provide an update on our financial goals.

Investing in Our Future

Pierre Nanterme
Chief Executive Officer

So now let's get started with the real substance. We're going to begin with Shawn Collinson, our Chief Strategy Officer, who will share our vision for market leadership and explain how we are positioned to drive differentiation and compete in the global marketplace. Shawn has a very specific responsibility in Accenture. He, as you will see, is Mr. Shake and Shape. His role is to envision the future, define Accenture's strategy. He's orchestrating our capabilities around thought leadership, around our research group, as well as mobilizing our best industry and technology experts to understand what's going on in the marketplace. And, as important, he's Mr. Investment. He has the responsibility to identify the unique opportunities in Accenture to invest both organically and inorganically in the spaces where we collectively believe we can make the difference in the future.

So with that, Shawn, over to you.

Shawn Collinson
Chief Strategy Officer

Today I want to talk about our strategy — we have set this in the context of what's going on in the world — ongoing macroeconomic uncertainty, geopolitical change, asymmetric growth rates between mature and emerging markets and some quite profound technology shifts. Because of these fundamentals, we've adopted what we call a rolling strategy. We call it Ambition 2020, which is our vision for market leadership — how we differentiate against the competition, how we inspire our people and how we aim to beat the market in terms of growth, profitability, return and position.

We drive our strategy forward over three time horizons all at the same time: things we do today to maximize the performance of our current business, how we're investing to scale and grow our strategic growth initiatives, and how we try and anticipate what's coming next, so as to ensure that we're very relevant. And as Pierre said, part of my role is to ensure that we understand those things. So, I leverage a great capability in terms of our 40 industries, our global Growth & Strategy Network, our Accenture Technology Labs, our Institute for High Performance and Accenture Research, so that we can spot, industry by industry and technology, where those disruptions are, in order to pinpoint the high-growth areas. And that then comes to the investment part. So, we can orchestrate our investments to be relevant to those things, both organically and inorganically — what Pierre likes to call "shake and shape."

Our vision is to be the most relevant, results-oriented, end-to-end services company, serving our clients in government and business in both mature and emerging markets to help them become high performers. So, how do we achieve that?

Well, our strategy is really focused on two twin themes around differentiation and competitiveness. Differentiation, so we can lead the market, and competitiveness, so we can create the capacity to invest in our future and continue to grow Accenture.

Let me dwell on those two themes, differentiation and competitiveness, and build out a little further on some of the things that Pierre highlighted earlier. For us, it starts always with clients, and our focus is to be working with the Global and Emerging 2000 clients. You heard Pierre talk about the success of our Diamond Client Program. Over the past three years, we've increased by a third our number of Diamond Clients, and we have an ambition and an intent to do something similar again.

What sets these Diamond Client relationships apart is that they are deep, broad, long-term and enduring. Some 91 percent of our current Diamond Clients have been clients for more than 10 years, and many of them for double or triple that time. We are extraordinarily focused on being relevant to our clients' strategic agendas. We put a huge amount of effort into trying to understand the issues, the challenges and what they're trying to do, so that we can be not just their consultant and advisor, but their partner in transformation to deliver outcomes and help them achieve what they're trying to achieve in their own business. And that's where our industry and technology story comes in.

In a room like this, for each of the last two years, I've stood in front of many of you talking about our industry focus and its importance. That focus hasn't changed, but what has changed are the results of that focus. As Pierre said, we now have more than 150,000 industry-specialized people at Accenture, underpinned by a $600 million annual investment in training and capability development. That's huge.

Another area we've been investing in is what we call our industry and function business services. This is how we assemble skills, assets, software platforms and processes to focus on specific industry or functional issues, so we can deliver our services more as an outcome. Here are a couple of examples for you. In life sciences, we're focused on how we can help pharmaceutical companies accelerate the time to market for new drugs. We've built an industry business service, which we call Research and Development Accelerator Services, to achieve that aim. Our recent acquisition of Octagon is a good example of how we're using our strategic and targeted investment strategy to grow that business.

In consumer goods, we're focused on helping CPG companies increase the yield from trade promotion. That's a big element of the P&L in a consumer goods company. Our recent acquisitions of CAS and NewsPage are good examples of how we're providing the software to enable our services and get that multiplier effect — in this case, with our Perfect Promotion Business Service.

Other examples include Credit Services with Zenta, property & casualty insurance services with Duck Creek, and just this week, in the digital marketing space relevant to Chief Marketing Officers, our acquisition of avVenta for digital content production. These are further illustrations of how we're focusing the use of our investments around our growth agenda.

Technology. We sit in a very privileged position in the technology ecosystem — between business and technology. We're investing in our world-scale, world-class Global Delivery Network to take it to the next level. We're investing in our key relationships — in the technology ecosystem to further strengthen this. And we're investing in the new waves of technology growth — smart devices, mobility, cloud, analytics, data and social enterprise — but not from the standpoint of technology for technology's sake. It's about how we build these technologies into our business services, and always from an industry standpoint of how our clients can get more value from those technologies in their company.

We see the potential afforded by the cloud — for our clients — but not just as a cost play. We see it in terms of a transformation play, so that they can increase the productivity and competitiveness in their own business. We see a hybrid world, and I think Accenture will stand alone in its ability to help clients navigate, integrate and realize the value from the cloud, and we think it's a huge opportunity for us.

If I turn to geography — and you've heard Pierre talk about the way we segment the market and look at different segments — we have very specific country-by-country growth plans for how we're going to scale and grow faster than market in the high-growth countries. But how do we do that? We focus around clients, natural concentrations of industries and hubs. We focus around talent and capability development. We focus around being relevant to the country agenda. In China or in Brazil that means very different things. That's a key element of our approach.

Our operating model is also a source of competitive advantage. So, when it comes to understanding the local insight to help a global company expand into China or to have the global oversight to help a local company to expand internationally, there's only really one company with the breadth, scale and depth to be able to do that — and that's Accenture.

Let me turn briefly to competitiveness and talk about that and highlight some areas of distinction. We invest in our capability, so we can concentrate it and get better leverage. So, what do I mean? Industry solution centers, joint innovation centers with our tech ecosystem partners, tech labs — everything — so we can further bring our innovation and differentiation to life. Our analytics centers in Barcelona or in Dublin, our industry solution centers — I was at one in Sao Paulo a couple of weeks ago in Brazil for agribusiness. You know, those are points of differentiation — our tech labs in Beijing, Palo Alto, Bangalore and so on and so forth. We invest in scale. Scale matters; it helps us have even higher levels of productivity in the delivery of our services, and it helps us have greater predictability in the delivery of our services as well. So, the industrialization agenda, not just in technology, but in consulting and BPO as well, is very significant for us.

I've talked about what we do and where we do it, but there's another important element when you consider the demographics of a company like Accenture, with 257,000 people today and clear plans to continue to grow, and that's how we do things. We internally call this The Accenture Way. Many companies have a way. The Accenture Way is really important for us. It captures the essence of our differentiation in a durable way around our clients, around our people, around our performance and how we build a better future. We're passionate about our clients and we're very focused on delivering outcomes.

I was in Brazil three weeks ago with Roger, whom you'll hear from later this morning — and I met with several of our largest clients. And it's always fabulous to see the breadth and depth of work. In one of those meetings, I asked, "Were you comfortable with the level of spend you had with Accenture?" The gentleman thought about it and he said, "Yes." He said, "You help us operate and deliver outcomes to add value to our business. That sets you apart from other companies in your space." So it's really important.

Another area in which we're investing is transforming how we work with our clients, with our ecosystem partners and internally. Just a couple of interesting examples of what I mean. We talk about consumerization of IT and bringing your own device to work. Well, we've embraced that. We've got 111,000 mobile devices connected to Accenture's network today. We're adding 2,000 per month to provide people the mobility to be able to work in a flexible way that our clients like. We want our people to be able to work anytime, anyplace, anywhere. And, so, we adopted Microsoft Lync as our collaboration tool. We're the largest implementation — even bigger than Microsoft. And we connected to our clients, as we do with our Telepresence network. So, we collaborate in a much more seamless way. We've embraced the cloud and we've had the world's largest migration earlier this year of our own SharePoint Knowledge Management and Mailbox infrastructure to the cloud. And we embrace social collaboration and productivity tools like Chatter, Yammer, LinkedIn and so forth, so we can be even more productive and flexible in how we deliver our services to our clients.

So, for Accenture, competitiveness is built on a foundation of industrialization, scale and capability, but it's also investing in reinventing the way we work.

We recognize that we're living in a volatile and uncertain world, and that's what Ambition 2020 is all about, because we need to continuously innovate in the way we deliver our services. We have a clear vision, building blocks and a roadmap to help us navigate and we're confident in our future. Back to you, Pierre.

Pierre Nanterme
Chief Executive Officer

Differentiation and competitiveness — you will hear those words a lot, as well as rigor and discipline, which I think are characteristics of Accenture, so to speak. Differentiation is absolutely fundamental to continue being relevant to our clients and putting more distance between us and the competition, that's what it's all about. And competitiveness is absolutely key in the sense that we have to permanently invest in our business if we want to win in the marketplace, and so you will see that a lot this morning.

Industry Differentiation

Pierre Nanterme
Chief Executive Officer

So now let's switch gears and move to industry differentiation. And I will be joined by two of our leaders who will bring that to life for you. As we mentioned 18 months ago, we wanted to focus in some priority industries, and we identified Health as one of those for all sorts of good reasons, and you will hear from Steve in a minute that we've made extremely good progress, and we are very excited with the prospects moving forward. But, as well, you will hear from Mike Salvino about BPO. I'm personally very excited about BPO. I think it's really a growth area for Accenture. And when you look at the opportunity and the needs of our clients moving forward, you will see why BPO is going to play a key role in the arsenal of solutions from Accenture, and more specifically, how we're going to make BPO and the next generation of BPO a very attractive solution by, again, combining the unique capabilities of Accenture from technology and industry consulting to provide something we're now calling end-to-end services. So I will call Steve Rohleder, our Group Chief Executive for Health & Public Service to join me, with Mike Salvino, our Group Chief Executive for Business Process Outsourcing. Over to you guys.

Steve Rohleder
Group Chief Executive — Health & Public Service

All right, thanks, Pierre. Three years ago we decided to make a strategic investment in Health, and the addressable market at that time was about $32 billion. The market has grown, on average, since then about 6% per year. Over that same period, we've grown our Health business at a significantly faster growth rate, and our growth has been all organic.

So today I want to talk about the Accenture difference and what makes us unique, and I'll try to bring this to life with a couple of examples of the types of services that we're providing to our clients. Then I'll talk about what's next on the horizon and why I believe we have tremendous momentum in our Health business.

First, just a little market context. I think everyone knows health is hot. We believe the momentum will continue. And one indication of that is that in the next five to seven years, U.S. health spending is projected to increase from $2.6 trillion to $3.5 trillion. The fact is, spending and investing is going to drive transformation in this industry. And transformation is really taking place in three waves of change, as we see it.

The first wave is the collection of health data, it's the most mature trend, and it involves the daily collection of health data through electronic medical records technology. The second trend is the connecting of that data, integrating and sharing it to get improved health outcomes and lower cost. And the third trend is analysis of health data. This is really at its early stages and involves the use of health analytics to drive insights and new waves of efficiency.

Our strategy is based on these market trends, and it starts with a focus on three specific areas of the industry, payer, provider and public health. We also focus on a core set of countries. And then finally, we focus on five business services.

So why are we unique? First is our health industry talent. We have more than 15,000 people working in our Health industry today. Over a thousand of those are doctors, nurses and clinicians. They bring together our industry technology skills in a very specialized way. Our second differentiator is our global scale, and that's our ability to transfer talent and solutions from one part of the world to another part of the world. It's about combining our unique capabilities in management consulting, technology and business process outsourcing, but doing it at scale, around the world, and in a market that puts a premium on speed of delivery. Finally, our third industry differentiator is our industry business services.

We have five industry business services in Health: Health Administration, which involves claims processing for our payer clients; Clinical Services, which is process improvement in hospitals using electronic medical records technology; Health Management, which is ensuring patients get the right care at the right time; Connected Health, which involves building and running technology that integrates medical records into a single system; and Health Back Office, which is our technology and process improvement work in finance, revenue cycle and supply chain areas of our provider clients.

Now let me bring these to life by talking about two areas that we're really excited about, Health Management and Connected Health. We see huge opportunities in Health Management. This is Accenture helping our clients engage with doctors, nurses and patients to make sure the patients are getting the right care when and where they need it. We have hundreds of clinicians working in the Health Management area, and their work ranges from reviewing a patient's medical record and using clinical guidelines to work on medical authorization, to engaging in patient outreach to promote wellness programs, to helping patients adhere to their prescription regimes. And adherence is a real serious problem in health right now. About half of all patients in the U.S. don't take their medications as prescribed. Up to 70% of medical prescriptions go unconsumed, leading to over $70 billion in excess healthcare costs every year. Our Health Management business service provides value by providing management consulting up front to chart a strategy, then developing the technology to support it, and finally, running the service for our payer clients.

Another area we're excited about is Connected Health. This is about connecting medical data so that all levels of healthcare are able to access one connected medical record through health information exchanges. We developed one of the first health information exchanges for the U.S. state and local market. Using that as a base, we're now implementing health information exchanges in Singapore, Australia, and most recently, announced this morning, Norway. As we look at this fiscal year, we're pursuing opportunities in four other countries. This solution is built on a combination of Accenture software and third-party products, delivered through local teams and our Global Delivery Network, and is now a capability in our Health Center of Excellence in India. Because we operate at scale globally, we're able to take our work in

Singapore or Australia and apply it to opportunities around the world. This is the advantage of global scale.

So I talked about how we're differentiated by our talent and our global scale and our end-to-end business services and how they're fueling our Health industry growth. But before I turn it over to Mike to talk about BPO, let me just share a few thoughts on where I see our Health business going.

Going forward, we're focused on driving our five Health business services into the market. We're also concentrating our efforts on a small but focused set of countries where the maturity and demand of the market matches our offerings. And we're continuing to monitor emerging trends in the market. I spoke earlier about the three health trends, collection of data, connecting of data and analyzing data. The analysis of health data, or health analytics, is an emerging market and is currently sized at about $16 billion, with an average annual growth rate of 19%. We see huge opportunity in this area, and we're positioned to take advantage of that growth.

So in summary, three years ago we declared Health a priority. We saw markets starved for innovation and transformation. That market is just as hungry today, and, yes, it's hot and, yes, there are a lot of players, but by any measure, we're achieving success, and we are unique through our industry and clinical talent, through our global scale, and through our end-to-end business services. These three things set us apart in the health industry marketplace and give Accenture a distinct competitive advantage. Mike, over to you.

Mike Salvino
Group Chief Executive — Business Process Outsourcing

Thanks, Steve. And I'm very excited today to talk to you guys about business process outsourcing and how Accenture is changing the game, much like Pierre said.

What I wanted to start with is to set some context. And if you look at this slide right here, this is what we call the generations of BPO. I'll walk you a little bit through this, but it shows how the marketplace is evolving. The first three of these columns is what we refer to as the commodity space. And in that space people are focused on cost reduction, transaction processing of non-core functions and offshoring of resources. And really, the only way to differentiate yourself in that space is on price.

Now the final three columns that were on the original slide that are up there now is the space that Accenture plays in. And to be in that space, you need to be able to do two things. First of all, you need to be able to process transactions efficiently at a global scale, and we do that through our Global Delivery Network. The second thing you need to be able to do is produce business value. And what we mean by business value is either helping our clients increase their revenues or helping our clients further decrease their cost beyond the normal savings of a BPO deal.

So what we see here is, this is where Accenture is going, this is how we deliver business value. We call it fourth and fifth generation BPO. Fourth generation BPO is about delivering business value through industry insights and analytics. Fifth generation BPO is the ability to take technology like the cloud, social media and mobility and deliver business value. What this differentiation has done for us in BPO is it's allowed us to gain scale, gain scope of services and diversity of skills.

Now let me give you a few stats. Our BPO business does work today with 450 of Accenture's clients across a variety of industries. As part of our Global Delivery Network, BPO represents 47,000 people that do business across more than 50 delivery centers. And the stat I like the most is that 71% of those people now are focused on an industry. So Steve mentioned that in Health Management we have roughly 1,000 doctors and nurses on staff. We also have people with diversified skills such as engineers, mathematicians and mortgage processors that work within BPO.

So what we do at Accenture is we take this unique capability called BPO, we combine it with the industry capability that we see in consulting, and also our technology skills in the cloud, in social media, and in mobility to provide end-to-end services for our clients. Sometimes in a business function like finance and what Shawn mentioned in terms of marketing, and then sometimes like Steve mentioned, in an industry like healthcare or, for instance, financial services. All this has enabled us to build a business that is very profitable in terms of growth, that has significant market share momentum, and we clearly think it's a growth platform.

So let me bring some of this differentiation to life through a number of examples. The first example I'm going to use is finance and accounting. In F&A, we've been in this space for 20 years, and clearly we're the market leader. We're growing this business by not only winning new work, like what we recently announced with Oi, one of the leading communications companies in Brazil, but we're also winning work by extending existing long-term relationships, like what we've recently done with BP. BP was our first BPO client back in 1991, and now we will be their sole provider of F&A services, globally.

What we do in F&A, and the reason why we win, is because not only can we process the transactions, but we also can deliver the business value. So that means our clients are getting cost savings from transaction processing, but they're also getting additional cost savings from the use of what we call advanced analytics. The advanced analytics we apply for BPO help our clients optimize payment terms, and also capture spend that goes outside of a lot of their strategic suppliers. This helps our clients increase control of their process, and also save more money.

The next example that I'm incredibly energized about is marketing, and let me bring this to life by talking to you about the work we do at Procter & Gamble. Accenture helps Procter & Gamble with their digital marketing campaign. We also manage their websites globally for a number of their brands. What we do is we take our professionals that have consumer goods experience from consulting, and also our professionals in Accenture Analytics, and we combine them with our BPO experience to be the single point of contact for digital execution at P&G.

I think a number of you have seen recently that P&G sponsored the Olympics, and what we did for P&G is we launched sites, application and home pages across 39 different markets as part of their, what I thought was a great campaign, their "Thank You, Mom" campaign. So what you'll see here is that our digital marketing professionals are helping P&G go through a major transformation that does two things — it helps them increase revenue in those markets, and it also further decreases their cost.

Now let me talk a little bit about industry-specific services. I think Steve had a great one with Health Management. What I want to do is talk about financial services. Shawn mentioned that a year ago we acquired Zenta, and what Zenta did was they helped banks deal with the origination and the servicing of loans. We took that capability, we combined it with our capability in banking from a consulting standpoint, along with our experience in technology with loan origination systems, and we launched what we call Accenture Credit Services. It's awesome, all right? And Accenture Credit Services not only helps the banks deal with the mortgage process, but it also allows them to start small and scale fast and deal with the mortgage demand.

Today, Accenture Credit Services does business with 75 institutions, four out of the five top U.S. banks, and we are one of the three largest stand-alone mortgage providers in the U.S.

So what I've tried to do is show you our differentiation with those examples, and really show how we combine our unique capability in BPO with consulting and our industry skills, with technology in terms of the skills around cloud, social media and mobility, and offer end-to-end services for our clients, sometimes in a business function and other times within an industry.

Just a few years ago, some of the examples that Steve and I gave, a number of the experts of the industry said they weren't possible. And the great news for Accenture is not only are they possible, but they're real, and we're delivering them at scale.

So I'm confident that we've got the right market strategy. I also think we've got significant momentum. And from a personal standpoint, it's just a great time to be a part of BPO at Accenture. Thanks.

Pierre Nanterme
Chief Executive Officer

Thanks, Mike. Industry expertise is absolutely critical in the success of Accenture. I'm talking or meeting with clients or client teams almost every day, every week. And when you're talking to clients, if there is one word they're going to mention regarding Accenture, that's going to be our industry expertise. And that's why we want to put industry everywhere, industry inside, so to speak. That's why we're so proud to have 150,000 of our people certified with industry skills. This is what's making the difference in the marketplace — how we are leveraging technology and business processes for an industry purpose and a function purpose. This is what's making us successful in health is, first because we — Steve and the team — understand deeply the health industry. We've been able to make this Zenta acquisition and launch Accenture Credit Services because Richard Lumb here —who's leading Financial Services — and the team, they understand banking and they identified that area as a source of growth for us.

And developing industry skills, that's not easy, and that's why I personally believe it's clearly a true differentiator for us vis-à-vis the competition. Why? It has taken us decades to build industry skills at Accenture, and it's hard work every day. I've been with the company for 30 years and I'm still learning from an industry standpoint. It's not something you can build in one quarter, three quarters. It's not something you can build in two years. It's not probably even something you can build through acquisition. It's something you develop over time with the best practitioners, and we believe we have some of those best practitioners with us here in Accenture.

Now let's switch gears. By the way, you will have time for questions. I did not mention that. I see KC, so I will ask you to be patient. I ask our presenters to be short and sharp, crisp and compelling. We are consultants, so we like to talk, but this year we are trying to talk less and listen more. It's probably impossible, but we're going to try hard. So, after the next presentation, we will go to Q&A and you will have the opportunity to ask questions.

Technology

Pierre Nanterme
Chief Executive Officer

So, now let's move to technology. If had to present technology, I would say technology's hot, technology's back high on the client agenda, and technology is good for Accenture. You will hear in a minute about how technology's hot and back on the client agenda and about what's happening with those new technology waves.

Now, the question for us is how are we going to leverage technology innovation to provide differentiated services to our clients to provide business value. So, tech is back, which is good, and tech is good for Accenture, because we are always operating at the intersection of industry, business processes and technology, pulling that together to deliver a unique outcome.

So, I know by talking to all of you that you have questions around what's happening in technology, what's the impact on Accenture, and is it an opportunity or a threat for Accenture. Marty Cole, who's our Group Chief Executive in charge of our technology business, and Paul Daugherty, who's our Chief Technology Officer, are going to join me to share with you their vision about technology and, their passion about the opportunities that technology represents for Accenture. So, over to you.

Marty Cole
Group Chief Executive — Technology

Thank you, Pierre. That was a tough act to follow, my colleagues Mike and Steve. They had some amazing stories about BPO and industry, but we're pretty proud of our technology business as well. We're very excited about our technology business and really like our differentiated and market-leading position. We're the world's largest independent provider of technology services and we're gaining market share.

Today our technology business consists of technology consulting, systems integration, application outsourcing and infrastructure services. But we also have a powerful combination of industry, business process and technology expertise. We're able to bring all of that together. We bring it to our clients to help them transform their business through technology. But really, as you think about it, technology is inside everything we do at Accenture. It powers BPO, it drives our industry capabilities, and it drives our offerings.

And we've built this over an extended period, over decades; we've been delivering successfully for decades, which provides us a solid foundation, enabling us to expand into new geographies and with emerging technologies. We have built a unique position in the technology ecosystem — teaming, innovating and leading with every major technology company and most of the emerging technology players.

We're the leading global integrator for software products from SAP, Oracle, Microsoft and Salesforce. We're number one. We also lead with equipment and infrastructure companies like HP, Cisco, EMC and IBM. We're their number one partner. And we're also tops with the emerging companies, companies like Workday, Taleo and others.

So, you might ask, why do they all want to work with Accenture? Why do they work with us? And that's simple: They value our capabilities, our scale and our channel. We can help them drive major business into the marketplace, and we drive it for ourselves as well. We extend their capabilities with our industry and process experience. So we're not just selling their products, we're wrapping capabilities around it. We can create differentiated solutions and have created differentiated solutions with our own assets and offerings. And we're doing more and more with the end-to-end business services, taking our business process expertise, our industry expertise, our software assets and bundling those into an end-to-end business service, as you've heard Shawn, Steve and Mike reference earlier.

And working with our ecosystem partners, we have built our own technology assets and offerings. Some examples: We have a private cloud on SAP offering; industry-tailored Microsoft Cloud Solutions; Oracle Smart Grid Solutions; industry-based software products — you've heard referenced earlier around what we have in the insurance sector; we have Accenture claims software for insurance; and we have data management accelerators and analytics.

We've also built and developed over the years industry-specific ERP solutions — around SAP, around Oracle — which we call Accenture Advanced Enterprise Solutions. And this is where we've codified our industry capabilities and our years of ERP experience into a set of processes and technologies which are packaged for rapid deployment so our clients can benefit from a more predictable, faster and higher-quality result with less cost and less risk.

So these are just some of the things that differentiate Accenture and make us unique in the marketplace. But let me talk for a moment now about our key competitive weapon, and that is, as Pierre's already referenced, our ability to deliver, and we can do that on a global scale. It's our global delivery. It's at the heart of what we do each and every day. It's the key to our productivity and cost effectiveness, and it is much more than just India.

Our Global Delivery Network, which we glowingly refer to as our GDN — think of it as our supply chain for client service. It's our team of 162,000 people who work at our client site locations, in Accenture offices and in our delivery centers worldwide. It's how we deliver our full sweep of technology offerings, both core — which some of you may refer to as legacy in some cases — and also emerging. And when you add BPO, as Mike referenced earlier, and our managing consulting capabilities, there is nothing in our industry like our GDN.

We're able to bring the full range of capabilities to our clients, ranging from supporting agile projects to large-scale transformational complex programs. We're growing our industry, business analysis and consulting skills at scale. And our centers have at the core — as we've referenced many times earlier today — industry. More than 75% across our GDN have industry skills, so we may remain true to our focus on industry being important.

We are uniquely global. We don't believe anyone can match our reach and scale. With our more than 50 centers around the world across Latin America, Africa, North America, Europe, India, the Philippines and China, this is more than just one country. And we're expanding, so we're continuing to look at where do we need to go next? And we're expanding in our priority emerging markets like South Korea and Turkey to provide access to our full network in some of these markets of the future.

So, why does all this scope and scale really matter? Because it puts us where our clients need us the most — where they're operating. And it enables us to deliver when they need us. Just as an example, for Unilever, an Accenture team from three delivery centers, on two continents and across 25 countries helped to simplify their operations in supply chain management through an ambitious and complex ERP implementation, which spanned 62 client factories across 24 European countries and reaching more than 17,000 users. I believe that only Accenture can deliver at that scale.

So, we're raising the bar as we continue to look forward on productivity, reliability and quality, through innovation, through assets, through automation, while we continue to focus on lowering our cost to serve. We're making great strides with our delivery assets for ERP, adding more pre-packaged knowledge software around business processes and pre-configured software solutions, which allows us to go to market faster and, again, have a more predictable outcome.

And we're continuing to invest in future technologies — those that are here today and those that get to the next horizon — building capabilities in emerging solutions like Windows 8, SAP's HANA, Oracle's engineered systems, Salesforce, Workday and others. So it's a really exciting time. It's an exciting time to be in technology, as Pierre has described. We're embracing the huge and new opportunities ahead of us with these technology waves — cloud, mobility, analytics and others. And as our clients adopt these new technologies to both improve their IT effectiveness and seize new opportunities, it creates value for them and it creates opportunities for Accenture. So, these are great times for Accenture in technology.

Let me sit with my colleague here. Paul Daugherty is our Chief Technology Officer and has the unique pleasure of spending a lot of time in the marketplace with our clients and certainly with our partners. They're picking his brain — where's tech going? What do you think? — so I'm going to do a little of the same here this morning and have him share some thoughts with you all in terms of what we think's going on in the marketplace from Paul's perspective.

Paul, what are your views in terms of what's happening in the tech sector, and what do you think this means to our clients, the Global 2000 companies? What's going on out there?

Paul Daugherty
Chief Technology Officer

Great, Marty, thanks. I'm delighted to be here. Technology is back and it's an exciting time to be in technology. We're seeing momentum across all the waves that everyone's talked about today. And Shawn mentioned an important point earlier, which is around the consumerization of technology. The consumerization of technology means that our clients' investments and our services are increasingly focused on the front office, helping our clients innovate with their customers. And this creates new opportunities for new applications that didn't exist previously, things like social media to engage and influence consumers more directly. It builds new services for Accenture. It also opens up new things that we can sell to our traditional buyers, our existing buyers, the executives and CIOs we work with today. And it also opens up relationships with new buyers, such as the Chief Marketing Officers, and opens up new areas of spend for the services and solutions that we provide. So, these waves are unique in that they're really opening up a different frontier for us in many cases.

And as we look at technology overall and you think about these waves — we've talked about a lot of them — the two things that are important are picking the right waves, so we pick the right things, and that we execute effectively and we build the right position, the right capability, at the right point in time with the waves. And our position shows that we really have picked wisely. If you look at the strategic growth initiatives that Shawn and Pierre have talked about in technology — analytics, mobility, cloud, digital and interactive services — these are areas that are generating billions of dollars of revenue for us, and we anticipate growth well in excess of Accenture's averages going forward. They are also areas where we can continue to build and grow our market share, because in early stages of technology, these markets are very fragmented and as the markets consolidate, it's a great opportunity for us, with our scale, to consolidate and grow our position in the market.

Well, let's take a look at one of the growth waves to see what happens as we execute on our strategy here. If you take a look at mobility, it's a big business for us today. We have thousands of people working in mobility. We're doing mobility projects for a significant number of our Diamond Clients, so it's big and it's real for us today, and we're accelerating that growth with selective acquisitions. We acquired SOSCO, which provided us with a deeply specialized and highly skilled pool of device engineers who know the bits and bytes and guts and ins and out of the mobile devices and intelligent devices that are increasingly at the heart of our solutions. And we acquired Mogenesis, which provides mobile development and mobile managed services, and they're very important in the fast-growing China market.

And if you look at mobility overall, with those capabilities we're poised for great growth. The mobility market is large and it's transforming rapidly. Think about it, I see a lot of iPads out in the audience, and iPads and smart phones are now outselling PCs. And for our clients, what that means is they want to deliver their services, innovative new services, to their customers and to their employees in new ways, and this creates opportunities for new services for us.

So, we look at mobility, there's a few things we're doing. Building on what Marty said earlier, around our independent position, we're working across all of the platforms — Apple iOS, Symbian, Android, Windows 8 — those are all opportunities for us, and we've got a strong position on all of those platforms in delivering solutions for our customers.

And we're investing ahead of the technology. Windows 8 is a good example that Marty mentioned. Windows 8 will be released later this month. Through our Avanade business, in working with Microsoft, we've already deployed Windows 8 design studios and we're cranking out applications already for customers that will be available at the release date of Windows 8 and accelerate the growth of that market. So that's investing ahead of the curve.

We're also mobilizing our clients' businesses, transforming our clients' businesses, to become mobile enterprises. A good example there is Colimar Group, which is a large global consumer products company based in Europe, where we deployed an iPad application to a large part of their sales force, integrated with their SAP backend, so that on the iPad they could do new things they couldn't do before — video product catalogs, in-store sales tools that were integrated with the SAP backend — so that in real time, online, in the stores, the sales reps could do processes they couldn't do before. And that's an example of really transforming the business process through new innovative technologies like the iPad.

And then, finally, we're developing positions in new devices. As you think about the proliferation of all the intelligent technologies out there — telematics and industrial equipment, the connected car, medical devices and intelligent health devices, sensors and controls in manufacturing plants — we're working with solutions in all these areas right now, not just deploying technology on those devices, but integrating back to the enterprise. And these are early-stage, big growth opportunities for us to leverage our strengths and our enterprise-wide view and enterprise-wide processes across all these new markets going forward.

So it's early days, but that gives you an example of mobility and what we're seeing. And you've got to keep it in perspective — again, with many of you with iPads out there, the iPad is less than three years old, and think about all the innovation that's come about through the iPad. There's a tremendous amount of growth potential ahead, but I think we're in a strong position through the investments we've made.

Marty Cole
Group Chief Executive — Technology

Yeah, I do see there's some laptops out there as well, so if you have any questions with Paul on the laptop versus iPad, we'll take that offline.

We talk a lot about the cloud, and even before the session began this morning I had some questions about that in the breakfast area. Paul, could you share your thoughts about what we are seeing in terms of the cloud and our clients. Again, the clients we serve, what's happening there, what are some of the opportunities?

Paul Daugherty
Chief Technology Officer

Yeah, the cloud is a big wave; it's hard to overstate. It's a big wave and it's disrupting many parts of the technology industry. And our clients are all over it. They're very excited about the cloud because it provides innovative new ways to achieve their business outcomes, and we've been investing to help them realize those benefits. And we're pleased with the results in where we've gotten to with our cloud business. We've completed thousands of cloud projects for over half of the Fortune 100. So, again, a big, big real business at scale with our clients, and we've got thousands of people trained up with the cloud.

We've invested from the start and focused on industrializing our delivery for cloud. So we built cloud factories in our Global Delivery Network on all the major cloud technology platforms. And that's been a real differentiator for us with the business. Our clients value the fact that we can bring the Accenture delivery that Marty talked about into cloud, so they can get everything they expect from Accenture in this new area. And it also positions us well to really scale that as the cloud market scales.

So, what are we doing with clients? We're helping our clients with their strategies and roadmaps, which you'd expect us to be doing, as they think about where they're going to go with cloud. We're helping them on the infrastructure side; our clients want to move to cloud-based infrastructure, private clouds and infrastructure as a service. And they want the transformed cost-effective and flexible capability that the cloud offers, but they're also concerned — our global 2000 large enterprise clients — about security, privacy and reliability, and that's where we can help our clients deploy the appropriate solutions to solve the business needs that they have leveraging technologies that work. Private cloud and the whole cloud infrastructure area is the largest part of our cloud business, and it's poised for great growth going forward, as our Global 2000 clients are really just starting that journey to take advantage of cloud infrastructure.

Now, applications is also a big area for us, moving applications to the cloud through Software as a Service. And Software as a Service is really just applications in the cloud. And it's still relatively small and it's young among the Global 2000, but it's exciting and it's a fast-growing opportunity for us. We've established a leadership position: We've got over 2,000 professionals dedicated to our SaaS business; we've completed over 450 projects; and we've gotten recognized for our leadership, as Salesforce.com and Forrester have rated Accenture as the number one provider of solutions in the Salesforce.com market.

We're also building positions with other emerging providers — like Workday, NetSuite and Zuora — as the new entrants come into the market and create some real potential for our clients. And last, but certainly not least, we're working closely with all the partners that Marty mentioned earlier — SAP, Oracle and Microsoft are very relevant in the cloud. They're all going all in with the cloud and moving their offerings to the cloud, and we're leveraging our top position with those clients to expand our business and create a strong position as they move to the cloud through solutions like SAP's Business ByDesign, Oracle's Fusion, Taleo, and Microsoft Dynamics and BPOS. We're working in all those technologies and have strong positions today.

So, that's a snapshot of what we're seeing, Marty. I think it's a strong position we're in.

Marty Cole
Group Chief Executive — Technology

It's great. Clearly, we love where we are and we love the momentum and the business. There's probably at least one person in this room, maybe more, who's sitting there going, I hear all that, but I suspect that this SaaS move is actually a threat to Accenture's business,. So what are your thoughts in terms of what are we actually seeing in the impact of SaaS or the cloud on our business in particular?

Paul Daugherty
Chief Technology Officer

Yeah, well, if you have to choose between threat and opportunity, cloud is clearly an opportunity. If you look at it and step back, the world will spend the next decade and beyond re-architecting their solutions to be relevant in the cloud environment. This is a long journey that's underway here and there are really three points to consider.

The first is a point that Shawn mentioned earlier around hybrid cloud and the hybrid world that we face. Hybrid cloud is the reality that our clients are going to encounter. And let's look at the progression of what that looks like. If you look at our data or if you look at industry data, you can start to assemble a perspective of how the pace will evolve. About 4% of enterprise application workloads are in the cloud today. So, 4% today based on the different data that's out there. Now, if you look out to 2015, that might move to about 12%, so significant growth. If you look at 2020, it might move to 20 to 25% of application workloads in the cloud. So, we're starting at 4% today, in 2020 we might be at 20 to 25% of application workloads in the cloud, which shows that there's an awful lot of the traditional business, the traditional applications, that are still running in traditional technologies on premise for clients.

So, cloud has brought accelerated rates, but overall penetration is going to be modest, and few of our Global 2000 clients are going to be comfortable moving their core ERP or their mission-critical transaction-processing systems to the cloud over the next several years. So, what that tells me and what we see in the business with a hybrid model is our clients will rely on the traditional technologies for a long time to come, and that they'll need to blend the traditional technologies with the older legacy technologies, with the cloud technologies. It'll be a hybrid future, which really creates demand across all of Accenture's services, as we put all that together to solve the business outcomes working across the processes that they try to support. So, hybrid clouds is a reality.

The second point is SaaS implementation is a good opportunity for Accenture. It's a good business opportunity and SaaS outsourcing is also a good opportunity for us. Let's unwind that and kind of look at the next layer a little bit. A lot of people talk about the plug-and-play analogy that SaaS is like a utility; that you can just plug in if you're an enterprise. That's just not practical and not the reality. SaaS is not a simple plug-in for the large enterprise. Our clients need differentiation; they're looking for differentiated business outcomes. And also, there's no new magic that's been invented in software. Software, whether it's on premise or in the cloud, needs to be configured to meet the unique needs of our clients. Now, SaaS implementation is a little bit different, but it involves the same processes that we're very familiar with from our traditional business. We design processes, we identify requirements, we develop configurations to software, we build interfaces, we test the software, we build reports, we do interfaces, we cleanse data, we convert data, we handle change management — a wide spectrum of activities. All those things still need to happen with Software as a Service. Some tasks are simpler. Technology environment support is simpler with SaaS because that happens in the cloud, and the SaaS software is sometimes more modern — it's been written more recently, taking advantage of more modern software engineering practices — so that the software can be configured a little bit more efficiently than prior generations of software.

So, what that all adds up to is SaaS is a bit a more efficient to install for our clients, on the order of 25-35% more efficient. But you also see a pattern that's emerging as SaaS matures and our clients rely on SaaS for larger, more ambitious business transformations. When we look at the transformational use of SAS, which is really where our clients are trending, the gap really narrows and sometimes is eliminated, and the SaaS transformational initiatives are often comparable in size or larger than the on-premise traditional implementations would have been.

There's a good example with a large global company we're working with, where we've undertaken a very large Software as a Service Program. We have consulting work to transform their operation based on Software as a Service, technology work to build, and outsourcing work to operate the solution on an ongoing basis. It's great work for the client, delivering great value, leverages all of our skills across all the services that Accenture provides, and it's profitable work for us to do.

And, finally, the third point is SaaS creates new demand and new areas of demand for Accenture services. I talked about the efficiency gains earlier, and it's very similar to what we saw with other waves, such as the move to package software in client server. New technology waves introduce efficiencies. And this gap, as we've seen with other waves, will narrow as clients gain confidence in using the technology as it matures to do more transformational initiatives, such as the one I described earlier, which wouldn't have happened and wouldn't have been an opportunity for us if it weren't for Software as a Service technology.

And finally, that efficiency — as we've seen with every other technology — means that clients can do things they couldn't do before. It unleashes new demand. There are new things that couldn't be a business case before that now clients can find a business case to do. And we're finding many opportunities with our clients coming forward with ideas and opportunities that wouldn't have existed without the efficiencies that Software as a Service brings. So, you add that all together, Marty, I think it adds up to a great story for us and a great future ahead with Software as a Service.

Marty Cole
Group Chief Executive — Technology

Good, thanks for sharing your thoughts with us.

So, hopefully, you all can sense that we're excited about our position in the marketplace, in the ecosystem. We like our capabilities. We love our industry differentiation. We love our Global Delivery Network, and we're confident that as the marketplace continues to shift and as these waves take on steam, take on strength, that we're positioned very well to make a difference in the technology ecosystem in the future. With our deep industry, technology and business process experience; unmatched Global Delivery Capability; our leading position in the ecosystem; and our amazing people, we believe we can continue to capture share and see strong profitable growth across all these technology waves and throughout our technology business. So, Pierre, back to you.

Pierre Nanterme
Chief Executive Officer

I know I'm talking a lot to you around this SaaS cloud, is it an opportunity, is it a threat — I think all of this emerged three years ago, and I think the good news, and what I'm hearing from Paul, is now we understand that market definitely better than three years ago, we understand how this market is forming, and we understand where are the spaces where we want to compete and when we want to get the position, and definitely we believe it's an opportunity for us, but I'm sure there's going to be questions around this.

Technology Q&A

Pierre Nanterme
Chief Executive Officer

So, we have 15 minutes or so, questions, raise your — we have two, and here we will have one here. Ladies first.

Katy Huberty
Morgan Stanley & Co.

Thank you. Good morning, Katy Huberty, Morgan Stanley. Just curious — I don't know if this is for Paul or Pierre, you can both chime in — but if you take a process like CRM or HR and you compare what your share is in BPO today and where you think your share will be in SaaS implementations, do you think there's a significant share opportunity such that if the deal sizes do end up being smaller you can still maintain that revenue base?

Pierre Nanterme
Chief Executive Officer

When you look at all the SaaS program implementations, there are some part of the SaaS implementations that might be more efficient, and that is creating opportunities for clients — and we have evidence of this — to invest more in business process transformation. So that's what we see actually in the numbers. So we see that efficiency gain being reinvested in added-value kind of transformation for business outcomes. That's what we see. Do you want to add anything, Marty?

Marty Cole
Group Chief Executive — Technology

Yeah, I can add in. In your question you had a couple different dimensions, you had BPO and then you had our technology components, so I'll address maybe the technology side. Our view is we will be the number one integrator of SaaS applications —whether it's Workday on the HR side or Salesforce for CRM — and that's really our current position today, and we're continuing to extend that. As Paul described, there will be this hybrid future, so you may have a Salesforce operating at a public cloud in a relatively generic solution, in a multi-tenant environment — that's what they're selling — but it then has to interface and integrate with existing capabilities, and we believe we're best positioned to provide those integration services, from the new application to the traditional or the core systems. As Pierre described, there's also a lot of business process transformation work that is going to be required. If you're going to take a relatively standard solution and make it work in your environment — Global 2000 companies, the largest companies and governments around the planet — there's a lot of work that's going to be required to make that happen. So we think hybrid introduces new complexity, new opportunities, and the integration services themselves will be quite significant.

Pierre Nanterme
Chief Executive Officer

We have a question here in front.

Allen Zwickler
First Manhattan

Good morning. Allen Zwickler with First Manhattan. This question's for Steve. Talk about the gorilla in the room — Medicare and Medicaid — what are you doing for the federal, states, etc., and how would that change if the world changed in November?

Steve Rohleder
Group Chief Executive — Health & Public Service

Well, it depends on what you mean by the world changing. We're active in the public health area, although it's still early stage. There's a lot of dimensions to that question. You can talk about Obamacare and what's happening in health information exchanges and our participation there, where we're working with the state of California there to develop one of the largest insurance exchanges as a result of Obamacare. You can also talk about, if nothing changes politically and the implementation moves forward, there's a couple of things that are going to happen. One, there's going to be more pressure on the providers to get electronic medical records in place and hit the meaningful-use guidelines that are set for 2014; that will create a lot of systems integration work around ICD10 and some of the other medical directions.

On the Medicaid side, and the public health side, I don't think we've even begun to see what the changes are going to be in what they call Medical Management Information Systems, or MMIS systems, of the states. As they have to implement the new guidelines, there's going to be a tsunami of changes that happen to those old legacy systems. We're actually positioning for a wave of re-competition in those — there's about 23 to 24 states over the next two years that are re-competing those, and we've put together our own solution using Accenture software as a base to go after that market. So, hopefully, that gives you a sense of what's going on.

Rod Bourgeois
Sanford C. Bernstein & Co.

Rod Bourgeois here with Bernstein. Maybe a way to quantify the impact cloud is having on some of your core businesses – can you give us an idea of how your CRM practice has done in the last few years? As Salesforce.com has received traction in the market, is your CRM practice still growing? Maybe that's a good way, a case example, of how cloud affects your business.

Paul Daugherty
Chief Technology Officer

What's happened in CRM is it's really been a shift in the market around the new technologies. If you think about the categories of CRM, there's marketing, sales and service. All the work we talked about with Salesforce.com, particularly in the early days, was focused on the sales segment of CRM, which was a reasonably small part of the market. The bigger dollars and bigger opportunities are around transforming service and end-to-end service proposition for our clients, and Salesforce.com and the newer solutions are just moving into that space now. So large parts of our CRM business haven't been as impacted yet by the movements of Software as a Service, but that's coming over time. What we saw in the parts of the market that were impacted, such as marketing and sales within CRM, is that it was really a substitution; we're able to grow our business, we're able to transform the business to operate on the new solutions, and it was by delivering the N10 value propositions for the customers. The technology's a part of it, but it's looking at how, if we're working at a financial services company, we introduce a single view of the customer and improve cross-selling rates to the customer. It involves our consulting skills, a lot of our technology skills, and, yes, plugging in the Software as a Service model, but it's that end-to-end service that's a large part of the market that's still in a lot of demand that drives our growth.

Rod Bourgeois
Sanford C. Bernstein & Co.

Can you give us an idea if there's a growth rate in your CRM business?

Pierre Nanterme
Chief Executive Officer

We will not get to that level of detail at this stage, but we're pleased with where we are with our sales and CRM practice.

Jason Kupferberg
Jefferies & Co.

Jason Kupferberg from Jefferies. I wanted to ask a question about the Global Delivery Network. Our impression is that the work being done at the GDN continues to move up the value chain over time; now you have I think north of 150,000 employees there. Can you just talk about the implications for your HR and recruiting strategy as you have moved up the value chain within the GDN, how does it change the types of folks that you look to recruit, whether they be off campus or experienced hires? Thanks.

Pierre Nanterme
Chief Executive Officer

Mike?

Mike Salvino
Group Chief Executive — Business Process Outsourcing

So I'll start. I mean, one of the things we talked about within BPO was the GDN isn't just around processing transactions anymore. We're doing high-end analytics, we're also implementing social media and mobility to upscale and really deliver business value. And, again, I said either helping a client increase revenue or further decrease your cost beyond just the normal labor arbitrage. Steve had a great example. Two years ago I would have never thought we would have doctors and nurses on staff in Manila and India, so one of the challenges that Jill and I had was, how do we go about doing that? How do we get our name in the market? Why would a doctor or a nurse come to Accenture versus doing their normal role? When I got involved in detail with the original pilot, I asked that question. And a nurse came back to me and said, "Mike, have you ever changed a bedpan before?" And she said, this place is awesome, and there's career growth. So going after those type of things, I mean, we've got a special mix here, and those specialized skills want to come to work for us. Jill.

Pierre Nanterme
Chief Executive Officer

Jill is our Chief Human Resources Officer, but every year she's doing the magic, and the magic is to be able to bring, attract around 60,000 people to Accenture, and it's not about 60,000 people, it's 60,000 qualified and relevant people for the business you want to do. So, Jill, you want to bring color?

Jill Smart
Chief Human Resources Officer

Yeah, well, there's a lot of people that are with Accenture that do the magic, Pierre, as you know. Your question is actually a great question, and you kind of answered it yourself, in that we used to hire people that had a lot of IT skills and systems engineering skills, and we hire across the gamut now. So we have really expanded experienced hires — people with experience, not just right out of campus — the balance has really shifted from that. But what we've had to do as a result of that is change our value proposition. We need to make it attractive from meter readers to analytic engineers, and so we really have a much more diverse value proposition for our people, we have different career tracks that we haven't had to have before, and it's really impacted things like training, as well; we really need to expand where we're at in training. And so that's exactly what we've done, you kind of answered it. And it's funny, actually, literally, last week I was at a doctor appointment and the doctor was asking me what I do, and when I left he gave me his card and said are you hiring this kind of doctor? So I'm like, okay, that's 59,999 from 60,000 — one more — so you're absolutely right.

Pierre Nanterme
Chief Executive Officer

Yeah, it's fascinating the way our people, our workforce, changes to continue being relevant, not only from a geographic standpoint — you mentioned that from the mature to the new market — but from a skill standpoint as well, and we know that moving forward. Again, we're talking about differentiation, but this applies, as well, to people with the differentiated and highly specialized skills, but the kind of next horizon Jill and the team are working on.

Tien-tsin Huang
J.P. Morgan Securities

Tien-tsin Huang from J.P. Morgan. I just wanted to ask, what's the trend in terms of mix of business on Accenture-owned assets and software versus partner-owned assets? I would think that with the waves that you're talking about we'd see a mix shift towards Accenture-owned, and is it safe to say that that would be margin-accretive?

Pierre Nanterme
Chief Executive Officer

That's a good question, and it's an opportunity for you, Marty, to summarize our strategy in terms of software, that is, when it's more proprietary and we focus on proprietary solutions, and how we're leveraging the solutions from the ecosystem.

Marty Cole
Group Chief Executive — Technology

Tien-tsin, your hypothesis is correct in the sense that we are certainly — as we build our assets, as we develop our business services — we want to have a core capability in the solution. In many cases, that will be processes, methods, tools. In some cases, it will be hard assets, licensable assets developed through Accenture Software, which is one of our own initiatives. They're growing. We're not going to be a software company in the sense of that's where we want to lead with — we want to lead with assets, we want to lead with solutions, and we're a services company with technology capabilities. So we're going to see more growth around some of these core assets; we're going to build these assets into our business services, which is going to be a growth engine for us. But we also value our position as the leading independent provider of technology services, and we're going to continue to partner. So there may be cases where we bump up against one of our best partners in a particular area, but for the most part, we're going to have our assets bundled around some other solution pulling through services, ideally using business process outsourcing, leading with our industry capability, really on an end-to-end basis. So it's more and more growth.

Pierre Nanterme
Chief Executive Officer

I think that's a brilliant answer. And, again, what's very important for us in our search for differentiation is to own unique IP, and we could develop that IP on top of third-party providers — we mentioned those — or we can own that IP by acquiring or developing our own solutions the way we did in insurance, for instance, because we didn't find any other partners with a relevant solution in that space. So we have this kind of hybrid strategy, but with a single objective, which is owning unique industry IP in the marketplace to differentiate us from the competition.   So the last question here.

Sara Gubins
Bank of America Merrill Lynch

Sara Gubins from BofA Merrill Lynch. Could you talk about, within BPO, what percent of the work is outcome-based in terms of pricing, or priced by output — how are you structuring that?

Mike Salvino
Group Chief Executive — Business Process Outsourcing

What we're doing is, in terms of percentage, all I will tell you is that the majority of our work now is what I call fourth-generation BPO. That means that we're not only processing transactions but we're doing the analytics and the industry insight on top of that, which will lend itself to be more outcomes-based. But what we see in a normal contract, in the first couple of years, it's based on volume or transaction pricing, and then in that five- to seven- to 10-year process, we can get our clients to more outcomes based. But that's a very hard sell on day one, just going to outcomes, because they've taken a process that they've known well, and they want to make sure they're getting the appropriate savings out of it. So if we just come in with outcomes on day one, it's tough. But my point is, you can evolve over time, and clearly we're pushing our clients in that direction.

Pierre Nanterme
Chief Executive Officer

Thanks, Mike. Again, don't be frustrated, keep your questions; we'll have a longer session later in the morning so we will be able to answer all your questions. We need to move to the next chapter, but thanks a lot Mike, and let's move to the next session. Thanks a lot for your questions and for the answers, well done.

Geographic Expansion

Pierre Nanterme
Chief Executive Officer

I've received this question from many of you — okay Pierre, in the coming three, four, five years, what is it you would like to leave as your legacy? And I'm probably still too young to think about that. But, geographic expansion is clearly part of this. I mean, I feel an obligation and the leadership team, we feel an obligation, to make Accenture relevant in the new world — in the new world from a macroeconomic and geographic perspective. We are very pleased with our unique positioning in our mature markets. We're very pleased with the progress we're making in other markets, but we have an obligation to look at the world the way it is, and the way the world will look in the future. And this is an agenda we're pushing hard, we're standing behind, we want to make progress, we will make progress and we are making progress. And, so, now I will invite you and Pam to guide you around the world of Accenture. Over to you, Pam.

Pam Craig
Chief Financial Officer

Thank you, Pierre. So, we're going to mix it up a little and literally go around the world and spin the globe a bit. And like last time, take you to four of our just terrifically strong leaders around the world, all of whom I know very, very well. And, so, we're going to go virtually through technology that we use every day to run our business, to serve our global clients and do what we do.

So, we're going to start like we did last time with Roger Ingold in Brazil. Roger, I've known for a couple of decades, going back to the Products days. He moves a little slower than he did then, but probably still faster than all of us. He's just an incredible leader of all of Latin America for Accenture and, today, he's going to tell you a little bit coming live from Sao Paulo about our very big business in Brazil, as well as the rest of what we're doing in Latin America. So, Roger, welcome.

Roger Ingold -
Managing Director — Latin America

Good morning to everyone, and thanks for the introduction, Pam. So, it's a pleasure to share with you what we are doing in Latin America. Latin America, we organize it in three pieces: Brazil, our largest market; Mexico; and Hispanic South America, which includes Chile, Colombia, Argentina and Peru. In the region, we already have 20,000 people and we grew 16% in local currency last year. And we continue to see significant opportunities around in all these countries and in different industries.

In Mexico, we serve seven of the 13 G2000 companies and we are well-positioned in retail, in consumer goods, banking, communications and energy. As you know, later this year, a new President will take office and he's planned significant reforms around energy, labor and taxes. These potential changes will provide us with important opportunities to apply our services with private and public companies.

In Hispanic South America, we have almost 8,000 people and we are working with 8 of the 12 G2000 companies. We achieved a compound annual growth rate of more than 30% in the last two fiscal years, with countries like Chile growing 55% last year. Colombia and Peru are also growing very nicely. Across Hispanic South America, there are good opportunities in natural resources, energy, financial services, insurance, transportation and communications.

Now, let's turn to Brazil. So, despite the expectation of slow GDP growth, less than 2% this calendar year, we continue to drive growth. In fiscal year '11, we grew 25% and revenues crossed the billion-dollar mark as promised. In fiscal year '12, we grew more than 14% and we served 26 of the 33 G2000 companies. Recently, we added our fifth Diamond Client in Brazil. We see many opportunities with both public and private clients to help transform their organizations. For example, in Brazil recently, we had a very significant structural drop in interest rates. This will accelerate the need for financial institutions to transform the way they operate. This is an area where Accenture has a lot of global experience and we are going to use it here.

On the infrastructure front, government is accelerating investments and engaging the private sector to participate in ports, airports, rail and roads. We did refresh our strategic plan focusing on differentiation, market share growth and we have three initiatives, or three pillars, on the strategic plan. First, we want to further increase our focus and investment on core clients, where we are well-positioned. We want to be the transformation partner for their growth, their competitiveness and their global expansion.

Second, is to generate critical mass and scale in the growth areas where we have been investing: BPO, infrastructure, agribusiness, health, risk management. And, finally, we want to continue to explore additional areas, such as mortgage processing, where we see the country growing more than 20%, year over year. We also see good opportunity in field service enablement to increase the efficiency of thousands of people working in utilities and communications.

The good news is that our strategy's working. Let me give you a few examples, in addition to the Oi case that Mike Salvino already mentioned. We are helping one of the largest financial institutions to improve its credit and collection processes and customer service. At the same time, we are leveraging our management consulting and risk management, technology skills, to deliver improvements to the operating model and drive increased efficiency. We also helped the city of Rio de Janeiro create a single citizen information phone number for its 6 million residents. 85% of Rio's agencies are linked to this system. And the city can handle hundreds of thousands of requests via wired, mobile phone calls, mobile applications, and the Internet.

Finally, we conducted a productivity improvement project for the Guarulhos Airport in Sao Paulo, leveraging our management consulting services. In three months, we have helped them reduce the time it takes for passengers to go through airport processes by more than 25%. And the public agency is expanding this potentially to all airports.

In summary, we are very positive about the country's overall prospects. We see our differentiation and growth strategy already delivering results and we are confident that with our unique positioning and the passion of our leadership team, we can maintain the momentum of growth in the marketplace. Thank you very much.

Pam Craig
Chief Financial Officer

Thank you, Roger. Thank you for your passion and all you do. Let's spin the globe, a little east, a little north…and we're going to go to Singapore. And I'm delighted to introduce to you for the first time, Lay Lim Teo. She runs ASEAN for us, which is the seven countries in ASEAN, which she'll explain to you in a minute. Our business there is also quite large and very profitable and it's also a place where foreign direct investment is running second only to China. So, we're very excited about this part of the world. Lay Lim, tell us about it.

Lay Lim Teo
Managing Director — ASEAN

A very good morning to you all. As Pam said, I'm joining you today from Singapore. I am delighted to be speaking with you about our business in ASEAN, where we operate in seven countries: Singapore, Malaysia, Indonesia, Thailand, Philippines, Brunei and Vietnam. ASEAN has 8.8% of the world's population with over 600 million people and it's one of the most connected regions, with 566 million wireless subscribers. Its importance on the world stage is evidenced by its ability to attract more than $255 billion in foreign direct investments — second only to China — and is expected to continue to experience growth rates of 5.4 percent through to 2015.

In ASEAN, Accenture is helping our clients take advantage of this growth. We have a 40-year history of operating here with a talented workforce of more than 33,000 people across the seven countries. We serve 19 out of the 37 G2000 companies based in ASEAN. And we have longstanding relationships with our clients, many of whom we have worked with for more than 10 years.

Let me now share with you some of the highlights of projects we have undertaken with our clients that best exemplify the transformational type of work we are delivering. Earlier today, you heard Steve Rohleder talk about Accenture's health industry and connected health. Here in ASEAN, we've launched one of the world's first national electronic health records systems in Singapore, enabling a single patient health record for clinicians across the entire health continuum. This initiative is critical to helping the nation improve the quality and cost of healthcare for all citizens. We're helping a bank in Southeast Asia that is aggressively expanding across the region by providing a single pan-ASEAN team to set up its core banking capabilities in its new markets. Our work will ultimately help the bank deliver a consistent customer experience, borderless banking and innovative offerings throughout the region.

And in Indonesia, where the domestic market offers dramatic growth opportunities for business, we are working with a large automotive company to scale its capabilities and capture new market opportunities. We are bringing the full range of Accenture capabilities to bear — from management consulting to technology and outsourcing. And we are working at the core of the company's business, supporting areas ranging from marketing and manufacturing to budgeting and planning. Looking ahead, we will continue to navigate through these challenging economic times by maintaining our focus on three key themes:

First, by bringing innovation to our clients. For example, we are helping both private- and public-sector clients generate real-time actionable insights, to drive more informed business decisions and develop better outcomes for their customers through our industry and solution centers, such as our Accenture Innovation Center for Analytics in Singapore.

Secondly, by continuing to help our global clients execute their regional strategies and to help our ASEAN clients more effectively compete to become market leaders across the region.

And, thirdly, by building market-relevant solutions for clients that address the challenges and opportunities created by urbanization, infrastructure development, healthcare, education, next-generation technologies, analytics, cloud and mobility.

In closing, we are truly rich in talent, expertise and opportunities, and our people are committed and passionate about what they do. I believe Accenture continues to be well positioned in ASEAN, bringing to bear the full breadth and depth of industry and functional capabilities to our clients. Thank you.

Pam Craig
Chief Financial Officer

More passion and results. Thank you, Lay Lim, and that was terrific. I'm delighted also to introduce you to another great friend and leader, William Mzimba, who joins us from Johannesburg, South Africa. William has been leading our practice there for a few years now. It's grown over 20 percent CAGR for the last three years and there's just a great story in South Africa and also one of great promise for all of Africa. So, William, tell us that story.

William Mzimba
Country Managing Director — South Africa

Pam, thank you for the warm introduction. Good morning from Accenture in Johannesburg. I'm really very excited to share with you some insights on our business in South Africa, especially now that we are at a tipping point in our continent's history. South Africa is receiving significant global investment to support the economic development and growth of our country and the continent.

The South African government is expected to spend more than $107 billion on infrastructure projects over the next five years. At the same time, we see the IT market is growing at roughly 9 percent per year, and it's estimated to hit about $7 billion by 2015. Accenture in South Africa is well positioned for strong growth. The country remains Africa's largest economy and is home to 22 of the Global 2000 companies, 13 of which are our clients today.

There is significant white space at Accenture's existing and target clients spanning all sectors. We see great opportunities in business process outsourcing and application outsourcing, as well as emerging technologies including cloud, analytics, mobility and smart grid. To this end, we have broadened our capabilities in our delivery centers to offer a wide range of services. These include advanced technology and outsourcing solutions as well as business process outsourcing services, such as finance and accounting and procurement. The centers are linked to our Mauritius and Morocco delivery centers and are part of our Global Delivery Network.

Accenture has operated in South Africa for more than four decades. Over the years, we have effectively applied local insights with global best practices to become a trusted advisor and an innovative partner to our clients. Let me just provide two examples.

The first example: at a large power utility with more than 30,000 employees, we have leveraged Accenture's global high performance model for utilities to transform the company's core function across generation, transmission and distribution. We delivered one of the largest SAP implementations and other enabling technologies in record time. This will allow the utility to simplify and standardize its core business processes, reduce total cost of technology ownership and improve reporting to support management decisions. It will also help the utility to achieve the Board's goal of being a top-five high performance utility in global terms.

Second example: for the last 14 years, we have worked with a local retailer to transform its business operations. There we have leveraged our global delivery capabilities in India and in the Philippines to help transform the retailer's applications and supply chains. Over the tenure of our relationship, the retailer has grown to four times its original size. We continue to run all of its applications, as well as F&A — Finance and Accounting — business processes.

We have more than 2,000 employees in South Africa today, with a mix of professionals across technology, management consulting and outsourcing. We continue to leverage the strength of the Accenture brand to attract and to retain the best talent on the market. We have achieved more than 22 percent compound annual growth rate in net revenue over the last two years in local currency. This was due to solid business performance, strong client relationships and a highly experienced leadership team that manages their business with rigor and discipline.

Going forward, we will continue to implement our growth strategy focusing on transformational projects. We will support our G2000 clients and leverage global skills while developing strong local industry capabilities to support growth industries like utilities, mining, consumer goods, telecommunications and banking. We will build on our strong alliance network and enhance our capabilities in SAP, Oracle and Microsoft. In fact, last year, we launched Avanade in South Africa to capitalize on the power of three: Accenture, Microsoft and Avanade, to meet the demand for Microsoft services in the market. And, finally, I believe our innovative capability and cross-industry experience, combined with our strong long-term client relationships, will continue to set us apart in the market. Thank you.

Pam Craig
Chief Financial Officer

Thank you, William. That was just terrific, and I had a chance to be with William just two months ago at several of those clients he mentioned. And they couldn't be more pleased with our services.

Okay, last but not least, we're going to feature the fourth of our priority emerging markets leaders. You have seen this person before, and he has a great update to provide since the last time we were last together.

And, so, I'd like to now introduce Gong Li. He's our chairman of Greater China. And, Gong, before we get started, I just got something last night that I just have to share with the group. You're in Shanghai, and I guess just a few days ago, you were awarded the Magnolia Gold Prize, which is Shanghai's highest governmental honor for outstanding contribution not only to the city, but to China's social and economic development. So, congratulations on that.

I've known Gong a very long time; we worked together in Northeast Products a couple of decades ago. And you posted 30 percent growth in Greater China in the past year. It's quite a story. Take it away.

Gong Li
Chairman — Greater China

Thank you, Pam. Good morning. I'm speaking to you from Shanghai today and it's my pleasure to update you on Accenture's business in Greater China, where we have seven office locations, including Hong Kong and Taipei, and more than 8,200 employees.

After a successful FY11, we had another strong year in FY12, through which, as Pam said, we grew revenue by more than 30 percent in local currency. And we continued building capabilities in both our domestic and offshore business.

Over the last 12 months, we continued to see increasing demand for our services despite the slowdown in China's economy. Demand for our services has come not only from traditional areas like a business process re-engineering and ERP, where we have a leading market position, but also from areas like analytics, mobility and risk management, as well as from Chinese companies looking to expand globally.

In FY12, we grew our client base and now we are serving 34 of 78 Chinese companies listed in the Global Fortune 500. Let me share with you some examples of the work we are doing with our clients.

We are working with a major Chinese utility company to build an eco-friendly smart grid, providing more than one billion people with clean, eco-friendly and cost-efficient electricity. We are also working with them to transform the business, so that they can compete more effectively.

We are also working with one of the largest payment processors in China to help them build a new and innovative processing system for processing payments through mobile phone. And this is allowing all payments through debit cards or credit cards by mobile phone over multiple channels.

And in February, we launched a new Technology Lab in Beijing. The purpose of the lab is to help us showcase our offerings and help Chinese companies look at ways to use new technology to solve business problems. Since the launch, 45 private companies and government organizations have made 70 visits to the lab. We have conducted several workshops with these organizations to help them to look at how to use technology such as smart grid and cloud to help them to solve their business challenges and issues.

Looking ahead, Greater China will continue playing an important role in Accenture's long-term growth. So, we are accelerating execution of our growth strategy by focusing on putting the right capabilities in place to help business and government clients succeed in their journey to achieving high performance. Our current growth plan includes a very clear alignment of our services and offerings with mainland China's national economic priorities, including key elements of the country's focus on urbanization, next-generation IT, globalization, new energy and sustainability.

So, I'm very confident that we'll continue to be highly relevant to the market and to our clients, attracting and retaining talent, building differentiated capabilities and growing our business. Thank you.

Pam Craig
Chief Financial Officer

Thank you, Gong. And thanks to all four of the leaders of our priority emerging growth markets. Hopefully, that gave you a little flavor –as we spun the globe — of what we're doing around the world.

Financial Presentation

KC McClure
Managing Director, Investor Relations

Let me welcome everybody who has joined us on the webcast, as well as those of you back from our brief break. I'm KC McClure, Managing Director of Investor Relations.

For those of you who have joined us today via the webcast, you will 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 over the next couple of days.

I would like to remind you that some of the materials 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. Any statements other than statements of historical fact may be forward-looking. In particular, information about our financial goals and our capital allocation strategy, including share buybacks and dividends, are forward-looking statements. These forward-looking statements are subject to known and unknown risks and uncertainties that could cause actual results to differ materially from those expressed or implied in the presentations and are not a guarantee of our future performance. Such risks and uncertainties include, but are not limited to, general economic conditions and those risk factors set forth under the Risk Factors section of our Annual Report on Form 10-K and quarterly reports on Form 10-Q and other documents filed with or furnished to the Securities and Exchange Commission.

As always, Accenture assumes no obligation 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 first quarter of fiscal '13.

With that, let me turn it over to our CFO, Pam Craig.

Pam Craig
Chief Financial Officer

Okay, it's great to be here with my colleagues, some of our very top leaders, bringing alive, as well as around the world, what we do for a living, not only today, but also how we are positioned to drive our business in the future across our broad and deep base of clients, industries and markets.

Two weeks ago, I provided our fiscal ’13 business outlook. My intent today is to connect it to our consistent and enduring financial goals. So to set the stage for that, let’s start with how we finished our fiscal 2012.

The year was strong across the key dimensions of our business. We met or beat all of the elements in our original annual business outlook, including the three financial goals you see here:

- Net revenue growth of 11% local currency —above the market growth and above the 7-10% range in our original business outlook.
- Double-digit earnings growth per share of 13%.
- And finally, the return of $3.05 billion of substantial cash to shareholders through $2.1 billion in share repurchases and $951 million in dividends.

So to summarize, we focused on sustainable, profitable growth; we delivered; and our results reflect performance that differentiates us in the marketplace.

Our financial goals have been consistent, and they endure. Our track record against these goals has been one of continued and sustained performance, and we are focused on growth over the long term, and on delivering it in a high-performance manner, that is, with rigorous execution along the way. This is fundamental to our success.

How we see fiscal ’13 fits right into this philosophy. Our current position of strength, evidenced in our Q4 bookings, is a great foundation to build further upon.

So a reminder of our three financial goals: First, revenue growth — to grow faster than the market; second, earnings per share — to continue growing in double digits; and third, our balance sheet — to maintain its strength and to return a substantial portion of our cash to shareholders.

So let’s turn now first to the market growth. As we look forward in the context of these goals, let me share with you how we look at the market, that is, the addressable market for the kinds of services that we provide. We rely on external analyst data from IDC and Gartner for market growth estimates, and then we analyze and consolidate their data into a view that aligns as close as we can to our addressable market and fiscal years. Now, on the left side, you can see that our addressable market in fiscal ’13 currently is expected to grow at 4.8%, which is 80 basis points lower than the estimates we had 18 months ago when we shared them with you at our 2011 Investor & Analyst Conference. Our net revenue range outlook of 5-8% for fiscal ’13 is above the point estimates derived from the external analysts. And the lower end of our outlook does assume that the market could end up growing at a still-slower rate than that 4.8%. On the right side are some details of the changes from the underlying growth numbers shared 18 months ago. Our estimated fiscal ’13 growth in both management consulting and technology actually came down about a point, to 5.8% and 4.3%, respectively, with no significant change in BPO. BPO’s stronger market growth of 6.1% echoes the trends that we’ve seen in our business.

By geographic region, since 2011, growth estimates for fiscal ’13 are up half a point in the Americas, but down substantially — by 2.6% — for EMEA, and down 60 basis points for Asia-Pacific. So net-net for fiscal ’13, both the Americas and Asia-Pacific are now estimated to have market growth of about 6%, with lower growth in EMEA of about 2.7%.

Now let’s turn to us, Accenture. So if we look back over the last decade, we’ve grown at a compounded annual growth rate of 8% in local currency since the end of fiscal year ’03. This growth rate in the context of the addressable market analysis I just mentioned has averaged 4.5% above the market’s growth. The last time that we met in this forum, I talked about different parts of our work transitioning to our Global Delivery Network, and that we had considered that trend. During the downturn of fiscal ’09 and ’10, the key positioning that we did allowed us to accelerate the shift of work to the GDN — driven at that time, as you remember, largely by client demand. As a result, while revenue growth was declining in those years, we were gaining in the volume of hours. And this increase in volume then created a platform for our growth in fiscal ’11 and ’12, and while we continue our multiyear transition to the GDN, we now have a more-scaled base to keep building upon.

We are focused on the long term, as we always have been, with the objective of steadily taking share along the way.

Now, uncertainty in the macro environment — as Pierre and Shawn mentioned — continues, and our intent is to continue to proactively manage through it. Shawn often shows us these *Economist* covers, which so creatively highlight some of the key risks in the macroeconomic environment: the hard landing of the Chinese economy, significant worsening of the European sovereign debt crisis, stalemate on resolving the U.S. fiscal cliff, and higher commodity prices creating inflation and growth risks.

As you would expect of us, we consider these and other external influences in the scenario planning that we update and discuss regularly with our management team and with our board.

So, with that in mind, let’s turn to our first financial goal. For fiscal ’13, we are targeting 5-8% net revenue growth in local currency. And I should note that this range includes a normal level of acquisition activity, and that is, we do not see our revenue growth overall materially impacted by acquisition activity. Our core business across management consulting, technology and BPO continues to be extremely important and large. The core represents the major portion of our revenue in fiscal ’13 and in the years beyond. Our clients are dealing with the business trends that Pierre references — globalization, regulation, rationalization and technology innovation. Our ability to uniquely combine our core capabilities to provide industry-based end-to-end services clearly differentiates us in how we’re able to deliver value to clients. We see clear opportunity across the industries and markets we serve, and we see evidence that business services are taking hold. For the 33 clients where we had new bookings greater than $100 million in fiscal ’12, over half of them included a substantial blend of both consulting and outsourcing services. Our core offerings and capabilities are very often the centerpiece of these services.

Our management consulting business — and by the way, our management consulting leader is on vacation in Africa, so that's why you didn't hear from him today — is a key source of differentiation. We have over 17,000 industry-dedicated professionals globally. Our ability to take our capability to the market as part of an integrated end-to-end business solution sets us apart in the marketplace.

Marty Cole and Paul Daugherty shared today that technology is the backbone of our business. Our differentiated delivery capability — powered by 162,000 professionals in our Global Delivery Network and an unmatched blend of technology and industry skills — equips us to take on some of the hardest and most critical challenges that our clients face, including anticipating new technology waves, which Paul so aptly got into for us, and integrating them in their businesses to drive the most value.

Our BPO business has significant growth potential and, as Mike Salvino brought to life for us, has evolved to be an industry leader. It is approaching a $3 billion part of Accenture, with significant market presence and top-three market share.

So, our core business is healthy; it's diverse, durable and evolving, which continues to differentiate us as a leader in the marketplace.

Let's turn now to our strategic growth initiatives, the same ones we've been showing you the last couple years. So building on our core, we have these, and we've been telling you about them and the opportunity for them to grow to be billion-dollar parts of Accenture. We've measured significant growth in these initiatives since we first shared them with you two and a half years ago, so here are some milestones.

Analytics was our first billion-dollar strategic growth initiative — it actually crossed that level in fiscal '11 and was almost $2 billion in fiscal '12. Steve gave you some great color on our business in health, which also surpassed a billion dollars in both fiscal '11 and fiscal '12. Paul talked about mobility and cloud; they both crossed the billion-dollar threshold in fiscal '12, as did Accenture Software and related services. Accenture Interactive — formerly called Digital Marketing — and Smart Grid each had very significant growth in fiscal '12 and are on track to join the others.

So, now our focus is to continue their growth, and we are raising the bar and have added "multi" to our aspiration.

Turning now to the priority emerging markets, and this third area of growth, in fiscal '12 they grew 16% in local currency, coming off 30% growth in fiscal '11. We project that the group's local-currency growth will continue at a rate well above the Accenture average into the foreseeable future. We heard today from four of the 10 leaders, and they're each expecting to grow double digits in local currency in fiscal '13. As Pierre said, we are still very focused on making our priority emerging markets a more significant part of Accenture over the medium term. One other note: Australia crossed the billion-dollar threshold in fiscal '12.

So let's turn now to our second goal, profitability. We remain focused on driving growth at the bottom line, and our target for fiscal 2013 is EPS growth of 10 to 12%. And when it comes to profitability, we've been focused on modest margin expansion, with an average of 20-basis-point-per-year improvement over the last five years. And as always, we will balance between investing in our business, as Shawn so well described earlier, and delivering sustainable margin expansion as we continue to scale. As you know, our investments primarily flow through our margins, including gross margins. Our history tells the story of strong earnings-per-share growth coming from all aspects of managing our P&L, but with the outsized contributor being revenue growth. These are high-quality earnings. Our leaders are focused on profitable revenue growth; it is in our DNA.

In fiscal '13, we expect the key driver of earnings-per-share growth to continue to be revenue growth of 5-8%, but also critical to EPS is how we deliver that revenue profitably through operating margin. Now, we remain confident in our ability to continue to modestly expand in a sustainable way; we will work the levers. First, by rigorously managing the quality of the contracts in our portfolio and driving pricing through differentiation. Second, by focusing on our labor costs, our biggest operating expense. This means constant management and balancing of market-relevant compensation, supply and demand, utilization and payroll efficiency. Third, by staying committed to industrialization, as Shawn laid out — our methods, processes, tools, and, of course, leveraging our Global Delivery Network, which Marty elaborated on. And fourth, by continuing our efforts to drive down our selling costs, as well as managing the growth of G&A. As I've said in the past, I will never give up on modest operating-margin expansion.

Moving to our tax rate, the fiscal '13 range is between 26% and 27%, slightly lower than fiscal '12. We're always looking for tax efficiencies. A number of factors can impact the tax rate year to year, including evolving statutory tax rates in the countries where we do business. This, of course, makes it a challenge to predict the rate over the long term.

Finally, in terms of share count, we continue to expect about a 2% reduction in our average diluted shares outstanding, as we plan to continue to buy back more shares than we issue in fiscal '13.

So, on to the last goal here. Our third goal is to maintain a strong balance sheet and cash flow and to return a substantial portion of our cash to shareholders through buybacks and dividends. For fiscal 2013, we expect to return cash to shareholders of at least $3.3 billion. We've returned about 90% of our free cash flow since our IPO. Our strong cash balance provides us with even more flexibility to deploy capital opportunistically. For example, we announced that we would make a discretionary contribution to our U.S. defined benefit plan of $500 million. Our industry-leading DSOs have been and will continue to be a hallmark of our company-wide focus on cash generation.

One of the ways we return cash to shareholders is through our dividend. We have a demonstrated history of growing our dividend each year since we introduced it in fiscal '06, and, as you can see there, in fiscal '10, we transitioned to a semi-annual dividend. Of the various payout metrics that we use to measure growth, dividend as a percentage of prior-year net income is one that we continually evaluate. In fiscal '12, the dividend is approximately 40% of our prior-year net income, up from roughly 20% — doubled, in fact — from when we first introduced the dividend seven years ago. Fiscal ’13 shows the first semi-annual cash dividend of 81 cents per share, as declared by our board last month and payable in November.

In addition to dividends, share buybacks have been a consistent way for us to return cash to our shareholders. We believe that repurchasing shares in the market on a consistent basis is in the best interest of our shareholders, and we will continue to recommend this strategy to our board.

Now let me spend a couple of minutes on capital allocation. We believe a responsible capital-allocation strategy has to be flexible and sustainable. It should support growth in our business and then return surplus capital to shareholders. So, very simply on the slide, the left side shows cash in, and the right side depicts how we look to allocate it. While we re-examine our strategy annually with our board of directors, we thought it important to also share with you our current thinking about capital allocation.

The core driver of the flexibility in our capital allocation model is that we are capital light. As shown on the right side, we see capital expenditures running at about 10% of operating cash flow, and we earmark about 15% of operating cash flow to fuel our strategic and targeted acquisition strategy. So that leaves a significant level of generated capital that is available to be returned as cash to our shareholders through a combination of share buybacks and dividends. We are now running at roughly a 2-to-1 ratio of repurchases to dividends, and at this 2-to-1 ratio, we have significant flexibility to sustain our dividend-paying capability. In addition, it provides us the flexibility to redirect capital spend should an attractive or compelling opportunity arise.

Now there’s another 2-to-1 ratio that we think is important here, and that is the continuing relationship of the impact of share repurchases to share issuances on the weighted average diluted shares outstanding. So just bear with me here. We expect that the impact of both together will be about a 2% reduction in our share count per year. The key point here is that we do <u>not</u> see a scenario when these lines will cross; that is, we do <u>not</u> foresee a time when share issuances would exceed share repurchases.

Now let me tell you a little bit more about why. Our employee share purchase plans are purchase programs which have caps on participation levels. When it comes to our performance award grants, the vast majority go to our senior executives — a population that, by design, has grown much slower than overall headcount; senior-executive growth has been about 3%, versus 9% for the whole population, since fiscal ’07, and we do expect that trend to continue.

Funding performance equity grants is discretionary and aligned with achievement of our financial goals. All awards are dollar-value denominated; they’re not driven by the number of shares. The number of shares issued therefore varies by share price. This is a natural hedge to repurchases.

And lastly, we proactively manage the overall affordability and dilution of our equity programs, which we know are key to instilling owner/operator behavior in our leaders and to retaining our high-performing people. We believe this approach to capital allocation combined with our cap-light investment model is the right strategy to deliver industry-leading shareholder value.

So, to summarize, we have financial goals to grow revenue faster than the market, with 5-8% growth for fiscal 2013; to achieve double-digit earnings per share growth, with 10-12% in fiscal ’13; and to continue to maintain a strong balance sheet and cash flow, and to return at least $3.3 billion of our cash to shareholders through buybacks and dividends in fiscal ’13. Our cap-light strategy supports our culture; we embrace change, and then we nimbly move on it.

Of course, the most important elements of all this are our clients and our people. Our relationships with our clients are sustained by the value we deliver to them day in and day out. Our shared drive for high performance means that we’re focused on developing the best talent, on building relevant market-leading offerings and on delivering outcomes to help our clients move their businesses forward. Operational and financial excellence underpins everything we do, and we do this with superior leadership from the team you saw today.

As we start fiscal ’13 we feel good about our ability to continue to lead by driving growth, balancing priorities and managing our business as you — and we — expect of us.

Now I’d like to ask our CEO, Pierre Nanterme, to join me on stage for some more Q&A.

Question & Answer Session

Joe Foresi
Janney Montgomery Scott

Hi, Joe Foresi, from Janney Montgomery. Pam, you had talked before about there being a slowdown on the consulting projects and some of the decision-making. Can you help us reconcile that with the bookings last quarter? And as you look, maybe not so much into 2013, but are we going to see a separation on the decision-making in different verticals and geographies? Do you think some will be doing better than others?

Pam Craig
Chief Financial Officer

Yeah, I mean there are always geographic differences to start with, but I think just in terms of the decision-making part, it was more the complexion of the kinds of projects that we’re booking in consulting. We see less of the smaller kind of quick turn projects that maybe don’t have as much impact, and more of the larger ones that I think do end up delivering more value. So, it’s not so much decision-making, it’s maybe different kinds of decisions, and then how these then bleed through into revenue is taking longer.

Joe Foresi
Janney Montgomery Scott

So, does that have any implications for discretionary spending? Is it more discretionary what you're seeing a slowdown in? I'm just trying to get a full picture of it…

Pam Craig
Chief Financial Officer

I'm not sure I would characterize it that way, because I think in this world, I'm not sure there is a lot of discretionary anything, in this economy. So, I think what we're seeing is that clients are very focused on value, on outcomes and on driving those kinds of projects today.

Katy Huberty
Morgan Stanley & Co.

Thanks, Katy Huberty, Morgan Stanley. Pam, the operating margin expansion guidance is in line with your long-term goal, but it is at the lower end of historical ranges. So, can you just talk about is that entirely a function of a little bit lower revenue growth, or is there a message on pricing or investment strategy? Thanks.

Pam Craig
Chief Financial Officer

Well, 10 to 20 basis points is what we guided to, and the average we showed you was 20. So, we'll be shooting for the 20, guiding for the 10 to 20; so, I don't really think it's below that. Now, that said, we are investing in our business. You heard about that from Shawn and we're going to continue to do that and most of those investments do flow through the P&L. So, our objective is to actually manage this really tightly by design.

Pierre Nanterme
Chief Executive Officer

Yeah, no change in our overall philosophy with this. We believe that's exactly the right objective and the right balance with the necessity to invest while continuing with our modest margin expansion, to paraphrase Pam.

Pam Craig
Chief Financial Officer

He doesn't let me paraphrase him on rigor and discipline, though. I had it in my script in Q4 and he made me take it out. He said those are my words.

Bryan Keane
Deutsche Bank

Hi, it's Bryan Keane, Deutsche Bank.

Pam Craig
Chief Financial Officer

Where are you, Brian?

Bryan Keane
Deutsche Bank

I'm right here. One of the slides you had up showed a lot of market share gains, specifically in the last two years, I think fiscal year '11 showed 12% gain above market, 8% in fiscal year '12. This year it looks like you don't expect, at least given the guidance, you don't expect a lot more of that market share expansion. The question is, is it easier to gain market share for Accenture in an expanding or accelerating economy versus maybe a declining or slowing economy? Because if you look back, fiscal year '10 and '09, you actually didn't have a lot of gains, the last two years did...

Pierre Nanterme
Chief Executive Officer

We believe that when you look at the 5 to 8 percent, I mean definitely we're shooting for a guidance which is above the market, and if you look at the top end of the range, that would mean a good market share expansion. So, I feel this is consistent with what we've been doing so far.

Pam Craig
Chief Financial Officer

And I think one of the other things to just point out is that in '09 and '10, where it really looked like versus the market we hadn't done so well, what was so interesting about that was the volumes and how they had really, really grown in the GDN. And, so, then when you did the compare into those next years, I think there was a lot of that in those numbers that weren't necessarily reflected in the top line that was here.

Bryan Keane
Deutsche Bank

Just to follow up, is the deflationary pressure from the GDN, is that just about over now that it's been several years? It looks like you're finally hitting scale there… Thanks so much.

Pam Craig
Chief Financial Officer

Yeah, we are hitting scale there and we're going to consistently look to have it in the mix that we can deliver value to our clients through the GDN, which maybe for those specific pieces are less revenue for us, but then what more can we do with value. And I think what we've just demonstrated over the last couple of years is we've been able to do a lot with that.

Pierre Nanterme
Chief Executive Officer

Of course, what you've seen on the chart is if you look at '11 and '10, it was on the back of zero and minus-two percent growth for Accenture. If you're looking at where we are in '12 and '13, it's on the back of 15 or 14 percent, and 11, so it's not exactly the same analysis and the same math.

Keith Bachman
Bank of Montreal

Keith Bachman from Bank of Montreal. Could you talk about the mix implications of margins if BPO consistently grows faster than the weighted average and say, consulting grows slower, what are the margin implications there?

Pam Craig
Chief Financial Officer

Keith, as you know, we manage the business to operating margin. So, while there are differences at the gross margin level sometimes, we often find, I mean, Mike runs a very tight ship in terms of delivering profitable operating margin in BPO. So, we do look at this mix. We are expecting that the mix change that we saw last year will carry through to this year and are very intent on managing that.

Keith Bachman
Bank of Montreal

Well, the follow-up if I could is on Europe. And, I think appropriately so, you've cast Europe as a slower-growth area. Some of your competitors are talking about Europe starting to at least open up more directionally in terms of the outsourcing model and things along those lines. How do you see that unfolding if you kept the economy neutral, so to speak? How does that potentially impact your growth? Thank you.

Pam Craig
Chief Financial Officer

That one's yours.

Pierre Nanterme
Chief Executive Officer

That's for me. I'm the European expert on everything. So, very good question. I mean, first, we're already doing a significant level of outsourcing in Europe. So, for us, that's not something new. I know for some of our competitors, they're looking at Europe as a kind of next horizon. Not for us. We've been doing outsourcing in continental Europe.

Indeed, what you've seen last year, it was a great year for outsourcing in Europe, because it's a response to the needs of our clients. Now, the way of doing outsourcing requires some savoir faire. I think we developed that savoir faire in Europe because we have a better knowledge of the labor market environment. We have a network of 50 delivery centers and a significant number of our delivery centers, I think something like 20, are in Europe. So, we are already equipped because it's not as easy as what we used to call, what you're doing in some parts of the world, what some companies are doing with their lift and drop. That is not the mechanism to win in continental Europe. So, yes, outsourcing is there. Yes, we are doing a lot. Yes, we expect to do more and we are better equipped than many of our competitors to do the European outsourcing type of work.

Pam Craig
Chief Financial Officer

Thanks, Keith.

Moshe Katri
Cowen & Co.

Thanks, Moshe Katri from Cowen. A couple questions here, first of all, talk a bit about your training and R&D expenses for fiscal year 2013. I think that level has been coming down pretty gradually every year. And how should we think about the next few years for that specific budget?

Pam Craig
Chief Financial Officer

I think you mentioned something on that, Shawn, didn't you? $600 million? I don't think it's been coming down dramatically, but you know, one thing that we are doing is, this technology you saw this morning, we're continuing to push that all we can with training. Now, not all training can be done that way, but it's amazing how much more effective it can be. And we're really pioneering some new things in terms of how we're able to bring live training to people in a classroom, but they might be joined up with other classrooms around the world. So, I think what we're doing is really continuing to push technology, so that we keep the effectiveness of training, but we are able to drive more efficiencies through that. So, that's part of what you see in the numbers. R&D is not going down, it's going up.

Pierre Nanterme
Chief Executive Officer

And on this, I mean it's no different if you look at Accenture than any other large organization. We need to do more with less. And that's what the Accenture Way, productivity, efficiency are all about. We are leveraging technology, we are leveraging lower-cost countries, organization and we are just more productive and more efficient when it comes to training. Jill Smart, the team, Ellyn Shook and Larry Solomon, their job is to train more people with less every year. It's not easy, Jill, I know, but you're doing that very well.

Moshe Katri
Cowen & Co.

And then kind of focusing on pricing. You were talking about kind of trying to move up on maybe the blended pricing levels given some of the value that you're providing your customers with... You know, I'm assuming the environment is probably getting a bit more aggressive especially in terms of pricing, more challenging, the tier one offshore companies, some of them are kind of struggling, trying to go back into the market. How do you maintain those blended pricing levels that you have for the next, I don't know, 6 to 12 months, assuming that the environment continues to be challenging?

Pam Craig
Chief Financial Officer

Well, as we mentioned on the Q4 earnings call, we actually have seen the environment be pretty stable for our services. And then the push where we can get the differentiation is where you get that killer value proposition for the client, in terms of significantly more revenue gain or cost savings for them. That gives us some pricing power, when we get those really, really differentiated propositions.

Pierre Nanterme
Chief Executive Officer

And the name of the game is to get out of the commodity market and I think to come back to what Mike mentioned regarding BPO. I mean you have two markets in BPO: the one we don't want to be in, the one we want to be in. The one we don't want to be in, and the same with application outsourcing, it would be the same with many businesses, is the commoditized market. That's a disease, that's a problem. Now, not to be in the commodity market and to be in more the added-value market, you need to work hard on all that has been presented this morning — differentiation, differentiation, differentiation, through industry, technology, business process, acquisitions, things that are going to make you different, more relevant, IP proprietary. So, indeed, you can keep a kind of pricing power and we've seen that, we've seen the pricing be stable, which I think is a very good achievement in the current market environment, just to have stabilized pricing.

Rod Bourgeois
Sanford C. Bernstein & Co.

Yes, Rod Bourgeois from Bernstein. First question about competition, you have a lot of competitors that are aspiring to be more like Accenture, at least that's how I interpret the strategies that are being articulated. And you might say easier said than done, but you are seeing companies with pretty deep pockets doing acquisitions, for instance in Europe, and articulating strategies to become more transformational or more innovative. Are you worried about increasing competition as it's very clear the profit pool is at the higher end of the market over time and a lot of players are making those investments? So, let's just take Europe as an example, as Indian firms try to do acquisitions there. Presumably, you've looked at the same companies and haven't chosen to do those acquisitions, I guess, because you already have people there. But, how are you thinking about the competitive threat? Is that something that weighs on your mind over the next couple of years as deep-pocketed competitors really try to make some investments?

Pierre Nanterme
Chief Executive Officer

Yes, thanks Rod for that question. First, we are watching that extremely carefully, as you might imagine, and Shawn and the team are monitoring every minute of every day what's happening in the competitive environment. Second, we have a little respect for our competitors. They want to win. We want to win and we are watching that extremely carefully. So, we are definitely — certainly not arrogant or complacent. We strongly believe that, indeed, as we speak, we have a position of strength because of our positioning, with the combination of working with the world's leading companies, the companies which are investing to transform, plus our scale, our geographic footprint and our unique industry differentiation.

And this morning we put such a focus and emphasis on industry differentiation — but it is the most difficult thing to achieve. And it's not by buying a consulting company in Spain or in Switzerland, as you've been referring to, that you can create the 150,000 people in Accenture certified and aligned to an industry. And we've been doing this not over two years with one or two acquisitions, we've been doing that for decades. It's much more difficult, in my opinion, to build deep industry skills than to create, to some extent, the technology delivery network. We've created the GDN and it was a massive achievement in less than 10 years. Industry specialization requires decades. I mean, listen to what William Mzimba said this morning. We've been in South Africa for 40 years; Brazil, decades; China, decades; so I think, especially in an environment where clients are eager to get highly specialized skills, they want the best bankers, they want the best people knowing health. I mean, to have the amount of wisdom of a Steve Rohleder, it requires a few decades.

Rod Bourgeois
Sanford C. Bernstein & Co.

Okay, on that note, a quick question for Pam. One of the things that seemingly has happened in your business recently is contract duration has gone up, and it would seem that one of the benefits of that is you have better revenue visibility for the outer periods. Are there any tradeoffs attached to contract duration going up, tradeoffs in the area of capital requirements or the effect on margins in the early stages of these new deals? If one of your competitors were to say contract duration is going up, I would worry about capital intensity getting higher and cash flow being affected. So can you talk to how that's playing out in your business, and is that all an effect on your ROIC and free cash flow outlook?

Pam Craig
Chief Financial Officer

Generally not. I mean, this whole capital light thing flows through our contracts. You can see the industry-leading DSOs, that's where you'd see it, and we do think they'll come up a little bit to a more normal level, but we maintain a lot of strictness around that. And in terms of early-year economics, we always have a few places where we're investing, and that's in the mix.

Darrin Peller
Barclays Capital

It's Darrin Peller from Barclays. Last year you guys outperformed the top line, in spite of slower consulting than I think you might have expected, mainly due to very strong outsourcing trends especially within your business. And I think the question really is, first of all, how do you think about, how easy is it to guide or how different is it guiding under an environment with a greater outsourcing mix? And then second follow up to that is, if 5 to 8% top line is what you see in an environment with very strong outsourcing but a little bit slower on the consulting side, should we expect, longer term, something above that since outsourcing generally is so sticky? So you've got this long sticky business with growth, you know, 5 to 8% and consulting, yet to really even come back in a strong way.

Pam Craig
Chief Financial Officer

Yeah, I mean, I think outsourcing is a little bit more predictable in the sense that these are generally longer-term contracts and we know what we're going to be doing over a period of years. And it's that shorter-term consulting, actually, that quickest turn consulting which is the hardest to predict in our business, and that's what we're seeing a little less of right now. So, I think you saw consulting taper down through the year, and then as we see these bookings really starting to take hold, our expectation is that it will gradually move up through fiscal '13.

Pierre Nanterme
Chief Executive Officer

But, indeed, we're pleased. I mean, the environment is uncertain, probably less volatile but reasonably uncertain. It's difficult to predict what's going to happen in '13, we can probably understand what's going on at the back end of '12 but not '13. But where I feel good is that we see a little bit more durability through the outsourcing, through the backlog. I'm pleased with the $32 billion in bookings we had in fiscal year ’12, I’m pleased, indeed, with this outsourcing backbone we have in it, and the BPO performance. I’m pleased to some extent, as well, within the consulting, that we had good bookings, with deals or projects of longer duration, so less the smaller things and more the longer duration. Longer duration is making all the things more predictable and giving you a little bit more visibility, especially at times where it’s difficult, as you mentioned, to really forecast what you don’t know. So I think we are in a good place to start with, with our mix of work, with our bookings and with our backlog.

George Price
BB&T Capital Markets

Hi, thanks very much, George Price from BB&T. Pam, I wanted to ask you this real quick about the tax rate, I know it’s a more minor part of your outlook, but as you also indicated, it’s a little bit lower than you…

Pam Craig
Chief Financial Officer

It’s major money, though, so, yeah.

George Price
BB&T Capital Markets

Absolutely, absolutely. It is a help. If I think about what you talked about in terms of U.S. versus EMEA, the growth outlook, presumably Europe’s going to be growing slower through the near term, the U.S. faster, that would suggest a higher relative tax rate, right? Is the offset, you know, faster growth in emerging markets? Is the offset, the ramp up you’ve seen in volume and profit through GDN? You mentioned some of the resolutions that you kind of expect… I just wondered if maybe you could give a little bit more color as to that planning and maybe if there’s a bias within that range? Thanks.

Pam Craig
Chief Financial Officer

You just gave the color. I mean, that’s the stuff, right, and there’s some, you know, some final determinations factored in there, as well. But, yeah, it’s the geographic mix, all of that, you can imagine. The tax guy’s actually sitting right behind you. You can quiz him after if you want, but he’s not allowed to say anything. Anyway, you know, you got it, right, and if you can imagine, it’s a pretty complex process for us, all the countries we’re in and all the things we do, but we do see it going down about a point, the range this year.

Tien-tsin Huang
J.P. Morgan Securities

Thanks, this is Tien-tsin Huang from J.P. Morgan again. Just, I guess, capital allocation question, Pam. How do you — you guys have been very thoughtful and obviously it's been a help to the multiple as well to see the income and the consistent share repurchases, but how do you benchmark the share repurchase versus the dividend? You've been very consistent there, but how price-sensitive are you on the stock price, is there a 10b-5 in place, how do you weigh international versus domestic cash? And lastly, just on the dividend, do you see an upward limit on the payout ratio?

Pam Craig
Chief Financial Officer

We don't have sort of this international/domestic thing, just because we're based in Ireland. But on the repurchases and the dividend, I think our philosophy is that we can consistently continue to do what we've done, and I sort of tried to lay out that ratio. We're also, as I mentioned, very confident about our ability to significantly exceed, repurchases versus issuances, which we're very judicious about, as we go forward to our top leaders. So, I mean, I think with the dividend, we've been growing it slowly, steadily, and there's still some room there.

Pierre Nanterme
Chief Executive Officer

And we have many discussions now with our board of directors about supporting us and helping us in setting our capital allocation strategy.

Pam Craig
Chief Financial Officer

Yes, it's a very big job that we do with the Finance Committee.

David Grossman
Stifel Nicolaus Weisel

Thank you. It's David Grossman from Stifel Nicolaus. You know, you guys have done a remarkable job of growing a very, very large professional services business over the last several years, and can you maybe share with us how you think about the challenge of sustaining that growth, and particularly in the context of some of your earlier comments that you made about this fine line of competing and cooperating or partnering with the software vendors?

Pierre Nanterme
Chief Executive Officer

Yes, good question, and from a growth standpoint, yes, we are a reasonably big organization. Yes, we can grow more market share. I mean, you see how the world is developing, we can grow in China, we can grow in our 10 priority emerging markets, so we're not short of opportunities to grow. I'm not concerned with this. What I'm more concerned with is for us to make the right bet, to focus on the right opportunity. It's to select health, it's to invest in the right BPO and not in the wrong BPO. So we have multiple opportunities to grow. We decided on 10 priority emerging markets, not some others, and of those 10 priority markets we're putting more emphasis on China, and you've seen the results in South Africa, in India, in Brazil, and in ASEAN.

So the point is there's a world of opportunities, where do we want to compete, because we believe we have a differentiated value proposition. We can find the clients, the G2000, for whom we are good in terms of delivering our service, so I'm not that concerned, as long as we remain extraordinarily focused so we can scale and leverage our investments. So now from a competition standpoint, yes, it's a world of competition, as you're saying, but we have reasonably few, let's say six or seven key strategic technology partnerships. We've been working with Microsoft, Oracle, SAP and now Salesforce for years. We've developed unique and trusted relationships with them. They are developing the software, we're part of their success through successful implementations, we're building on top of their solutions unique industry wrappers. This is what we are doing in health, as Steve mentioned earlier on, so I think we find the right way of cooperating with our partners which I believe is truly win-win. So I see more, moving forward, cooperation and less competition with those partners we have because we have defined very clearly the space where we want to cooperate, to lead and to win in the marketplace.

Jason Kupferberg
Jefferies & Company

Thanks, guys. Jason Kupferberg from Jefferies. Financial Services question for you. Q4, fantastic growth, obviously, 16% constant currency, I think probably surprised everybody to the upside just given all the macro uncertainty in that vertical. And I know there were some one-time helpers in there, but still, very strong growth. So when you think about fiscal '13, I'm assuming that mid-teens is probably too much to expect, but would you expect Financial Services to grow faster than the corporate average in fiscal '13, and, if so, what are the drivers there?

Pierre Nanterme
Chief Executive Officer

I don't think we're going to give any forecast by vertical at this stage…

Pam Craig
Chief Financial Officer

I think the only thing we can say is we see great opportunities out there.

Pierre Nanterme
Chief Executive Officer

We feel good. We're not surprised. You're maybe surprised because you don't know Richard Lumb, who is leading Financial Services. He's here, and he's just a great leader, and he's leading that vertical and I know Richard, and he was leading that vertical in '07, '08, '09, when the market was tough. And interestingly, we got out of that crisis probably stronger than any of our competitors under the leadership of Richard. We see opportunities because if there is an industry, probably together with Communications, where you see massive transformation, because of the Basel III, it's Financial Services. There is an unlimited need to some extent for transformation with the outsourcing, you know, Accenture Credit Services, mortgage and mortgage BPO in the U.S. We captured that opportunity. Outsourcing, transformation, risk and regulatory management, Basel III, all of this is creating an environment of change and transformation in that industry, and I think Richard and the team are doing an excellent job in converting those opportunities. I'm from Financial Services, I'm passionate about that vertical, and I must recognize that Richard is doing better than me.

Ashwin Shirvaikar
Citi Investment Research

Ashwin Shirvaikar from Citi. My first question is, as Accenture's global depth increases as you get more revenues, more percentage of revenues from emerging markets, how does that affect your view on longer-term revenue growth and margins? Does that bring your revenue growth up because these markets get more mature users of IT? What about the margin profile?

Pierre Nanterme
Chief Executive Officer

I think what we've seen is, in those markets, our margins are reasonably consistent with the rest of Accenture.

Pam Craig
Chief Financial Officer

On average.

Pierre Nanterme
Chief Executive Officer

On average, if you look at those 10 markets. But you might make the hypothesis, okay, you're expanding in new territories, you have to invest at the expense of the margin, and to some extent, that would make sense. This is not what we see, probably because we continue to work with leading companies, the G2000, I mean, you heard Roger, William, Lay Lim, Gong, our focus is around the G2000, and those clients have some consistent patterns in terms of buying. We know how to serve them, so it's not that dilutive, if you will, from a margin standpoint, and what we see, on average, is the margin is consistent with the margin of Accenture, and we do not see any reason for this to change.

Ashwin Shirvaikar
Citi Investment Research

And what about the growth part of the question?

Pam Craig
Chief Financial Officer

We do expect them to grow faster than the rest of Accenture, and last year they grew 16%.

Ashwin Shirvaikar
Citi Investment Research

And how sustainable is it over time? Does that then bring up your overall corporate growth rate, as that becomes a bigger portion of your revenues?

Pam Craig
Chief Financial Officer

Well, it's a portfolio, right? And so we're always going to be looking at what can the portfolio do? I think, as Pierre said, we're really focused on these markets in terms of investing to drive higher than average growth, and they, indeed, are delivering.

Pierre Nanterme
Chief Executive Officer

And again, I think 18 months ago, you remember Pam, we mentioned that those markets were, in aggregate, something like $3 billion, I think we mentioned the number at that time, 18 months ago. So when you look at this, you can see that we have some room left for growth, given the starting point. We're pleased with where we are, but we are comfortable we can grow because there is still high potential to get market share in those 10 priority emerging markets, given the relative size of the business.

Sara Gubins
Bank of America Merrill Lynch

Thank you, Sara Gubins from BofA Merrill Lynch. On your last earnings call you mentioned that 60% of projects were sole-sourced and that was up from 50% previously. Can you talk about what's driving that, what it means if anything for pricing, and if it's happening in particular areas of your business? Thank you.

Pam Craig
Chief Financial Officer

It's happening across all of our business because it's really a thrust of how we're going to market. And the more that we can proactively bring great propositions to our clients that combine our various capabilities, technology, BPO, consulting, we feel the better that is. And, so, I was pleased to see the wins in terms of how we've been sort of steadily increasing that percentage over the last couple of years to, indeed, be sole-sourced. And it's very much part of our strategy to drive that.

Pierre Nanterme
Chief Executive Officer

And, thanks, in closing for finding that nugget. Because I think that number is probably really telling about all that we discussed this morning. The 60% is the result of the execution of the strategy and is the result of the recognition of Accenture's differentiation by our clients. They could put us in competition. Nothing is forcing them to sole-source from us. If they are doing that, it's because they believe that we are more differentiated than the competition, that we're bringing more value than the competition in terms of business outcome. We are more predictable and we can deliver with more predictability and with less risk.

So, it's all of this, and we have on top of this, Shawn, you mentioned that in your section, long and enduring relationships over 10 years with how many? … 91% of our Diamonds with more than a 10-year relationship. So, it's all of this. That's why I come back to Rod's question around us and the competition, trying to build that. It has required years of effort; focus around industry, technology, geographic expansion, scale, industry, GDN; and on top of this, to maintain absolutely unique trusted relationships with those giants. And that's really at the heart of what we're calling now Ambition 2020. It is to continue to serve that very specific segment of the G2000 clients and those giants that want to work with partners, suppliers, providers they trust to embark on some large transformation. And that nugget you found on the 60%, I think is probably the best illustration of this.

Pam Craig
Chief Financial Officer

So, thank you, Sara.

Closing

Pierre Nanterme
Chief Executive Officer

Thanks a lot. Time to wrap up. So, I'm not going to provide any profound ending. I think we covered a lot. I hope that you found this morning valuable and you understand what's making Accenture differentiated in the marketplace, competitive in the marketplace. I hope you're comfortable with the strategy, that we are executing in the marketplace, and why we believe that growth strategy is resonating with our clients, and is going to make us successful not only today, but moving forward.

Again, you heard from all of us that we feel good. We feel confident, but we don't feel arrogant or complacent. Never. That kind of thing will never happen to Accenture. It's a company where we're working hard. We understand our strengths, and every day we want to make the company better. And if you will, the key words, maybe, to summarize the whole thing is we're going to relentlessly focus on creating a diversified portfolio of businesses because we believe that's the right response to the volatility and the uncertainty in the marketplace. We will continue to invest in differentiation, differentiation, differentiation, whether it's around technology innovation or whether it's around industry. Innovate, create new business models as we are doing with BPO. We're going to do that relentlessly. Scale. Scale is the name of the game for us. Avoid fragmentation. Pick your spot, your country, your industry, scale rapidly to realize economies of scale, economies of scope.

So with these things, you are competitive in the marketplace and, so, you win. I mean those themes are extraordinarily important and we are executing — you know, you've seen probably our lexicon and some smiles on our faces around rigor and discipline, at speed, at scale, shake and shape, and passion and energy.

And as I'm closing now, I would like, first, to thank the management team of Accenture. I mean not only because they are great professionals. Of course, they are great professionals. And I'm sure with our competitors, you have great professionals. But, I think what's making this management team unique is we are extremely aligned, we all share the same view on what it is we want to execute in term of strategy, maximum alignment. Second, maximum cohesiveness. We're an international team, as you've seen, very international if you add all of our geographic leaders. We are extraordinarily cohesive, working with each other and probably you've seen, I hope, a sense of camaraderie. And that's important. You can have the best professionals on the planet, but if they're not working as a team with alignment, cohesiveness and camaraderie, you can't achieve high goals. I think we have this.

I would like as well to thank our Board, and we have some members of the Board here with us today. Thanks a lot for being with us, permanently challenging us. Challenging our hypothesis, but supporting us in the way we execute our strategy. And, of course, thank you to all of our

257,000 people because they are making the difference every day. We are a professional services organization. It's definitely not about me, maybe not about us, but it's all about them, what they do every day, at clients, in 120 countries, delivering the magic of Accenture.

So, again, thanks a lot for participating in the IA Day, I hope you found the communication interesting and you feel good about Accenture. But, in closing, I feel good. Thanks a lot.