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Conference Call Transcript

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PRESENTATION

Operator

Ladies and gentlemen, thank you for standing by, and welcome to Accenture's fourth-quarter and full-year fiscal 2009 conference call. At this time, all participants are in a listen-only mode. Later, we'll conduct a question-and-answer session. (Operator Instructions). As a reminder, this conference is being recorded. I would now like to turn the conference over to the Managing Director of Investor Relations, Mr. Richard Clark. Please go ahead, sir.

Richard Clark - Accenture - Managing Director, Investor Relations

Thank you, operator, and thanks, everyone, for joining us today on our fourth-quarter and full fiscal 2009 earnings announcement. As the operator just mentioned, I'm Richard Clark, Managing Director of Investor Relations. With me this afternoon are Bill Green, our Chairman and Chief Executive Officer, and Pamela Craig, our Chief Financial Officer. We hope you've had an opportunity to review the news release we issued a short time ago.

Let me quickly outline the agenda for today's call. Bill will begin with an overview of our results. Pam will take you through the financial details, including the income statement and balance sheet, along with some key operational metrics. Bill will then provide some insights on how we are positioning our business for the future. Pam will then provide our business outlook for the first quarter and full fiscal year 2010, and then we will take your questions.



As a reminder, when we discuss revenues during today's call, we're talking about revenues before reimbursements, or net revenues.

Some of the matters we'll discuss on this call are forward-looking, and you should keep in mind that 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 by such statements. Such risks and uncertainties include, but are not limited to, general economic conditions, and those factors set forth in today's news release and discussed under the Risk Factors section of our Annual Report on Form 10-K and other SEC filings.

During our call today, we will reference certain non-GAAP financial measures, which we believe provide useful information for investors. You can find reconciliation of those measures to GAAP on the Investor Relations section of our website at accenture.com. As always, Accenture assumes no obligation to update the information presented on this conference call.

Now, let me turn the call over to Bill.

Bill Green - Accenture – Chairman & CEO

Thank you, Richard, and thanks, everyone, for joining us today. I'm pleased with Accenture's performance in the fourth quarter and during fiscal year 2009 in what was clearly the most difficult global economic environment we've ever faced. More than ever, we remain keenly focused on our clients and their needs, and on generating real value for them and for our shareholders. While we were challenged at the top line, our revenues for both the quarter and the full year were within our expected range. Importantly, our disciplined management of the business enabled us to deliver strong profitability and generate exceptionally strong cash flow.

Here are a few highlights from the quarter and the full year. Quarterly revenues were \$5.15 billion, solidly within our expected range of \$5.0 billion to \$5.2 billion, and annual revenues were \$21.6 billion, also within our expected range. We delivered new bookings of \$5.5 billion for the quarter and \$23.9 billion for the year. We generated free cash flow of \$971 million in the quarter and a record \$2.9 billion for the year, which was \$320 million over the top end of our range. We continue to have an exceptionally strong balance sheet, with a cash balance of more than \$4.5 billion and no debt.

As you know, we took a restructuring charge in the fourth quarter related to real estate and workforce actions to position Accenture for future growth. Excluding the restructuring charge, we achieved exceptional operating margin of 13.4% for the full fiscal year — a 50-basis point expansion over fiscal year 2008 — and earnings per share of \$0.63 for the quarter and \$2.68 for the full year. We continued to return cash to shareholders through share repurchases, and we just announced an annual cash dividend of \$0.75, which represents a 50% increase over last year.

While the environment remains challenging, we delivered strong results and positioned our company to accelerate profitable growth as the economy improves. With that, let me turn the call over to Pam, who will provide some more detail on the numbers.

Pam Craig - Accenture - Chief Financial Officer

Thanks, Bill, and hello, all. Thanks for joining us today. During fiscal 2009, we experienced challenges in net revenue growth. We began Q1 with growth in net revenues that was 9% in local currency and finished the fourth quarter with a contraction in net revenues of 7% in local currency — reflecting that the significant business contraction globally also impacted our business. Despite the challenging and changing environment, we continued to drive the results while positioning for new growth in the future. We delivered solid bookings, expanded gross margins, and generated record free cash flow during the year.

Let me tell you more about Accenture's fourth-quarter and full-year fiscal 2009 financial results. Unless I state otherwise, all figures are GAAP, except the items that are not part of the financial statements or that are calculations.

New bookings for the fourth quarter were \$5.54 billion and reflected a negative 6% foreign currency impact when compared with new bookings reported in the fourth quarter last year. Consulting bookings were \$2.87 billion, and outsourcing bookings were \$2.68 billion.

New bookings for the full fiscal year were \$23.9 billion, within our projected range of \$23 billion to \$25 billion. They reflect a negative 8% foreign currency impact when compared to new bookings for fiscal 2008. Consulting bookings for fiscal 2009 were \$12.78 billion and outsourcing bookings were \$11.12 billion.

These new bookings in the fourth quarter and for the full fiscal year show that there remains continued and evolving demand for consulting and outsourcing services. To a large extent, the demand trends that we saw in the fourth quarter were consistent with the previous quarter. That is, focused on cost reduction and operational improvement with near-term payback.

In addition, with many large clients and prospects, we are seeing a distinct and accelerating trend of overall supplier consolidation. Companies are making choices on a strategic supplier or small stable of strategic suppliers for their future work. We are fortunate that Accenture is usually the, or one of the, chosen partners. In these cases, we enter into what we call “framework agreements” for a variety of future technology services. These are important wins and result in a stream of large projects, with minimal sales costs, which become new bookings as they flow in under the agreements.

Additionally on bookings, in management consulting we saw some early signs of stabilization from Q3 to Q4 as it relates to win rates and a book-to-bill that was in our target range. In systems integration, we continue to see a very healthy level of deals. The average deal sizes have continued to trend smaller since Q1, due to more focused scope, with quicker payback and growing use of our Global Delivery Network.

The outsourcing market continues to evolve. As you know, our bookings are lumpy. Q4 did have fewer large contracts and reflected the continued aggressive push to gain cost and operational improvements. Both of these trends we see as positive, given the risk profile and the distinct market advantage we have in being able to move work around our Global Delivery Network. In particular, we saw strong demand for infrastructure outsourcing, due to our ability to do managed work remotely.

Last quarter I mentioned that we did see some positive activity toward the end of the third quarter, and that continued in the fourth quarter. Clients are back at the table discussing potential projects to be considered in calendar 2010 budgets. All of this has resulted in positive expansion in our pipeline of qualified opportunities across most of the dimensions of our business. However, there continues to be market uncertainty, particularly with respect to timing, and our challenge will be to move these opportunities along into bookings and revenues.

Now, turning to revenues, net revenues for the fourth quarter were \$5.15 billion, a decrease of 14% in US dollars and 7% in local currency from the same period last year, and within our guided range of \$5 billion to \$5.2 billion. The foreign exchange impact of negative 7% was slightly less than the negative 8% we assumed in June. Consulting revenues for the quarter were \$2.9 billion, a decrease of 19% in US dollars and 12% in local currency. Outsourcing revenues were \$2.2 billion, a decrease of 7% in US dollars and an increase of 1% in local currency.

Net revenues for the full fiscal year were \$21.6 billion, a decrease of 8% in US dollars and flat in local currency, in line with our guided range of flat to slightly positive. Consulting revenues were \$12.6 billion, a decrease of 11% in US dollars and 4% in local currency. Outsourcing revenues were \$9 billion, a decrease of 3% in US dollars and an increase of 6% in local currency. Our consulting revenues for the fourth quarter reflected a local-currency contraction year-over-year except in Public Service, where we continued to see double-digit growth.

Consulting revenue contraction in the fourth quarter continued to reflect what began in January, primarily driven by three factors:

- caution about launching new large programs and opting instead for more phased and flexible approaches;
- a slower pace on ongoing projects and deferred decisions to expand work beyond current commitments;
- and finally, there is some pricing pressure to reduce overall costs.

In terms of outsourcing revenue for the full fiscal year, we saw positive growth in local currency across all five operating groups, with double-digit growth in Products. Nonetheless, the outsourcing growth rate slowed in fiscal year 2009 and the fourth quarter continued to reflect the factors we cited last quarter:

- a lower volume of scope expansions on existing contracts;
- the continuing shift to lower-cost resources at a reduced price level; and
- a higher volume of contract cancellations and restructurings compared to fiscal year 2008, primarily in Financial Services and, to a lesser extent, in Communications & High Tech and Resources due to changes in strategy and client consolidation.

In summary, these revenue results reflect our ability to navigate the market forces we faced in fiscal 2009 and deliver results consistent with our most recent outlook.

Moving down the income statement...

For the fourth quarter, gross margin was 32.3%, compared with 31.7% in the same period last year, a 60-basis point expansion. Gross margin for the full year was 31.7%, compared with 30.7% in fiscal year 2008, a 100-basis point expansion. Both quarterly and year-to-date expansion was driven primarily by higher contract profitability across our outsourcing business, particularly in business process outsourcing.

SG&A costs for the fourth quarter were \$985 million, or 19.1% of net revenues. This compares with \$1.12 billion, or 18.6% of net revenues, in last year's fourth quarter. Sales and marketing costs increased 60 basis points compared with Q4 last year due to more business development costs focused on generating demand and building our pipeline. SG&A costs for the full year were \$3.9 billion, or 18.3% of net revenues. This compares with fiscal year 2008 SG&A expense of \$4.15 billion, or 17.7% of net revenues. Half of this 60-basis point increase over fiscal 2008



was due to an increase in selling costs as a percent of net revenues, and the other half represents an increase in G&A related to a provision for bad debt taken in the first quarter of fiscal 2009.

Recognizing a need to reset our cost structure to support our business going forward and to better align our organization, we announced a restructuring charge on August 20 and in the end recorded a \$253 million pretax charge in the fourth quarter. \$111 million of the charge was the result of global consolidation of our office space and \$142 million related to a realignment of our workforce, primarily at the senior-executive level. These amounts are on the income statement line item titled “Restructuring costs.” The majority of the cash impact from this charge will occur during the first quarter of fiscal 2010.

Operating income for the fourth quarter was \$420 million, reflecting an 8.2% operating margin. This compares with \$785 million, or a 13.1% operating margin, in the same period last year. Absent the charge, operating income for the fourth quarter would calculate to be \$672 million, or 13.1% of net revenues, flat compared with the same period last year. Full-year operating income was \$2.6 billion, reflecting a 12.3% operating margin. This compares with \$3.0 billion, or 12.9% operating margin, in fiscal 2008. Absent the charge, full-year operating income would calculate to be \$2.9 billion, or 13.4% of net revenues, a 50-basis point expansion over last year. This result, absent the charge, represented the highest level of operating margin since becoming a public company.

I should note that operating margin for the Products operating group decreased in the fourth quarter, driven primarily by early-stage work at lower margins on a few large contracts and focused investment in order to build the pipeline.

Our effective tax rate for both the fourth quarter and year to date was 27.6%, in line with our annual guided range of 27% to 29%.

Income before minority interest for the fourth quarter was \$306 million, compared with \$550 million in the same period last year. It was lower due to the restructuring charge.

Diluted earnings per share for the quarter were \$0.39, including a negative \$0.24 impact associated with the restructuring charge. Absent the charge, diluted earnings per share would calculate to be \$0.63. This compares with \$0.67 in the fourth quarter last year, a decrease of \$0.04, mostly FX, the details of which are spelled out in today's news release.

For the full fiscal year, diluted earnings per share were \$2.44, which also reflects the \$0.24 per share impact associated with the restructuring charge. Absent the charge, diluted earnings per share would calculate to be \$2.68, an increase of \$0.03 over fiscal year 2008 and within our guided range of \$2.67 to \$2.70. The \$0.03 increase breaks down as follows:

- an \$0.11 increase from higher operating income in local currency;
- an \$0.11 increase from a lower share count; and
- a \$0.06 increase from a lower effective income tax rate;

offset by:

- a \$0.05 decrease from lower interest income; and
- a \$0.20 decrease from unfavorable foreign exchange rates.

Now, let's turn to some key parts of our cash flow and balance sheet.

Free cash flow for the quarter was \$971 million, an increase of \$27 million over the fourth quarter of fiscal 2008, resulting from cash from operating activities of \$1.05 billion, and property and equipment additions of \$75 million. For the full fiscal year, free cash flow was \$2.92 billion. This was \$320 million over the top end of our latest projected range, resulting from cash from operating activities of \$3.16 billion, and property and equipment additions of \$243 million. This strong free cash flow was primarily driven by the record low level of DSOs we achieved at the end of August.

Speaking of DSOs, our day services outstanding were 28 days at fiscal year end, compared with 34 days in Q3 and 37 days at the end of August last year. This nine-day reduction in DSOs year-on-year reflects our continued focus on working capital management, an exceptional result.

Our cash balance at August 31 was \$4.5 billion, compared with \$3.6 billion at August 31 last year.

Turning to some key operational metrics...

Managing the supply and demand of our resources continues to be a top priority. In Q4, our utilization was 86%, up 300 basis points from Q3, and attrition, which excludes involuntary terminations, was 10%, up slightly from Q3 but down from 15% in Q4 last year.



We ended the quarter with global headcount of approximately 177,000 people, flat overall with the third quarter. We now have more than 81,000 in the Global Delivery Network.

Let me turn now to how we are returning cash to shareholders. In the fourth quarter, we repurchased or redeemed approximately 15 million shares for approximately \$525 million, at an average price of \$34.39 per share. For the full year, we repurchased or redeemed 58 million shares for approximately \$1.9 billion, at an average price of \$31.96 per share.

Over the eight years since our IPO, we have generated \$15.2 billion in free cash flow and we have returned \$13.5 billion, or 89% of it, to shareholders through fiscal year 2009.

As we look forward, our board of directors has taken three key actions that I would like to highlight:

- declared an annual dividend of \$0.75, a 50% increase over last year's dividend;
- Approved a move from an annual dividend schedule to a semi-annual schedule starting in the third quarter of this fiscal year; and
- increased our share repurchase authority by \$4 billion to approximately \$4.9 billion.

As you can see, we will continue our strong commitment to return cash to shareholders.

In sum, our annual results for fiscal year 2009 reflect our disciplined focus on managing the business that we have, delivering margin expansion on that business, and continuing our track record of strong free cash flow, despite a demand environment that remains challenging.

Now, Bill will give you a sense of what we see on the horizon, and then I'll finish up with our business outlook.

Bill Green - Accenture - Chairman & CEO

Thank you, Pam. Let me just talk briefly about what we see out there in the market and also how we have positioned ourselves for the upturn and future growth.

Starting with what we see, I have covered a lot of ground around the globe this summer. While the market continues to be uncertain and somewhat fragile, there are increasingly positive signs.

- Executives believe that the stock market and media are out a little bit ahead of reality, but things are clearly getting more positive in people's core businesses.
- C-level executive confidence has improved. We went through the “deer in the headlights” phase, then the acceptance of the new normal phase. Now, people are starting to look ahead.
- The different economies and industries all vary throughout the world in terms of recovery, but some of the bigger ones are trending in the right direction.
- Clients are looking for services they can count on to deliver unique differentiated value. Key skills and “been-there-done-that” experience are beginning to be in higher demand. Of course, this plays to our strengths.
- There also continues to be pent-up demand for services to improve business performance and also for transformation, true transformation... of workforces, technology platforms, business models, and operating practices.
- Our pipeline of opportunities is growing of late and starting to show the characteristics needed for sustained growth. We are focused on converting them.
- We are being thoughtful and careful, but we are prepared not to leave any future profitable growth unserved.

So that's a high-level view of how we see the market.

Now on to what we have done about positioning ourselves for that market. A lot of this is very proprietary, but let me touch on a few things that are out there and that we have well under way.

First, in our core business:

- We have refreshed our industry programs and enhanced our differentiation across the spectrum. We have new programs in marketing transformation, risk management, sustainability, and infrastructure development.



- Our newly combined Health & Public Service operating group is moving out quickly, with new offerings, new clients, and aggressive targets.
- In technology, we have developed countless ways to deliver more with less. We have enhanced our alliances with the winners in the tech space and our industrialization agenda has leapt forward.
- We have refined our client coverage model for long-term relationship expansion in a consolidated supplier world, and
- BPO has become a strong generator of bottom-line results.

Second, in emerging growth areas:

- In digital marketing, we recently announced Accenture Interactive, a new business to help companies develop world-class digital marketing capabilities and better manage and optimize marketing investments. The first offering is the Accenture Intelligent Digital Platform, which we have created in conjunction with Proctor & Gamble. The announcement has generated a great deal of interest in Accenture Interactive.
- In mobility, opportunities for Accenture mobility services include consulting and system integration work to accommodate next-mover mobility services across all of Accenture's vertical markets.
- In our strategic growth markets, we have under way a series of new initiatives in the BRIC countries, as well as Mexico and South Korea.
- In Smart Grid, we have become the leader in the development and implementation of innovative smart-grid technology. Our work is supported by Accenture people engaged on 35 major projects in 15 countries.
- Around “the cloud” — it's real. We are beginning partnering and pioneering to help clients plan and move to next-generation platforms.
- And in analytics, intelligence is “in.” We are bringing our differentiated intellectual property and asset-based solutions, including more than 200 analytic assets and numerous analytic patents, to help our clients’ decision-making.

So that should give you a little more insight into a few of the growth areas we have invested in to position ourselves for the future, as well as the continued expansion of our market share.

Finally, as you know, we planned to provide more details on these initiatives at our Investor and Analyst conference. At this point, I've decided to reschedule the meeting for the spring, after we report our Q2 fiscal year 2010 financial results in late March, as I believe this timing will better serve you, our investors, and Accenture. Of course, the regular dialogue that our senior leadership and IR teams have with you will continue, and we will keep providing updates on our progress and new developments during the earnings calls as we always do.

With that, let's turn back to Pam for the business outlook.

Pam Craig - Accenture - Chief Financial Officer

Thank you, Bill. Before I go into our fiscal 2010 business outlook, I would like to share with you some thoughts on how we are looking at the fiscal year. We expect the first half of fiscal 2010 to be challenging year on year, given the 6% local currency net revenue growth in the first half of fiscal 2009. We are assuming that the global economy and our business will improve in the second half of the fiscal year, even though it is still an uncertain and unpredictable time. As I said earlier, we do see growth in our qualified opportunity pipeline, and we also expect it will take some time to convert these opportunities into bookings, with net revenues to follow.

I would also like to comment on foreign exchange, given what we now experience with exchange rates around the world. Right now, we expect the impact of foreign exchange, based on the range that rates have fluctuated over the last couple of weeks, to be a positive 4% on our results in US dollars for fiscal 2010 compared to fiscal 2009. As we've done in the past, we will update the foreign exchange assumption each quarter, based on how the rates are trending compared to fiscal 2009.

Lastly, as we've done in previous fiscal years, we plan to provide annual guidance in the areas we have in the past and we will update you on these measures quarterly. We will continue to provide quarterly guidance for revenue so that you have a basis for understanding our level of business by quarter, as we progress through the year.

For the full fiscal year 2010, we are targeting new bookings to be in the range of \$23 billion to \$26 billion.



Turning to revenue, we expect the net revenue growth rate for the full fiscal year 2010 to be in a range of a 3% decline to a 1% increase in local currency over fiscal 2009. This range reflects the anticipated decline we will have in the first half of fiscal 2010 year-over-year. It also reflects the aggregate effect of outsourcing contract cancellations in fiscal 2009, which have put a drag on the fiscal year 2010 local currency net revenue growth rate by approximately 2%.

Following the 50-basis point expansion we experienced in fiscal year 2009 absent the charge, we expect operating margin for the full year fiscal 2010 to be 13.4%. We will continue to balance profitability with making investments to position our business for the future. You should expect some fluctuations quarter to quarter, as you've seen in the past. We expect our annual effective tax rate to be in the range of 30% to 32%. While the tax rate has benefited from significant final determinations in recent years, we do not currently anticipate a material impact from final determinations in fiscal 2010.

For earnings per share, we expect full-year diluted EPS for fiscal 2010 to be in the range of \$2.64 to \$2.72. This range is aligned with the outlook I just gave you on revenue growth, operating margin and effective tax rate.

Now, let's turn to cash flow. For the full fiscal year, we expect operating cash flow to be in the range of \$2.39 billion to \$2.59 billion, property and equipment additions to be \$290 million, and free cash flow to be in the range of \$2.1 billion to \$2.3 billion. As a reminder, factors that will affect our operating cash flow will be the need for working capital when our business begins to ramp up; the impact that the restructuring charge, which will affect cash flow primarily in the first quarter fiscal 2010; and the assumption that DSO levels will be in the mid-30s.

Finally, turning to the first quarter, we expect revenues to be in the range of \$5.3 billion to \$5.5 billion. This assumes a foreign-currency impact of 0% compared to fiscal 2009 first quarter.

In sum, we've now embarked on what we need to do in fiscal year 2010, i.e., to drive profitable revenue growth, first and foremost; to continue to keep our balance sheet strong; and to continue returning a substantial portion of the cash we generate to our shareholders.

With that, let's open it up so that Bill and I can take your questions. Richard?

Richard Clark - Accenture - Managing Director, Investor Relations

Thanks, Pam. Operator, would you provide the instructions for those on the call?

QUESTION AND ANSWER

Operator

(Operator Instructions). Our first question is from George Price from Stifel Nicolaus. Please go ahead.

George Price - Stifel Nicolaus

Hi, thanks. Can you hear me okay?

Bill Green - Accenture - Chairman, CEO

Yes.

Pam Craig - Accenture - Chief Financial Officer

Hi, George.



George Price - Stifel Nicolaus

Hi. Thanks very much for taking my question. First, I guess maybe two things. First of all, I don't know if you can maybe give us a little more detail on how you expect outsourcing and consulting to trend from here. And I guess what I'm getting at is when do you expect the constant-currency growth rates in the two segments to trough? Was this quarter the trough? Will fiscal 1Q 2010 be the trough?

Pam Craig - Accenture - Chief Financial Officer

Well, you're talking about sequential revenue, how that will progress through the quarters?

George Price - Stifel Nicolaus

Well, no. The constant-currency growth rates, the year-over-year growth rates, quarterly growth rates. Is the trough in consulting and outsourcing, did we see the trough, for example, in consulting this quarter, is it going to be -- what's the anticipated, I guess, consulting, constant-currency growth rate in fiscal 1Q 2010?

Pam Craig - Accenture - Chief Financial Officer

We're expecting in Q1 that the consulting local-currency growth rate will be negative in the mid teens. So that's year-over-year, at least, that is a higher negative than this quarter. And outsourcing, we're expecting negative low single digits for the quarter, first quarter.

George Price - Stifel Nicolaus

Okay. Do you think that's the trough, or do you think it either gets worse in fiscal 2Q?

Pam Craig - Accenture - Chief Financial Officer

Well, I have to admit that at least for consulting, George, I look at this more on a sequential basis and we do see that -- I mean, basically what happened with consulting is if you look at Q2 of '09, we had a decline. In Q3, it was a steeper decline. In the quarter we just finished, the decline was actually less, and in Q1, we're assuming even less, and then in Q2, sort of think about it around the time of the start of the calendar year, that it would turn positive sequentially. So the year-over-year is important, but I think the sequential perspective also sort of helps you think about it.

George Price - Stifel Nicolaus

Okay, and just on the operating margin outlook, 13.4% in fiscal 2010, flat on an adjusted basis with fiscal '09, it seemed that I guess many were maybe expecting some of the restructuring cost reductions to drop to the bottom line and maybe for at least some modest margin expansion. Any thoughts along those lines? Is all of this being reinvested, or, maybe any thoughts on that?

Pam Craig - Accenture - Chief Financial Officer

Yes, I mean first of all, there is some benefit from the real estate; we said that's about a \$42 million benefit next year. But on the other, the way we're thinking about it is that we do need to make the right investments in the business and as you know, for the kind of business we're in, investments are primarily through the P&L. So we will be doing some focused things in hiring and skills and offerings and market development, that sort of thing. And I think that's going to be very important. And so I believe the 13.4% is the right way, is the right level for us this year. We had the 50-basis-point expansion in 2009 despite all the market headwinds and managing the cost structure and everything else. And I think that as we go forward, that's how I see it, is that that is the right level for this coming year. We'll of course update you if that changes, but we are going to reinvest.

George Price - Stifel Nicolaus

Okay, all right. Thanks very much.



Pam Craig - Accenture - Chief Financial Officer

Thank you, George.

Operator

Thank you, sir. The next question is from Tien-Tsin Huang from JPMorgan. Please go ahead.

Tien-Tsin Huang - JPMorgan

Hi, thanks. It's Tien-Tsin here. I just wanted to make sure I understood the EPS outlook. Does that include foreign currency and buybacks as well? Just trying to reconcile it with the constant-currency revenue outlook.

Pam Craig - Accenture - Chief Financial Officer

Yes, it does, Tien-Tsin.

Tien-Tsin Huang - JPMorgan

Okay. And so the first quarter guidance on revenue, I guess, is a flat foreign-currency benefit. By our math, which I'm sure is probably not right, we thought it would be 3- or 5-point impact from foreign currency, so just trying to better understand the dynamics on what's driving the foreign currency quarter to quarter.

Pam Craig - Accenture - Chief Financial Officer

Well, we base it on how the rates were fluctuating in the last two weeks or so. So we basically just kind of look at that period, snap the line, look at what we're projecting in revenue, compare it to last year and that's how we come up with our zero.

Tien-Tsin Huang - JPMorgan

Got it. So you take the last two weeks, you run rate that flat throughout the year, correct?

Pam Craig - Accenture - Chief Financial Officer

Well, not flat, but just -- the rates that are in effect for the last couple of weeks or so, right, we do run that through our plan for the year and then compare it to how the rates were last year.

Tien-Tsin Huang - JPMorgan

Got it, got it. Okay. That makes sense. Maybe the new bookings for fiscal 2010, can you give us some idea of what the mix between outsourcing and consulting could look like for fiscal 2010 on the bookings front?

Bill Green - Accenture - Chairman & CEO

Yes, I mean we're -- everyone always seems to look for a big swing in there one way or another, and I don't think we're going to see that because, interestingly, frankly we thought outsourcing would have a little more momentum than it does. If you look at the first month of this, of our fiscal year, if you look at September, the amount of conversations we're having around what is, frankly, traditional consulting is remarkable. And the nature of the work that those are around is traditional work. And so I think we're going to see both of those things come back sort of in line, and I think they are both going to come back with the confidence of executives. I mean there's a profound thing going on in the last month or so, and that's people are starting to look ahead, and the lucky people that are on a calendar year that have a chance to get a little more wind in their sails as they go through the fall and they are looking at 2010 as a year when they're going to start doing some of the things that they've been waiting to do. And I think that's going to kick in equally in both consulting and in the outsourcing business.



Tien-Tsin Huang - JPMorgan

Maybe I could sneak in just one last one on the cancellation front. Any common themes in what's driving those cancellations? Thanks.

Bill Green - Accenture - Chairman & CEO

Well, there's nothing that drives the cancellation more than a company's life expectancy drifting away to zero. So I think if you think about what's going on out there, we lost a few clients, a few names that aren't on the big board anymore, and then we, you know, there's been some consolidations out there. And those are the things that sort of drive the big nuts, the things that are hard to control. Other than that, there's a few little rounding errors of people reigning in how they do things or trying to do it another way, but I think if we look at cancellations, it was a unique year in terms of what went on in the economy and how it trickled down into a business that by and large is fairly durable. And right now as we look at the business, we sort of see it returning to its sort of previous levels and so we're very hopeful, or a lot more hopeful as we look at 2010 than the surprises we got in 2009.

Tien-Tsin Huang - JPMorgan

Okay. Thanks a lot.

Pam Craig - Accenture - Chief Financial Officer

Okay, thanks.

Operator

The next question is from Rod Bourgeois from Bernstein. Please go ahead.

Rod Bourgeois – Sanford C. Bernstein & Co.

Okay, guys. Hey, clearly there's a lot of activity flowing around on the M&A front in our industry and I wonder if you could comment on how that M&A activity affects Accenture. I guess the specific question I have, M&A can create distractions for people in the industry. Is Accenture at all for sale as M&A ideas are floating around, or is Accenture best as an independent company and not getting distracted with the M&A stuff? Can you comment on that as well as how M&A affects you in the competitive landscape?

Bill Green - Accenture - Chairman & CEO

Yes, I guess we've obviously spent a lot of time noodling on this, as we watch the news with everybody else. Frankly, there's never been a transaction in the services space that hasn't created huge distraction. And I think net-net, we think the transactions of the last couple weeks benefit Accenture. They don't hurt Accenture, and I think companies that are looking to move into services -- in my mind, you either go big or you go home. Just getting an arm or a leg or a body part instead of the whole show, I think it's a rough ride. And we also know that if the game plan is assembling services companies, that stuff never works. So I'm sort of delighted with what's going on. I have great respect for the companies that are involved in the transactions, but let's face it, right? They signed up for something hard to do. So we'll let that run its course. We obviously are sharpening a couple of knives into certain areas where we think they will create opportunities for us in specific industry verticals. We're going to focus on that. And right now, in terms of where we are, we just feel good about where we are, how we're driving the business forward, and I would tell you that as I look at confidence of executives coming back — and we can all make our prediction on what's happened in the economy — but there's no question that executives out there becoming more confident with the hand they are playing, and there's no question out there that the competitiveness hasn't gone anywhere and people need to continue and make investments in their business. And so our strategy has been focused on key alliances with tech companies, and you guys know who our friends are, as well as anybody else. We feel good about our hand and where we're positioned and we don't have any plans to do anything other than that.

Rod Bourgeois – Sanford C. Bernstein & Co.

All right, great. Thanks for that. On the demand front. I guess I want to ask how you feel about your revenue guidance from a buffer standpoint. I guess the last guidance round is somewhat, I guess de-risk your guidance by adding some buffer given the uncertainty. Have you added similar



buffer to your fiscal '10 guidance, or maybe a different way to ask the same question is, what economic scenario are you assuming in your local-currency revenue growth guidance range?

Pam Craig - Accenture - Chief Financial Officer

I never heard that term "buffer" before. We don't use that here, Rod. But just in terms of how we're looking. I'll just give you a few things. We look at visibility, in other words, what work we have contracted when we start the year. And that level is roughly comparable to what we had last year in relation to how we finished last year in terms of the revenue guidance that we've given you. The part that's harder is predictability. So when you start to look at when's this thing going to turn around and how's that going to turn into bookings and revenues, that's the part that's harder for us right now in terms of filling in the rest for the year. So I would not say there's any buffer. We're not really into that. We're trying to just give you how we see it right now and range it according to how the people who run our business and drive that, what they are shooting to do.

Bill Green - Accenture - Chairman & CEO

Yes, I would just add to that, we're running utilization at a... hot, right? Let's just -- we like the number that has an 8 in front of it. We're at 86. That's running a tight ship. But one of the things I mentioned is we aren't going to leave any profitable revenue on the table, right? And so our ability to scale or surge or go after increased demand as it breaks, we have really spent time on fine tuning that. And that means the recruiting machine is running. That means we have the ability to on-board the talent that we need. That means the ability to surge and expand at certain client base, as people are going to want to dial up the speed of work they do or extend some of the things that are normal extensions and add-ons that we haven't been getting. Those things haven't gone anywhere. And so behind the scenes we're running a tight ship, right, is really an HR process that's frankly exceptional. We still get 2 million resumes a year, and we know what we need to do to attract, train and deploy talent. And to me, our buffer, if you will, if there is one, is following the economy and being able to react very quickly to how things change in the marketplace out there.

Rod Bourgeois – Sanford C. Bernstein & Co.

On that note, though, is the guidance assuming that the economy will at least have a moderate recovery, or are you assuming the economy stays where it is right now?

Bill Green - Accenture - Chairman & CEO

Well, I think if you do your math and all that, you'll see that we expect the first couple quarters, as we've said, to sort of bounce along, and in this last couple quarters of the year, we expect to see momentum, and I think we didn't make broad judgments about the economy per se, just sort of the needs of clients. And I think if you -- I guess I feel better about some of the things I'm seeing in the economy around the world now than I did even eight weeks ago. And so I'm hopeful the wind is going to turn to be in the back instead of on the nose as we -- particularly as we cross the calendar-year border. It all remains to be seen, but that's the thing -- those are the things that we're looking at right now. And the comment we made about our pipeline when we did our state-of-the-business review, we were impressed by what we were seeing in terms of at least the size and scale of the unqualified pipeline, and this whole notion that Pam mentioned, that people coming back to the table and having those conversations, and so the real question in all honesty is this, not the visibility, it's the predictability, right? And the -- with the predictability, the thing that's going to enhance that is the courage and confidence of executives that 2010 will be a better year than their 2009 was. And that's going to be a big swinger out there.

Rod Bourgeois – Sanford C. Bernstein & Co.

Thanks very much, guys.

Operator

Thanks. The next question is from Jason Kupferberg of UBS. Please go ahead.

Jason Kupferberg – UBS Warburg

Thanks. Good afternoon, guys.



Pam Craig - Accenture - Chief Financial Officer

Hi, Jason.

Jason Kupferberg – UBS Warburg

Hi, just wanted to start with a clarification on the currency impacts here. I think you guys were very clear about the top line in terms of the 4% tail wind for the full year and then I know an earlier question I think was asking about the bottom-line impact. Can you just clarify what you're assuming in your EPS in terms of currency? I thought I remembered from last year that a 1% tailwind or headwind in top line would then be about a penny in either direction for EPS. Does that kind of relationship still hold in fiscal '10?

Pam Craig - Accenture - Chief Financial Officer

We actually haven't quite calculated it out, but the 4% flows all the way through for the year. The zero is for the first quarter, and I'm sure you can do the math. I actually just don't have that right in front of me.

Jason Kupferberg – UBS Warburg

Okay, and then in terms of the buybacks that you've assumed, I mean any rough ranges you can give us in terms of what you've assumed in there?

Pam Craig - Accenture - Chief Financial Officer

Yes, we've assumed a level similar to last year.

Jason Kupferberg – UBS Warburg

Okay, that's helpful. And then I think typically your salary decisions get made at the start of your fiscal year. If you can maybe fill us in on what you guys did at the outset of fiscal '10 and then sort of in conjunction with that, how much of a net pricing impact is implied in the revenue outlook for fiscal '10, so just to get a sense of how those two things might work against each other.

Pam Craig - Accenture - Chief Financial Officer

Well, as you know, we based our salary increases on-market around the world for all the skills we have, and as you probably also figured, this was not a good year for, for raises. There were -- there was very little of it around the world, but I think the rough impact is about 2%, and we do fully expect, as we always do, to recover those salary increases in our prices in the marketplace.

Jason Kupferberg – UBS Warburg

Okay, so about 2% wage inflation, but a similar amount of net price increases is what you're saying?

Bill Green - Accenture - Chairman & CEO

Well, it doesn't all fit together nice and neat like that, but our -- what we do is we just make sure that our salary increases are [unintelligible]-- we have been predictable on that every year since we've been doing this.

Jason Kupferberg – UBS Warburg

Okay, and just my last question, can you talk about how you guys and the board, I guess as well, think about the amount of excess cash that Accenture has. Obviously you have to make certain assumptions around how many partner shares will get tendered over the next year and beyond that. So you've made a meaningful dividend raise here. Some people might have thought you could have afforded to do even more, but can you just walk us through the thought process of balancing those various cash-deployment options?



Pam Craig - Accenture - Chief Financial Officer

Yes, I mean we work with this and with the board of directors constantly as we work with them on this, and we did up the metrics a little bit in terms of percent of free cash flow and percent of net income in terms of the dividend, and that was very deliberate. And not only that, we said we're going to go to a semi-annual schedule. So if you look at this year, we're paying the annual dividend next month, and then we're planning to do a semi annual dividend for the next cycle in about six months' time. So that's where we are with that. We did think that was a meaningful move and we'll -- that combined with roughly the same level of share buybacks, that's where we're at with it and we with believe that's at the right level for this time.

Jason Kupferberg – UBS Warburg

Okay, thank you for the comment.

Operator

The next question is from Julio Quinteros of Goldman Sachs. Please go ahead.

Julio Quinteros – Goldman Sachs

Great. Just a little clarification on that dividend payment. So we'll see 75 cents in November and then another 75-cent level in the May quarter, or something plus what we're seeing in the November quarter, just to get that clear? Sorry.

Pam Craig - Accenture - Chief Financial Officer

Julio, Julio, semi-annual means -- no, okay. So I think the first thing you ought to try is plug in there is about half the level roughly of the 75 cents would be what the semi-annual amount would be in the spring, right?

Julio Quinteros – Goldman Sachs

Okay, got it. Okay. I tried. Okay. Maybe just to go back a little bit on the geographic dispersion between your performance and Americas performance – Bill, can you give us some color on how the two major geographies are trending right now and is one lagging the other or should we expect to see sort of consistent performance as we go through fiscal '10?

Bill Green - Accenture - Chairman & CEO

Well you end up with Europe being a composite of a lot of moving parts, right? And some may just bounce around a little bit. I think we're starting to feel better about the United States. Six, seven, eight months ago, I would have said US would be the last guys out of the ditch, but now I feel more bullish about that, just based on the Business Round Table study that I think -- I'm not sure if it's out this week, but it's coming out. It shows people expecting modest increase in sales and employment and capital spending, and you know we haven't had that for many quarters now, I can't remember how many. So there are just some things that are starting to break that way. Europe is a mixed bag – Spain, which is an important country for us, has some challenges. The UK and particularly in the financial markets has started to show more signs of life, faster than I had expected. So Europe has always been, had a lot of momentum for us and I think net-net it's still going to move a little slowly, but with positive GDP in Germany and France and some momentum that we're starting to see in the UK, if we get those big countries breaking the right way, I think we'll start seeing more and more activity there, but I do -- I am a lot more optimistic about North America and the United States than I had been in the last few quarters.

Julio Quinteros – Goldman Sachs

Right, and is there any sense at all on the headcount plan for fiscal '10, or at least looking at the trajectory of net headcount, Pam, looks like you were cutting heads for the last two quarters and then this quarter we sort of flattened out. Should we expect to see headcount additions through fiscal '10 at this rate?



Pam Craig – Accenture - Chief Financial Officer

Yes, we're hiring and we expect that the pace will pick up as the year goes on.

Julio Quinteros – Goldman Sachs

Okay, great. thanks, guys. Good luck.

Bill Green – Accenture - Chairman & CEO

Thanks.

Operator

Thank you, sir. The next question is from Moshe Katri of Cowen & Co. Please go ahead.

Moshe Katri – Cowen & Co.

Thanks. Pam, in your revenue-growth guidance for fiscal 2010, what's embedded for growth for consulting and then outsourcing?

Pam Craig – Accenture - Chief Financial Officer

Okay. I mean, I think that, again, the second half is less predictable, but at least at this point we're looking at consulting, local-currency growth will be low single-digit negative, and the outsourcing local-currency growth will be flat to low positive.

Moshe Katri – Cowen & Co.

Okay, and then you commented very briefly about Europe. Can you talk a bit about the UK? Obviously the UK is a pretty big part of your revenues in Europe. What are you seeing there? And then very briefly also talk about some of the trends you are seeing by vertical, by verticals, which is something that Steve used to provide during previous conference calls. Thanks.

Pam Craig – Accenture - Chief Financial Officer

Yes, I'll let Bill do the UK and then give you some vertical color.

Bill Green – Accenture - Chairman & CEO

Yes, I think the UK is a geography, right, in terms of economic activity. I mean the place has just been pounded, right, across many industries. The important thing for the UK is to get the financial services business back in the saddle, and I think we've seen stability over the last couple quarters over there, and now we're seeing some forward momentum. Consumer spending still hasn't returned. Unemployment still has some challenges. There's a lot of things that have to happen there, and I think there's still a lot of stimulus that hasn't hit the streets yet. But I think if you stand back and look at it and you can get the stable financial services industry, the other stuff will start to flow. Our business in the UK, and our David Thomlinson who runs it, has stabilized nicely. We had some supply and demand imbalances. We had to get those in place and we have. And so we've got a lot of that behind us. And right now it's very much around positioning for growth, particularly in the largest clients. And we have gotten some nice awards. Some of them were announced publicly from UK-based companies in the last quarter or so. Pam, why don't you hit some of the verticals?

Pam Craig – Accenture - Chief Financial Officer

Sure. Just to sort of give you a flavor, a little bit of what's happening at the top line in our five verticals. In Communications & High Tech, that was the one with the biggest decline in the quarter. We've worked a lot at the major players around the world, several of whom have wrapped up major projects. And in addition, there's structural changes. For example, wireline to wireless in the communications industry, that is impacting our business right now.



In Financial Services, the consulting environment remains fragile, but we are seeing some signs of stability and activity is picking up, particularly in Europe. Our Insurance industry continues to be strong. The outsourcing slowdown that we saw this quarter is due to the contract cancellations that we had in fiscal '09 and that's in the revenue decline there.

In Products, Products consulting in 2008 had just an incredibly strong year, and they were impacted this year by the factors mentioned earlier, caution about large programs, slower pace, pricing. Outsourcing. they had nice growth in outsourcing, and it reflects renewals and good demand for both AO and IO.

Public Service, of course, is the one doing the best right now. It's dominated by the US. System integration is strong in the consulting part, and there's Health & Human Services work picking up in the United States.

In Resources, Resources consulting was also impacted by those factors mentioned earlier, caution and slower pace, et cetera. We did see a dip in bookings in Q2 and Q3. There was sort of a pause in that period with the decline in the commodity prices, and now as that's picked back up, we've seen some positive signs. We've seen some activity, clients back at the table, including in the emerging markets, where we're seeing a lot of activity.

Bill Green – Accenture - Chairman & CEO

I guess I would mention one other thing and that's the M&A wave has continued and in some ways accelerated in certain industries, and that really works nicely for us. If you look at our Financial Services guys, the front-end work we have going on in the M&A space around the globe is extraordinary and the downstream implications of it are huge. Resources has a lot of the same kind of things going on and I think we're going to see more and more of that activity, as I think some of you believe as well, not just in our sector, but in sectors that we serve that are -- we have an important place. And those things really work well for us, so we have acceleration in some of the verticals, which has come through the M&A activity, which as you know, it's good front-end stuff, but the long-term implications of it serve the company very well. So we're actually bullish about that and that trend continuing.

Moshe Katri – Cowen & Co.

And Bill, Accenture has been involved in some of the largest post-M&A work that's related to the financial services industry. Are you in such a stage to move from the front-end work to the heavy lifting to the more significant revenue-generating work?

Bill Green – Accenture - Chairman & CEO

Yes, I think we're just approaching that. I mean, you get one of these transactions where you [unintelligible] synergy, we've been doing all the work to figure that out. Now comes getting the synergy part, and I think that started in Europe. There's still some things in the US that haven't really gotten under way. As people have been more distracted with more major decisions about the financial services business. But in the end, in order to make these transactions work, they all have to get the synergy. They all have to make the investment, and I don't think we've seen the wave from that kick in yet.

Moshe Katri – Cowen & Co.

And this is a second half fiscal 2010 event, I'm assuming?

Bill Green – Accenture - Chairman & CEO

Yes, that timing is probably right. If I'm just sort of running through the projects in my mind through Spain and Italy and the United States where we are, but that's probably right. I feel -- I mean, the financial services industry, as you guys know, has just been through hell, but feel good about the nature of the things that are being done. Some element of stability and some focus less on sort of what kind of capital balances people need and so forth and more on getting back into the operations to make them smooth and more-efficient-running companies. And that tide is definitely turning, and people are desperate to try to get the yield from some of these transactions that they've made. And I think our Q3 and Q4 is where we'll see that. I think 2010 calendar is going to be a big year for that across particularly the banking sector.



Moshe Katri – Cowen & Co.

Thanks for the feedback.

Operator

The next question is from Tim Fox from Deutsche Bank. Please go ahead.

Tim Fox – Deutsche Bank

Hi, thanks. Good afternoon.

Pam Craig – Accenture - Chief Financial Officer

Hi, Tim.

Tim Fox – Deutsche Bank

First question, Bill, you mentioned some encouraging signs around the traditional consulting business, and I was just wondering if there was any more color there. Was that in relation to your, just your comments just recently on M&A? And would you consider that to a certain degree a leading indicator of future business and more of that heavy lifting?

Bill Green – Accenture - Chairman & CEO

Well, it always is. I think right now, let's take the supply chain area. We have a lot of sort of strategic global supply chain work under way, and in many ways these are people putting their foot in the water and saying if momentum's going to come back and the business is going to come back, I'm going to have to operate differently than I did before things slowed down. And so we have that work underway now and our theory is and our hope, in all honesty, is we're going to cross the line into 2010, we're going to be in a different scenario sort of mentally and physically and economically, if you will, and people will move from the planning and design stages into implementation. It's true in supply chain. It's true in everything having to do with analytics. I mean everything having to do with mining more intelligence out of your business, and it's remarkably true in talent & human performance, change management kind of things, which sometimes tend to take a back seat when economic times are tough, but people realize the productivity impact of getting the workforce aligned with what they are trying to get done. And so if you look at our consulting business, we have good momentum around the talent & organizational performance, good momentum around the supply chain, and good momentum around analytics, be it marketing or financial information. And those things always break into opportunities to drive new work, and then ultimately convert into business process outsourcing opportunities, which is sort of where we're trying to take them, from envisioning and architecting a new way of doing business to operating that new way of doing business on behalf of the client. That's the thing that we're focused on.

Tim Fox – Deutsche Bank

Okay, and my follow-up, Pam, you gave us some nice color as to how to think about constant-currency growth throughout the year. Any sense of how the booking signature might flow throughout the year recognizing that the outsourcing bookings can be lumpy? Should we expect to see a slight increase in the back half of the year, given the economic improvement?

Pam Craig – Accenture - Chief Financial Officer

Yes, I mean I think that's a fair general assumption and certainly that's where we are with it.

Tim Fox – Deutsche Bank

Thank you.



Richard Clark – Accenture – Managing Director, Investor Relations

Operator, we have time for one more question.

Operator

Okay, sir. And that question is from Ed Caso of Wells Fargo. Please go ahead, sir.

Ed Caso – Wells Fargo

Good evening, thank you. Haven't talked much about the healthcare effort. I was wondering if maybe you could size it for us and where you are and maybe when we might start to see some performance out of it.

Bill Green – Accenture - Chairman & CEO

Well, I could have gone down and gotten [Steve] Rohleder, because he's down on the fifth floor with all the healthcare guys, and I could have had him come back and get back in the saddle. Normally he would be doing, but he's over there. Frankly, we're pumped about the healthcare and the public service thing, and it has nothing to do with stimulus money or anything like that. Our pipeline in that space went up like a rocket through the fourth quarter as we look at the business. We're really focusing on the alliances that we need out there to drive things. We're really focusing on the specialties. We're focusing on the assets that we have around the world, particularly the e-Health space, where we have tremendous assets — be they in Singapore or the UK or in Hong Kong — that we're bringing together. We've moved people into it, and in fact at our next board meeting, which is sometime this month, the main topic of the board meeting is going to be the healthcare agenda. So Steve's going front and center and we're going to lay out the game plan. By and large we're looking at an opportunity to triple our business in healthcare by 2012. That's the thing that we're kind of trying to look at. And if you look at the combined health and public services together, if you look at the opportunity pipeline, we might have an opportunity even to triple that. And so we're very excited about what we've got there and what the nature of it is. What we're really trying to do is get very focused on the nature of the services; where is our place in the value chain for healthcare? And that's another thing I'd mention there, is this whole notion of analytics. I mentioned it earlier in the call. It's a place where a lot of our analytics assets and analytics patents and our knowledge and know-how exists, and it's how to turn those to the problems of healthcare in order to deliver reliable information that allows us to change the game there. So it's something that we're particularly focused on. I think we got the right guy leading it. He's delighted not to attend the earnings calls any more and be out in the market with clients, and he's a lucky guy, I guess. So I guess I would just leave it at that. But when we have the investor analyst meeting in the spring, we'll probably have a specific section and focus just on the Health & Public Service thing because it's a place where we're putting a lot of bets and, as Pam mentioned, we continue to have a lot of momentum, even as we speak right now.

Ed Caso – Wells Fargo

My last question, final question here is around political concerns. What are you losing sleep over, both in the US and elsewhere? And what's the reaction been politically to your Ireland move?

Bill Green – Accenture - Chairman & CEO

The Ireland thing was uneventful. And we're delighted for that. We got on the boat, went from one place to the other, and kept serving our clients and driving our business. I think that's what we deserve. We shouldn't have a political reaction to it, and frankly we haven't. I think if you just look broadly, business broadly is concerned about the challenges, particularly in the US. If you're a business person in the US you're worried about tax reform. You're worried about the impact to healthcare reform. You're worried about how the climate-change legislation might affect you. You're worried about card check and some of the other pieces of legislation. I think if there's one thing that business is trying to rationalize is what does it take to compete on the global stage and how much of this stuff can we do or endure? At the end of the day, I think it will all generate opportunities in various forms for Accenture to help them with their business performance, but right now frankly, I think some of them have had to spend a little more time trying to understand what legislative things may impact their business than they would choose to, particularly if we start getting wind at our back instead of our face. So the good news is not a lot of that affects us in any particular way, but it does affect our clients, and indirectly that affects us.

Let me just say a couple of things in wrapping up here. I think, broadly, I would say the climate and the tone around this company is exceptionally good. I mean, 2009 was a rough year, right? I mean we banded through it. You guys know it surprised us when we went over the



line into calendar 2009. We had to trim the sails. We had to take a lot of actions, and we had to do some things to make sure we operated the company in a very focused and determined way, and I think we did that. And when I stand back and look at our results, given what we were faced with, I have nothing but pride in what we've done. But most importantly, is we didn't lose sight of the future. And we didn't cut muscle. We didn't cut bone. We invested in building a new refresh of our strategy. We developed a new human capital strategy. We built assets and offerings. We revitalized industry programs. We did a series of things to be positioned for when the wind gets at our back. And it will. And in an environment like this, attitude is everything, and we have 177,000 men and women that work really hard on behalf of our shareholders and our company and our clients, and without them and their hard work and their dedication, we wouldn't have delivered these results. But maybe the secret of our success going forward is those 177,000 people, because they have raised their game, even though the bar's been raised, they have raised their game even further than that. They are focused. Our client relationships are better. We added 17 Diamond clients to the firm in the last year, and you know the size of those relationships. So when I look at '09, it was a rough ride and I think we did a great job navigating through it, but we never lost sight of the future. And I think that positions us very well and we're excited about the opportunities that lie ahead for Accenture. So, I appreciate you all taking the time to join us on the call today. We appreciate your support, and we look forward to talking to you again in our Q1 fiscal year 2010 call, which will be in December. Thank you very much.

Operator

Thank you, sir. Ladies and gentlemen, that does conclude -- actually, sorry, this conference will be made available for replay after 7:00 p.m. tonight until December 22 at midnight. You may access the AT&T playback service at any time by dialing 1-800-475-6701 and entering the access code of 115041. International participants can dial 1-320-365-3844 and the domestic participants, again, can dial 1-800-475-6701. International, 1-320-365-3844, with the access code of 115041. And that does conclude our conference and you may now disconnect.

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