

Accenture's Investor & Analyst Conference

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

The theme of our conference this year is delivering High Performance in Fiscal Year '09. We have an outstanding program planned. We will give you a look at our business from the perspective of our operating groups, from our growth platforms, and then we'll also hear from our operations leadership.

There'll be time for Q & A after each panel. To insure that we get to as many of you as possible, we ask that you please limit your questions to one question and avoid multipart questions.

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

Factors that could cause actual results to differ materially from those expressed or implied include without limitation, general economic conditions, and the factors discussed under the risk factors section, in the business section of Accenture's most recently filed year-end report on Form 10-K.

Accenture undertakes no duty to update any forward looking statement made in these presentations or to conform such statements to actual results or changes in Accenture's expectations. I would also like to remind you that we are nearing the end of our first quarter for Fiscal 2009. So we will not be providing you with an update or making any comments related to our first quarter or our business outlook for the Fiscal Year.

Those types of questions will be handled in our regularly scheduled conference call on December 18th when we will announce our first quarter results.

So again, thank you for coming. I'm pleased to see all of you here this morning. And now it is my pleasure to introduce our Chairman & CEO, Bill Green.

William D. Green
Chairman & CEO

Thank you Richard. And we had a discussion yesterday; I said Richard, if they ask a two-part question, what am I supposed to do? Since I've tried that a million times and it never works, I don't expect it to today, but Richard expects me to try to enforce some amount of discipline.

Thanks everyone for coming today. We're delighted to have you here. We have sort of a power alley of Accenture here along with the first row and then I think our format is very consistent with what we've done the last few years. Bring them up in waves I guess.

First, our operating group people are going to comment on what they're seeing in the marketplace and what we're doing to address it. Then our growth platforms along with our Chief Technology Officer, so you can get a sense for what we're doing there in terms of building the assets and the offerings and the things that our folks take to market every day.

And then, you know, last year I mentioned that I have Steve and Pam and Bob Frerichs you know, on the bow of the ship because we were standing here looking at what everyone thought was going to be a challenging year. And they're still on the bow of the ship. I've lashed them down there now. But I think if you go back and look at last year I remember very well standing here articulating what it is we were going to do. And I think there was a lot of skepticism in the room.

And, you know, the bar had been raised even last year although now when we reflect back on last year it looks like a walk in the park. The bar had been raised pretty dramatically because we were just getting through the sub-prime stuff which required us to raise our game. And that's what we did.

And so here we are again, the beginning of our '09, the bar is being raised again. And our opportunity is to raise our game and make sure we go through whatever it is we're facing in a very focused and common-sense way.

We will have time for questions after each of the sections. And hopefully we'll get to everything that's on your mind. I did get a little introductory course this morning when I went down, just to say hello, and get a cup of coffee and ended up fielding the questions that we know are on all your minds. And so we will try to get to those very directly. And then make sure you understand the Accenture proposition and what it is we bring to the table every day and why we continue to feel good about Accenture and our business overall.

So at the end of the day we're going to give you a sense for high performance and action because I think what the market requires is us to raise our game. And as we always say we can't help other companies be a high performance company if we are not one ourselves.

And we live that. And so if anything I think you'll find preparation. I think you'll find focus. And I think you'll find the things that we talked about at the end of Q4 to be well under way and broadly feeling good about the business in a time that is admittedly very uncertain across the board.

I think also in a time like this, market position and financial strength matter. And when you wake up in the morning and you look at the hand you have to play, it's important to recognize all of the assets, all the advantages that we have, that frankly we've worked hard to build over the last five years. And how those things will serve us very well in the uncertain time regardless of how that all turns out.

So when we look at '09, you know, we just sort of thinking through and we've, of course, spent a lot of time in the last few weeks understanding where our business is at. The first thing that we're going to do is continue to stay very close to our clients.

There's something about waking up every morning with thousands of clients around the world where we have long-term relationships that really matter. Because you'd hate to have to build those relationships from scratch today. But our ability to go in there and bring different insights and different offerings and different services that are on the CEO agenda today that may have not been there in the last six months, are incredibly important, and we leverage those relationships for our benefit as we go forward.

You'll also find that we will anticipate and act to two things. One is the market opportunities because some industries are going through a profound and fundamental transformation and we have a chance to weave ourselves into the heart and soul of those companies, in those industries. And that is what we're absolutely focused on.

And the second thing is anticipate and act, operational priorities. Make sure day to day we're reading the tea leaves for what we see in the geographies we serve around the world and the industries we serve and react to that in a focused and determined way. And we feel good about our ability to do that.

We will manage our business for profitability. And yet we will take advantage of opportunities to capture market share in a common sense way during this time. And we have a lot of opportunities to do that.

And in the end we will drive our business for growth as we always do because a growing Accenture is a happy Accenture. And our whole system of how we incent and motivate people depends on our ability to keep this machine moving forward. You will see with our leadership team this morning that none of them has less than 25 years' experience with Accenture. And so we know this personally. And this is how we came up. We have faced all sorts of challenges as a company and frankly as a team and overcome every single one of them.

And so that's our determination. And again we will talk about the durability and the diversity and the differentiation of our company. We did that last year. I think it's something that takes a while to sink it. It's something that takes a while to understand. But it is an incredible asset in the time we're in right now. And we will take every advantage of that to be an advantage for Accenture and our shareholders.

So we're going to get started with the operating groups. So I will ask the gang of five to come on up and take your seats here.

Operating Groups

We celebrated Mark Foster's 25th anniversary last night, so I wanted to make sure they were all going to be on the field here this morning, but congratulations, Mark, from last night. And we toasted and roasted him with good fun and we'll have him up here a little later and you can take a crack at it if you want.

I think one other thing I'd mention before we jump into this is we use this expression in the firm, operating with one foot in today and one foot in tomorrow. And you'll find out that we don't lose sight of that regardless of the hand you're dealt, regardless of what's going on on the outside.

You know the foot in today is about delivery, right. It's about delivering on our commitment. The foot in tomorrow is positioning for leadership in the future. And both of those things are incredibly important right now because not only is there a near-term challenge with uncertainty in the clients of delivering on our commitments that we will focus on and do. But there's also incredible opportunity as industries transform themselves.

I was in a meeting with people from the Federal Reserve and they said we could have transformed the financial services industry over five to eight years, instead we decided to do it over five to eight weeks. But in change and challenge comes opportunity for Accenture. And I think you'll hear from all these folks, regardless of the industries they serve, some of them unaffected in many ways by what you see going on. Some of them, you know, right at ground zero. I think you'll see what it is we're doing to continue to lead and continue to differentiate.

So let me get started. We'll go to Communications & High Tech first. I'll introduce Marty Cole, who now has been in post a while and fully immersed after having worked in a outsourcing business and led our government business and worked around the firm. We gave him the toughest, gnarliest, nastiest thing, at least at the time it was. I think Pierre might get that prize now. But Marty has it. Marty, first can you give us some context for CHT, some of the trends you see, what's going on there. And then how you see the current environment, how it impacts some of your clients.

Marty Cole

Group Chief Executive – Communications & High Tech

Okay Bill. I'd be glad to share some thoughts. And good morning everyone. Let me give you a little bit of context first on the Communications and High Tech Operating Group. We actually have three broad industry sectors. First is Communications which is the telecom companies, cable and satellite providers. As you reflect on that particular business I think it's important to note that today we serve 18 of the top 20 companies in that sector on a global basis. So we have a very strong position in the marketplace.

The High Tech practice, what we refer to as Electronics and High Tech, semi-conductor companies, technology companies, both consumer and electronics, also includes software providers and then our aerospace and defense practice. Again in this particular industry, or this

broad group of industries, we serve 18 of the top 20 companies around the world. So a very strong footprint on a global basis.

And then the third area, which isn't obvious that it falls within C&HT because we don't have it in the name, is media and entertainment. But it is a very strong vibrant practice for us and on a global basis we serve more than a majority of the large companies in this particular area. An area that's undergoing great change and a great opportunity for us.

As you look at this on a global basis I think the important points, and Bill made a reference to this in his introductory remarks, is given our global breadth, our penetration in the largest companies, we have access to the C suites of these large companies and understand where they're going.

And it would be overly simplistic to characterize they're all in the same space. So if you're an electronics high tech company coming out of Asia you might be in a quite different market position than one in the US today. Your growth aspirations are different, where you're focused in terms of taking out costs, operations, they're all quite different.

So we have the opportunity through our global reach to understand what is happening in individual markets. And in some markets we're seeing a very, very precise focus on taking out costs. Cost reduction is important. In some places in the telecom sector, network transformation is important as they move from a 2G to a 3G network or even beyond. In other areas they're very interested in outsourcing, very aggressively moving into outsourcing because they traditionally haven't moved enough to lower-cost locations.

So I think as we look at this we see opportunities. Yes, there are some challenges in the marketplace but there are many opportunities to be on the ground with our clients, being precise and specific to their particular needs as they craft their business agenda.

In terms of taking that one step further and you sort of said, so what's hot, what are we seeing in this economic climate, I would summarize it by saying clearly cost reduction is important. Not everybody has it as their number one item but it's certainly on their list of two or three. How can we reduce our operating expenses when our top line is under pressure. So cost reduction is important.

A second area, digital transformation. So how do I get to getting content available to the consumer? Whether that's through the cable network, whether that's through the mobile network, whether it's some other means of distribution, digital transformation is hot. It remains hot. And last year you may recall I stood up here and talked about it. My opening was convergence is here. Well it's still here. It hasn't gone away and there's even further opportunities.

Geographic expansion, depending on where you are today, there may be opportunities to move into new markets. And so you might not think about an Asian company expanding into North America but in fact that's on the agenda. And given our global reach, given our ability to operate across the globe, we can help these companies set up operating models that are more consistent with operating in the North American environment.

So there are some things that are clearly in play. There are some great opportunities out there and we're actually looking forward to how we can ride the wave here, if you will, in these

somewhat choppy waters, but ride the wave to help our clients reposition for success in the years ahead.

William D. Green
Chairman & CEO

Thanks Marty. And, you know, I do remember the digital discussion last year and that part of our business has been on fire. You might just talk about some of the engagements there and some of the other new things that your guys have been selling.

Marty Cole
Group Chief Executive – Communications & High Tech

I'd be happy to because it is fun. We tend to think about there's no good news here, but in fact there's quite a bit of good news. In the digital area over the last 18 months we made two major acquisitions, or major in the sense that they're very strategic to us. They weren't large but they were very strategic to us, which helped us build out a portfolio of offerings and assets in digital management.

And now we're able to take these particular assets to the record labels, to the studios, the television and movie studios, and help them take content and monetize it even further by moving into the digital space. What's also happened and this is not even something we really thought through but has been a great advantage is now that we have assets, we have conversations at the C suite, they're talking about how we can help them grow their business. It's also enabled us to have conversations about other outsourcing offerings.

So just over the last year we have signed up EMI and Universal Music as clients in the finance and account BPO area. So these are new clients where they're trying to figure out how to change the overall shape of the business, have to do a cost reduction play, our global reach helps.

Related to that, you may have seen recent news about a venture that was launched in the cable industry called Canoe Ventures. And this is where the cable industry is trying to figure out ways to further monetize the connection they have with your home through their set-top box.

Well we are one of their key providers in terms of consulting services for now, but we expect to expand it over time where we will help them figure out how to get advertising revenue through your set-top box in your home. It's a big play in the United States. We'll go onto Canada over time. And we expect that it'll be a global potential here as well.

There's a couple other points I want to mention to connect back to what's hot. As I said, cost reduction is important, outsourcing is important. And you'll hear more from our good friend Kevin in a little bit about what's going on in our outsourcing growth platform, but there's not a client out there today where we're not having this conversation.

And the fact that we've got our global delivery network, we've got strong assets in all of the BPO areas and application management, gives us significant reach to go in, have these conversations,

extend out where we're already at today. Some of our largest outsourcing clients provide us greater opportunity, but then also new offerings.

And the last area I'd mention, which is somewhat related to digital but it's also something that doesn't get a lot of attention, is really around the network transformation. As our clients have to address the IP environment, whether it's IPTV, the data services that come with the iPhone or the next-generation telephone handset, it requires them to rethink their overall network strategy.

What has traditionally been the fiber or the copper, these are opportunities for us. We have a very strong practice in network operations, network management, network consulting. And so again across the globe one of our premier clients right now is in Brazil, the large fast-growing Brazilian telecom company called Oi, where we're working very closely with them on a broad network transformation initiative.

So I'd say overall, you know, we're excited. Yes, we wish we had a 30 knot tail wind, but that's okay. Because we like what we have, we like our reach, we like our offerings and we like our position with the largest companies, most successful companies in the world.

William D. Green
Chairman & CEO

Great. Thanks Marty. Good story. And Juan, now we add Spanish influence to the Italian, the French and the Dutch, who are also on the leadership team here. Marty's feeling a little, well like a minority, I guess, right? But we're delighted to have Juan on the team. He's been with us for 25 years. He was the Chief Operating Officer in the Public Service space, ran the Europe business before that, and now has moved up to be the Chief Executive of Public Service. So we're delighted to have you on. And of course he's been a long friend of all of us at the big table, so to speak, so let me start.

You brought a sort of a fresh perspective in looking at Public Service, particularly around the globe, in your new role. And you might just give us some perspective on what you see there and then talk, more specifically about where the momentum is in the business.

Juan Domenech
Group Chief Executive – Public Service

Right. Thank you Bill. Good morning everybody. I'm really glad to be here today with all of you and with my colleagues.

Let me start by highlighting the fact that behind the name Public Service, we are servicing a number of highly specialized areas of governments across the globe. I'm referring to health care, human services, education, defense, border protection and public safety, postal, revenue, etcetera.

So a number of channels of government business that need very special, specialized attention in the market. At the same time I would like to highlight that we continue this year with our

geographic expansion. Last year we launched Mexico and Poland. We continue to invest in these two countries. And we have launched our public service practice in India in the domestic market. We believe that there is great potential there and that market plays very well onto our sweet spot also, so we are just opening that practice in there.

It's not going to be a surprise to anybody if I say that our clients across the globe today are subject to significant fiscal pressures, let's put it that way. So we are in a situation where the need to increase and improve collections or the need to more effectively provide certain services to citizens and business, plus the need to reduce the back office costs to support all this service provision, today is a top priority for our clients. No doubt about it.

This situation clearly is creating a lot of short-term needs for our clients. And most importantly I would say it's creating a number of opportunities for them, if they want to pick up the slack to go through long-term transformational actions.

I think that situation plays really well to our strengths, to our ability to create and sustain long-term relationships with our clients, which is extremely important in the public service environment.

I mentioned our ability to bring to bear proven and robust offerings for the different areas of specialization. And it plays very well with our global reach despite governments being thought of as being the local bodies that they are, but more and more they are opening themselves to understand what is happening in other administrations across the world and bringing the best practices to their own operations.

And finally, our ability to bring our commercial experience to our clients. Let me just give an example. We are working with the Army Air Force Exchange Initiative to modernize their PX's across the globe. Here's what we did. We call our friends in retail and based on the long-term experience they have, we are now able to help them in that endeavor.

You know, there is a very old saying that governments need to do more with less. We have heard that since my younger times in Accenture. And everybody was okay with that but nobody did really many things around it. Today it is the imperative our clients have. No doubt about it.

There is a clear surge of service requests and at the same time there is a clear need to contain costs in the budgets of our governments across the world. We have been preparing ourselves for that. For example, we've picked up our main offerings in each of the areas of specialization. We have sharpened them. We have broken them in blocks so they are easier to implement and to deliver results in shorter cycles which is what our clients need to cope with their immediate needs that I was referring to before.

So I think that the name of the game, Bill, today, is staying very close to our clients, nurturing and creating these new relationships, carefully listening to their needs. They are very individualized needs, the ones at the different agencies. And you have to tune yourself on those needs. And then, you know, open that in-depth dialog with our clients. So to understand how we can help with our offerings and with our assets.

William D. Green
Chairman & CEO

Great. Thanks. You know, I remember back when this whole share in savings, the value proposition for government, was created by Accenture, way back then, which was very much along this line. I think now we have the opportunity to take that to the next level. It's a real value proposition for being able to get better-than-average compensation for delivering better than average results. So I think it's important. You might just talk a little bit about what's been selling and the kind of new engagements you've got.

Juan Domenech
Group Chief Executive – Public Service

Delighted to do that. And I'll highlight three or four recent wins. Let me pick first the Office of Personnel Management in the US Federal Government. And that was a great win. And, you know, we now are helping OPM reshape their budgeting and financial functions. And I think that the key point, in their words, was our big experience in this area, plus the fact that we assembled such an experienced team that was able to engage in the dialog with the client. I was mentioning before that they really feel that we're able to fulfill their needs. And we are very successfully delivering right now.

Another example is the Ministry of Finance in Norway. There is an initiative in there called Altinn, where we have created a paperless channel of communication between government and citizens and between governmental businesses to help citizens and business to fulfill their obligations with the government. We have recently awarded the second release that is putting this channel to its limit of operation at this point in time. Why did we win this opportunity? I think it was very clear from the client from the outset that we understood their vision. They had a very clear vision to create a simpler and sustainable communication channel between government, citizens and businesses. We got it. And we were able to demonstrate to them that our ability to put together the right business processes and the right technology, particularly Web 2.0 technology, that we're going to provide the right solution for them.

Another one I would like to highlight... we were recently awarded the C-4 Human Services Asset Rollout into an additional 35 counties in California. What's the name of the game here? Well I think it's simple. When you have the right offerings supported by a robust asset, the client sees that. Very simple.

And the last one I would like to highlight is the European Space Agency. It is an agency with a €5.5 billion budget. Very soon we will be able to talk Euro or dollar indistinctively.

[Laughter]

This agency is going through a major business transformation since it was founded 20 or so years ago. Why did they choose Accenture? Two essential factors, I would say. One was our ability to assemble a multinational team of C&HT specialists, Public Service specialists and SAP delivery specialists that crafted for the client the solution that was sustaining their transformation vision.

And factor number two, cost matters. We embedded in our proposal the ability to use our European near-shore central development centers. So we created for the client an industrialized, proven, robust and cheaper development environment.

William D. Green
Chairman & CEO

Good story. And I'm certain the human services stuff which is a big and an important and the dominant area for us will be important.

Juan Domenech
Group Chief Executive – Public Service

So just to summarize, I think that we have a great story. That the clients know the story. And I can see a world full of possibilities out there. It's a matter of being there, being with the clients again.

William D. Green
Chairman & CEO

Great. Thank you very much. And next, Mr. Casati. Products is sort of the big one in two ways, right? One size, and the other in many ways in complexity. And Gianfranco followed Mark Foster who had a chance to figure out how to navigate that thing and left it actually perfect shape before you stepped in.

So Gianfranco, you know, you have the largest operating group and certainly the most diverse. And particularly if you think about the economic environments. So can you just talk about the range of industries, a little context for the different industries and then why you have the momentum you have in that business?

Gianfranco Casati
Group Chief Executive – Products

Thanks Bill. Well, in fact Products is a very diversified portfolio of industries. Just as a reminder, we serve clients in consumer goods, retail, pharmaceuticals and health, automotive and industrial equipment, travel and transportation. It's a wide range of industries. From a geographic perspective, one-third of our business is in North America and two-thirds are between Europe, Latin America and Asia Pacific.

Each industry is in a different position in the current economic cycle. So it is visible to everybody that industries like automotive or consumer durables are facing the more significant challenges. And by the way automotive and consumer durables account for roughly 10% of our business in Products.

In the meantime our consumer goods companies and our pharmaceutical clients are driving their expansion agenda at pace. Many of them have been inquisitive in the recent past and almost all of them are working on geographic expansion and on expanding their scope of business.

So the portfolio is very diversified but I want to underline the fact that even in the context of industries that are particularly challenged, we continue to see significant traction in the marketplace. So I'd like to mention one specific case.

One of the largest sales that we have had in Products in recent months is in construction. One of our clients there has asked us to support them in a very aggressive post-merger integration program where we are combining all the capabilities of the different companies together and we will rationalize and operate those services on behalf of our client.

So it's true that in different industries are in different positions, but we see traction almost in all of them. And then you mentioned the momentum. I remember a year ago sitting on the stage here, I said whenever I see confusing signals from the market I tend to go back and look at the list of my top clients in Products and make an assessment of the state of the business for each of them. And last year I said I was feeling confident for that. And we ended up actually last year by growing in the second half of the fiscal faster than all our competitors, including our Indian competitors. This year again if I look at that list I feel reassured. I feel reassured because our clients are global in nature. We have long-term relationships with all of them. We have access to chief executives and actually we are working with many of those chief executives on large transformation programs that they are leading themselves.

So I feel good this year about all of them, all of the chief executives we are talking to, they recognize the challenge. Moving to the next level is real, and we are working with them.

Another thing I want to mention is that not only do we have our historical list of top clients, but we have been able over the past month to add new clients at scale. And this is also very important. I'll just pick one example.

In one particular case this client, which is a global company in the consumer goods industry, they were not a client of ours one year ago. And today they are in the top ten clients of Products. So we have been able to grow them up to scale. And I feel good about the experience that we had in FY '08 because it seems that in '09 we can take advantage of what we have done in FY '08 as well.

William D. Green
Chairman & CEO

That's a good story and given the size of Products, you grew the size of many of our competitors last year just as Products alone. But what are some of the newer wins, the nature of the work that you're seeing out in the marketplace?

Gianfranco Casati
Group Chief Executive – Products

Well there are many different things that we see. And it depends on the industry. So I will refer to just a few examples that I have in mind. I mean there are clients that we have targeted for years, and were good clients of ours. But we have experienced major breakthroughs in terms of scaling up the business together, just recently. And I refer to at least two large retailers in North America. Two, actually three consumer goods companies, globally. And I'd like to mention also one car manufacturer in good old Europe, one of the winners I guess. First of all, many of them are working on changing their operating models and creating global operating models enabled by ERP and focused on cost and capital optimization. That's really one of the key areas. The other one is talent development and talent management. And for the car manufacturer it's more about highly industrialized application outsourcing.

Why do they buy Accenture? We ask them, actually, we ask the client. I mean we want to hear from them and to learn from them. So what they tell us is that they need the reliability associated with the brand. They think that Accenture is the right partner for projects that need to be delivered on time and with the level of magnitude of outcome that they need.

The other one is the critical mass of specialized skills. The global reach is fundamental, the global reach and the global teams that we can mobilize but also our ability to innovate on mission critical processes such as demand generation and distribution.

And finally I'd like to mention also that more and more in industries like consumer goods, our clients are looking at Accenture to really be able to combine our expertise in consumer analytics to build their next generation of customer-centric organizations.

William D. Green
Chairman & CEO

Great. It's a great story. And I think, you know, the financial services industry broadly had some of those same needs and then their needs changed in a pretty dramatic way just in time for Pierre to show up. Pierre's been in post for a year. When we offered him the job he hesitated for a moment and he probably was right.

But now he's been in the post, he's driving the business in a first-class way and I can't imagine our Financial Services industry and our Financial Services clients being in better hands. But Pierre, it has been an interesting 12 months. And so you might just start with the context and what you see and then, you know, what you and the team are doing to respond to what's going on in that business.

Pierre Nanterme
Group Chief Executive – Financial Services

Thanks Bill. And again good morning to everyone indeed. It's been an interesting 12 months. And one might say maybe too interesting at some point in time. But I mean we all know that since September '07, the financial services industry been through an unprecedented wave of transformation and consolidation in what I call the Anglo-Saxon Corridor – US, UK, Germany and Switzerland. And during this period of time we in Accenture demonstrated excellent resilience in quite a challenging environment, delivering profitable growth in each and every one of our industries — banking, insurance and capital markets — and also in each and every regions: North America, Europe and spectacular growth in APAC.

So now as we enter a new Europe, continued change, to be honest, I see at least three areas where our deep industry skills should be of extreme relevance for clients in the current environment: Merger and acquisition; cost reduction; and finance transformation.

So let's get started with M&A, and you're all reading the papers, we all know where we are. As we speak we are already active with four of the largest transactions in the US, in Germany and in Britain. I will not mention the names, but I'm sure you will get it.

We are leveraging a unique expertise in post merger integration. If you take this last 10 to 15 years, we as a group here, the five operating groups supporting with the growth platforms, we delivered more than 500 post-merger integration programs successfully. And as we speak now we are entering dialogues with clients with the next 10 largest transactions that are coming through. And we might expect a lot more to come. So that's for the merger and acquisition area.

Now let me switch to cost reduction, I mean this one is a no-brainer. All our clients, all our prospects are all talking about reducing their costs. In banking it's around the cost/income ratio. In insurance it's going to be around the combined ratio. Anyway, there is a great appetite to look at the expense and to do a better job in that front.

Again what we are bringing to the table here, there is a significant appetite for outsourcing and we're working with our friend Kevin [Campbell] on this. Outsourcing is vibrant, both in term of AO — and in '08 we saw one of our largest deals in application outsourcing here in the US — and in BPO, and in a more particular way in learning and procurement.

But it's not only outsourcing, it's consulting as well, with all that is related to process excellence and profit improvement where we can leverage as well our deep expertise which has been developed with my other friend Mark Foster ,who's leading the MCIM when we made the acquisition of the George group, which is today a worldwide expert organization in all that is related to Lean Six Sigma. And now it's proven that total quality is extremely effective as our clients are not only looking at reducing brutally their cost but they want to improve their effectiveness and the quality of the operation.

Three: finance transformations. Finance is the name of the game for financial institutions. And today what we are doing is supporting our clients in implementing new comprehensive finance and accounting systems for them to deliver more accurate and as well more consistent reporting

across their different businesses but as well across their different geographies as they've been through some significant extension across this large group.

And of course we have to incorporate in those new finance systems all the new regulatory requirements you're all very aware of. I mean Basel II in banking, Solvency II in insurance and guess what, there's going to be more to come in the coming probably hours, days and weeks and we will have to incorporate all those new regulatory requirements in the new systems. So this is what we see in terms of what's hot and the kind of trends in the industry so far.

William D. Green
Chairman & CEO

You know, you and I were with your leadership team last week or the week before I guess and the buzz and the excitement was about all that. But maybe more important, in change and challenge our team sees opportunity. And how this all unfolds in financial services creates a very unique opportunity for the firm. And you might just speak to that as well, because I know the gang is way out ahead on that.

Pierre Nanterme
Group Chief Executive – Financial Services

Sure. I mean let's be clear. In the world of the financial services industry we will probably never be the same again. I mean period, end of story. You know, that will never be the same. All our clients are probably getting through massive major transformations in quite a traumatic way. This is the environment we are in. And we in Accenture, I mean we truly believe we could play a significant role in being part of the fabric of that new industry by just bringing the best of Accenture.

So how are we going to do that? First, it's clearly our intent to continue working significantly with the existing leaders in that industry. What we mean by existing leaders, we mean the key players in the more mature markets. Again US, UK, France, Germany, and "leaders" because they aim to continue transforming themselves in order to cope with the new environment.

How are we going to serve them? First, I think that we'll be a partner of choice in those critical times. And we could bring deep expertise in those deep and mission critical transformation by combining our consulting and outsourcing to come up with extremely relevant deals.

Second, all those financial institutions, they will have to squeeze more growth. I mean we know what's happening in the mature markets and they will have to expand. They will have to expand indeed in their home country through all the consolidation we see, but that's not going to be enough. They will have to seek more growth outside their home country. And through geographic expansion. And guess what, operating in our three industries across 49 countries and being able to serve those clients seamlessly on all the geographies will be as well of great value for them.

But working for the existing leaders is probably not enough. So it's as well our intent to now work with the new leaders of our industry coming from new and emerging markets — Brazil, Asia, Australia as well. And let me just give an example of Commonwealth Bank in Australia, maybe not so very well known, not here, but now it's the leading bank in Australia. It's an extraordinary strong balance sheet. Their market cap is among the best compared to many of the Western companies.

And last March we contracted with them a multiyear, full transformation program with that bank based on the leading software solution. I can't mention it by name here. And we are supporting them through all that transformation in order to keep them relevant in their market, extend further and totally change the game.

So indeed it's not an easy time in financial services but we believe that in Accenture we can play a key role in reinventing our industry.

William D. Green
Chairman & CEO

Great. Well I think also the way you have leveraged across our three growth platforms because when you sit there and think about how powerful and how distinctive and how differentiated the consulting part of our business is and particularly in this business model change in financial services, I mean that is right in our sweet spot. And there are very few companies capable of operating there.

Now let's go to Sander. Sander's the guy, every time we filled up the car we used to think of you Sander. And you've taken a little off it lately. We're delighted about that. But I think if you look at Resources, it's been on a roll. I mean I don't know any better way to say it. And, you know, I look at its disposition along with the price of a barrel of oil, and then I realize oil's still twice as much as what it was, you know, since I've known.

So you guys are in pretty good shape, but you might talk about what you're seeing around the industry globally, because you have a very global set of clients and industries. And, you know, what are some of the things that are driving demand at this point.

Sander van 't Noordende
Group Chief Executive – Resources

Yeah. Thank you Bill. We're reducing prices for you these days, so that's good news for consumers at least. Now we have been on a roll and it's been a fun ride so far. But most importantly we have gained market share. I think that it's not just the market growth that we have followed. As a reminder for those of you in the room, Resources serves our clients in energy, chemicals, natural resources and utilities.

And if you take a step back and you look at resources you see that we have long-term client relationships with many of the global leaders. Think about companies such as Dow, Shell, BHP/Billiton and EDF, you know, the big chunky players. And we know them. They know us.

They trust us. They know we deliver. And we bring the best of Accenture to them by collaborating with our growth platforms.

Then we make sure that we are extremely relevant as we always say in the heart of our client's business. So we help our clients optimize their operations in the mine, in the power station, in the power grid. And I was very pleased last year that we were able to complete our acquisition in Brazil — Atan, a company of 450 people in the space of automation and industrial IT, to announce our positioning in that space. So at the heart of our client's business.

We have a strong focus on the emerging markets because that's where many of the world's resources are. So we work with many of the new leaders, Vale, Petrobras, State Grid of China, Tech, Inc., you know, those big new global companies.

Finally we focus a lot on climate change because that's clearly a medium- to longer-term challenge for our clients. And then, Bill I know your next question is going to be what do you see out there in the marketplace. And I would actually like to make two comments because it's not all doom and gloom.

First if you look at the underlying fundamentals for the resource industry they are still strong. And I know the resource industries are cyclical and some of them may be challenged more in these times, but if you look at the urbanization that's happening in China, millions and millions of people moving from rural areas to cities. And not only in China, in Latin America and Russia and many of the emerging markets, that's creating demand for energy. So over the next 30 years the demand for energy will grow by 30%. And the demand for commodities will continue to be high. And you were making the comment about oil prices, yes, \$60 seems low coming from \$150, but in 2000-2004 the average price was \$30. So we're still at the high, at the high level. And if you looked last Monday at how the commodities market reacted to the Chinese stimulus package, you clearly saw the market having a positive reaction there.

Then the second comment I would like to make is in the resource industries it depends very much on where you are in the industry and in what industry you are. If you're a utility, you're typically not so much impacted by a downturn, unless you have a trading exposure. If you're a big oil company, there's probably more opportunities than threats these days. If you're an oil services company or an independent refiner or upstream company you may have some more challenges. The chemicals companies may be challenged.

But that brings me to the next subject and that's the financial strengths of our clients. And we have looked at this and we have found that 80 out of the 90 big clients that we have in Resources have a strong financial position. And that means that these clients will look to enhance their market positioning by means of strategic M&A.

And we have already seen some of that. Dow Chemicals with Rohm & Hass, BASF in Germany with Ciba, British Gas with Queensland in Australia. So this creates opportunities. But I guess the point I want to make here is that it's extremely important that we differentiate our approach on a client-by-client basis because it really matters where you are in your industry and whether you're a leader or not.

William D. Green
Chairman & CEO

I know we joke about, you know, it all begins with dirt. The resources industry is the most important industry of all. Because that's where everything started. But you guys are also doing some pretty advanced, new-age things that are sort of defining our future services in Resources, and you might just speak to some of those things we've been winning lately.

Sander van 't Noordende
Group Chief Executive – Resources

Yeah. There's a couple. We talked about long-term client relationships for one. And that is the most important thing and my colleagues have talked about it because I think that's one of the cornerstones of Accenture. And so I was extremely proud that we have renewed our IT contract, our IT partnership, with Dow for the third time. We've been working for them since 1996. We have also renewed our F&A [finance & accounting] contract with BP for the third time, and that was our very first BPO contract in Accenture, I think, in 1992. So clearly those contracts work and the clients love us and they extend to work with us.

Then there are numerous places, too many to mention, where we bring the best of Accenture. We do finance standardization for one of the big German utilities. We do process excellence at Shell. And we do applications outsourcing at BHP Petrobras and many other clients. Then talking about working at the heart of our client's business. And this is an area that I have really personally been focusing on very much because I think it's so critical for us in Resources. We work with UniStar, which is a joint venture of Constellation and EDF and we help them or we support them to build the new nuclear power stations here in the United States. We are their core IT provider. We work with EDF in France on smart metering. We work with EDF in the UK on a billing system. We work with Vale in Brazil on operational risk management. We work with Thyssen-Krupp in Brazil on an RFID solution for their new plant.

And then we're working with clients on the global scale, because as some of my colleagues also said, the global reach of Accenture is really a differentiator. So we work to implement new business models with some of the existing leaders — BP, Chevron — and also with some of the new leaders, for instance Sasol from South Africa, where we're doing shared services.

And then finally, still small but growing, we're doing a lot of work around climate change, bio fuels, wind energy, energy management, smart buildings, and one win that I'm really proud of last year was winning the opportunity to work with Xcel Energy in Colorado to build the first smart grid city here in the United States in Boulder, Colorado.

So I would say in summary, we see challenges and opportunities but we think as Resources we have the right strategy in place to help our clients navigate the challenging times.

William D. Green
Chairman & CEO

I think it's important to just sort of get the perspective here because if you look at the nature of, what's in your mind that Accenture does and then you listen to this. You can see this whole notion of, from the top of the value chain to the bottom; you can hear the notion of long-term client relationships.

You can understand we're at almost 80 diamond clients now and the firm having added 3 or 4 in the last quarter. And you get a sense for the things that we do that matter to these companies. Not only for surviving today but most important for positioning tomorrow.

And so I think this is a good walk through. Let's take a minute and take some questions. And I'll open it to the audience for any of these folks you want to ask a question of.

Bryan Keane
Credit Suisse

Hi, it's Bryan Keane, Credit Suisse. I'd just be interested from the panel to talk a little bit about pricing and what have you seen in have you seen pricing pressure today and what do you expect going forward in terms of pricing because a lot of us are thinking that there'll be a lot of pricing pressure in your industries. Thanks.

William D. Green
Chairman & CEO

We're going to touch on pricing when Steve gets up here but any sense from the field in the last couple of months?

Marty Cole
Group Chief Executive – Communications & High Tech

I'll make a comment. You know, as I commented earlier and you heard some of my colleagues here as well comment, our clients are going through cost reduction moves. As a provider they oftentimes come to us and have a conversation. They'd like to talk to us about how we might be able to cut our price. We have a very well thought out approach where those conversations occur. Where they engage us on it. We look for tradeoffs.

So we may have given them certain discounts at the onset to concede certain terms or to receive certain terms. So we'll engage in, okay, what do we get in exchange. Maybe it's volume. Maybe it's the opportunity to take our services to lower cost locations. So while those conversations may arise and I certainly would suggest that they've occurred more in the last six months than they probably did the previous six months, we're still pretty confident that given our

ability to deliver services in different locations that we can get through this without any margin impact.

So yeah, there'll be some pricing discussions but net/net, we still feel very strong about our position particularly where we're bringing something more than just bodies, and that's not our strategy. Our strategy is to bring assets, to bring offerings, and then the price per hour becomes less of a factor.

William D. Green
Chairman & CEO

I would just add to that, and I think it's very important, with the relationships that we have and the level we operate, I mean our obligation to the client is to understand what they're challenged with. And part of that is how do we respond with Accenture's services. But also with that is how do we respond if they have economic challenges? And to bring them a new and differentiated proposition before they have to ask us. And so that's sort of rule one.

And rule number two is, you don't give anything unless you get something. And now this--and the something can be a lot of different things. And I think Marty described it exactly right. But at the end of the day, what people want to do is to be able to continue to have the kind and quality of service that we deliver and continue their initiatives. And so in a climate like this we take a lot of initiatives without having to be asked. And I think it serves us very, very well.

Adam Frisch
UBS

Thanks Adam Frisch from UBS. Obviously we're seeing a lot of stuff go on in macro environment and we automatically think weakness equals lower demand for discretionary spending. You guys have made a great case, not only your numbers, but also in your speeches today about how you can thrive in that kind of environment of change.

So if I were to just ask, maybe go down the line and ask each of you to give a number in terms of where--how confident you felt a year ago about your ability to grow your business over the next 12 months and how you feel today about your ability to grow over the next 12 months, that would be very helpful for us to kind of consolidate and reconcile the talk with the numbers.

William D. Green
Chairman & CEO

Before they start, I guess I would just say this and you guys can think up your number. I don't know how that works Adam, but I'm sure there's somebody who will start and everyone else will draft in.

I think if you stand back and look at it, when you think of a widget company and all they make is three lines of widgets and it takes them a year to bring a new product to market. Those companies are highly susceptible to challenging economic times as it relates to demand in their areas. The job for me and these folks and the rest of our team is to change what we're offering in some ways overnight. And if you look at the top things on the CEO's minds over the last six months ago, there were three things; three months ago there were three things, two of them different. Today there's three things, two of those still different.

And so our job — and I think Pierre put it well in Financial Services — is how do we move to be more relevant? I think, and Pam when she talked about our results for the year and the quarter, I mean when we looked ahead at this year, we felt the same as when we looked ahead last year or frankly slightly better.

And yet every day there's a new adventure out there. So the question is sort of less about how you feel but more about what you're doing about it. So, we'll start with you Sander, take a crack at it.

Sander van 't Noordende
Group Chief Executive – Resources

I don't know what kind of a number you're looking for but...

Adam Frisch
UBS

On a scale of 1 to 10, you know.

Sander van 't Noordende
Group Chief Executive – Resources

My response to you, because a number doesn't add any value in these types of discussions. I mean my response to you would be I'm confident that we will grow the business. I mean as confident as I was last year. I mean the big question out there is of course by how much we will grow the business. I'm confident we will grow.

William D. Green
Chairman & CEO

Pierre, how do you answer that one? I mean you every day you've got a new adventure.

Pierre Nanterme
Group Chief Executive – Financial Services

Yes and absolutely. When you look here at the market again I think we are probably answering that you're in more or less the same shape as we answer the previous year. So I'm remaining confident that we enter that new year exactly with the same shape that went, as we had last year.

William D. Green
Chairman & CEO

Yeah and I think even if you looked at last year, we didn't end up doing the kind of services that we planned to do. We ended up doing something different last year. Right? So it was our opportunity to make the difference.

And I think as we talked about, and everyone spoke to here, this whole discretionary thing, It's something that we're on red alert for too, but we don't do a lot of it. And I think last year our results have proved that out pretty well. What is incumbent on all of us I think is moving quickly, And how you be more relevant. Gianfranco, do you have a quick comment?

Gianfranco Casati
Group Chief Executive – Products

Well I think that the question is do we think we're going to grow the business, the answer is yes. Is that going to be easy? The answer is it has never been easy. We may have to a few more fights this year, but we know where our strengths are. And we're going to play hard on those. And the dialogue that we have with our clients at the top level, the beauty is that our portfolio of clients is full of top layers in each industry we serve. So the quality of the dialogue is around getting through the difficult times and keep growing their business. So I mean the level of confidence of our ability to grow the business is there and it's high.

Juan Domenech
Group Chief Executive – Public Service

I mean top market, yes for sure. Do we see a way, do we see an opportunity to continue to grow? Absolutely. From 1 to 10, I declare myself incapable of giving you a number. But I would tell you... I mean look at 2002, 2003 and 2004. At that time, we were growing about the average of the market. Will this happen again? It can happen.

Marty Cole
Group Chief Executive – Communications & High Tech

We will grow. I think our focus is on the bottom line first, so it's profitable growth. Secondly we're going to grow market share. And we will manage our costs along with our revenue growth in local currency. So, you know, there were a lot of tail winds in the past with exchange rates. We see through those.

So our key focus is on growing the bottom line and we expect that we will do that, well, I guess the way I'd characterize it...very confident.

Pat Burton
Citigroup

Pat Burton with Citi. Just a question on the month of October and I don't want to get into financial numbers respecting what you said at the beginning about the quiet period. But the month of October seemed to be a very unique period with John Chambers coming out and saying Cisco's revenues essentially collapsed in the month and Newscorp comments like that. Has there been any tone, as any change with your clients as it relates to spending the end of budget's year 2008 for how 2009 will start out? Thanks.

William D. Green
Chairman & CEO

Well I think if you're in that budget flush space, it's sort of nobody, we never benefit from budget flush one way or another I suppose we wish we did. But we don't. I think the nature of the things is first, you know, 90% of our stuff is underway in some way. And you don't take one of these big programs and put them on the shelf. I mean people have tried that in the past. They'll just stop for a year. You know, wrap up the code, button it up nice, put it on the shelf, I mean those things never restart again. People have been to that movie and it doesn't work.

Frankly the big important core stuff continues to go along. I would think as it relates to spending on technology widgets I don't think you get any points for spending your every last nickel between now and the end of December. And so I think people will be rightfully thoughtful about it.

That one has never been anything that was a benefit to us and I don't think it will be anything that hurts us. I mean these big programs, you know, go to the Board level, the C levels, they're huge, huge investments. They have internal talent that's signed for these things and that's where the majority of our work comes from.

And I think our job is to build bullet proof business cases. And our job is to make sure that we execute to those business cases and we do that so there are some benefits flow as the project goes along as well as a value proposition at the end of that. That's what we're focused on, sharpening our pencils, the value propositions and the business cases for the things that we put forward.

George Price
Stifel Nicolaus

Thank you. George Price with Stifel Nicolaus. I'm just going to go with the assumption that outsourcing demand, given the cost reduction focus, is taking off pretty good. So I wanted to focus on the consulting. Each of you touched on it a little bit but I wondered if you would each run through quickly what you're seeing in terms of the consulting oriented business in your verticals, and to the extent you can maybe get into the three areas, you know, management, IT strategy, systems integration, what's been the trajectory over the past few months? What areas are looking strong and why? And what areas might be looking less strong. Thank you.

William D. Green
Chairman & CEO

I'll have Pierre do one end of the spectrum and Gianfranco the other and just get those two perspectives or we won't have enough time.

Pierre Nanterme
Group Chief Executive – Financial Services

Yes sure. No, what you're looking at in consulting and I highlighted some of those already clearly always related to pre-merge, M&A, you have a significant part of consulting business associated with that. And I don't think it's not going to be only Financial Services, I mean it's going to be across the patch in all the industries.

What we could see as well, in all this related to big demand around process excellence, profit improvement, that's going to be high as well. What we see at least in my industry is of course a huge demand on all that's related to what we're calling finance and performance management and risk and regulatory management.

So three areas where the consulting demand is going to be very high. If I'm looking from an FS perspective, all our business based on our assets is quite vibrant. As you know we have our own solutions, if you will, in terms of insurance, and if you look back in '08 more than 30%, 40% of our sales in insurance being asset-based on our own solution and we still see a demand on our own solution but as well on the solution based on the SAP or Oracle and our clients to support their geographic expansion, where we have to write that goal and to consolidate on those platforms. So all this M&A is driving all sort of consulting and SI [systems integration] business. So it's remaining quite vibrant.

William D. Green
Chairman & CEO

Gianfranco, why don't you just give us a short ride and then Mark will be up here in a moment and we can have him cover it in his remarks.

Gianfranco Casati
Group Chief Executive – Products

I just want to mention the fact that the last large sales in my operating group are large SI global programs. So what we see is the trend of large companies going through their new wave of new global operating models that they are implementing and these are enabled by very robust ERP platforms. And I'm glad that in at least for a couple I have in mind, we targeted those accounts, I would say forever, and we finally got it. And so the signal is that when it comes to large complex SI work, Accenture is the place to go. And we see that. So I feel good about it.

William D. Green
Chairman & CEO

Yeah. I think if you look at that where it's just a huge driver of demand for us, you know, they might look like an SAP project and you might have it in your mind SI, but the fact is the reason we won them, and a huge component of the work, is the global operating model, and it's all consulting. So I want to thank the operating group leaders.

[Applause]

Growth Platforms and Technology

And now we'll go to the growth platforms. Now if you stand back and look at, this operating model that we operate on now, I mean there are a lot of very fundamentally positive things we've been able to do. We have won deals around the world that we couldn't have won before by our ability to connect the dots of Accenture; be able to lift great ideas, knowledge and know-how from one place in the firm—be it geographic, be it an operating group, be it a service line—and get it to another place in the firm as well.

We also have a focus of these folks of putting things in the hands of our teams that make a difference for the clients; offerings that are relevant, that are focused, backed up by a delivery capability second to none. So I'm delighted to have them all up here. I think we've got our operating model really humming now across the firm, and we have dozens and dozens of cases where the way it works has served us uniquely well, and we're able to do things that, frankly, nobody else can do.

So let me get started with Mark [Foster], our Chief Executive of Management Consulting. Mark had been in Gianfranco's spot before that. But we've been talking with our operating groups here about helping our clients in today's environment. Maybe if you started with some context on that, and then explain the steps that you're taking in management consulting to ensure that we remain relevant in addressing not only the current needs, but also their future needs. Mark, maybe you can cover some of the questions.

Mark Foster

Group Chief Executive – Management Consulting & Integrated Markets

Well, we're coming off a great couple of years of resurgence of our management consulting practice. Actually, since we switched the operating model around, we've seen real growth in that management consulting area. It's come from the fact that we've been able to take advantage of the unique breadth that we have in Accenture management consulting from the strategy consulting area through the operational consulting area, through process reengineering and the whole change management piece. There's breadth there.

It also comes from the power of our global footprint, the 16,000 people we have in management consulting; the largest management consulting organization in the world, covering everything from customer relationship management, supply chain, finance and performance management, the talent and organization performance area, but also our industry strategists as well. So a huge amount of power there. And at the end of the day, a lot of that growth has been driven off durable themes that are going on in the world. Last year I talked a lot about the multi-polar world—you'll remember that—and themes of globalization and global change are still out there, still driving a lot of change in the world for our clients. People are still trying to reengineer their operating models. A lot of the stories you heard from the guys in the operating groups were around operating model change. We're still being engaged in a lot of mission-critical functional change for our clients.

At the end of the day, what we've been able to show—and there were a lot of discussions last year around discretionary spend in the management consulting area—is that what we work on are these more mission-critical, durable, large-scale programs that are about outcomes for our clients. It's not about studies and reports. That's been a very powerful part of the trajectory for our business.

Now of course, if we look at our clients now, the way I look at them, they kind of fall into two groups. There are the leaders and there are the survivors. There are those organizations that are looking at this current transformational moment that Bill talked about and are seeing in it an opportunity to seize competitive advantage. And there are, of course, the survivors who are trying to work out how to deal with this current economic environment.

Our trick is to make sure that we're tuning our messages, tuning our offerings, to respond to those needs. So really, as many have said already, I mean our focus at the moment is about being really, really close to our clients and listening to what their imperatives actually are. We're spending a lot of time in the C-Suite. I spend a lot of time, as do all my colleagues, traveling and meeting clients around the world. We can see that there are some real imperatives that are out there right now; clearly around rapid and sustained cost reduction. That's not just the key P&L costs. We look at their balance sheets, look at working capital, look at how they optimize their cash; a lot of areas of focus for us around that area.

There's a big push, of course, on customers still. People right now really do want to make sure they're retaining their key customers, and they're doing everything they can to take market share and acquire customers. We're seeing the whole theme, it's been mentioned a couple of times around operational excellence at all levels as comes before; people getting their basics right in

their business, people being able to look at how to manage risk at this current time; and for those organizations that are engaging in the M&A space, making sure they're really crunching the value out of that M&A activity as quickly as possible.

So all of those are things that we're able to look to help our clients with. And of course, our perspective is how do you do those kinds of immediate responses in a way that also creates a platform for the long term. How do we draw upon, then, all the power of all of our management consulting capabilities; and then the role that we play as the tip of the spear for my colleagues here, to bring the rest of that through in the change programs for our clients.

William D. Green
Chairman & CEO

Well, thanks, Mark. I know there's a lot of scope under the tent that you have there. But you know, I also see with your folks the excitement about the opportunities ahead. I think, as I always say, in challenge and change we find places that we can up our game, where we can weave ourselves into the fabric of companies or industries. You might just talk maybe about the future and what are some of the things you see in the near future that we're working on.

Mark Foster
Group Chief Executive – Management Consulting & Integrated Markets

Well, I think this is a time of opportunity, as I mentioned. So I mean at the end of the day, I think our opportunities fall into those two buckets, around how we're helping clients in the immediate term and how we're helping them on a more sort of long-term transformational basis.

I think in the immediate term, when you look at the whole area of cost reduction, there's a huge opportunity for us, and we are selling a lot of work in the areas of sourcing, procurement management, in the consumer durables industry, the chemicals industry. We're helping a lot of work for the back-office optimization; in the government sector, so of the work we're doing with the French government around their whole transformation program and driving that forward.

You heard talk about our whole process excellence area and the fact that last year we brought on board the George Group. We've been able to now transform that, integrate that, into our business as part of the new process and innovation performance service line. That's really going after a number of areas. Yes, there is the Lean Six Sigma type of work that we're being able to do — again, in the Public Service area. We're also seeing a very powerful story from that in terms of people taking value out of their ERP implementations and being able to put a value layer on top of that in the consumer goods industries and elsewhere.

And we are seeing that, again, around this area of capital optimization, a great example of our work. We've recently sold to the U.S. Postal Service in helping them, frankly, optimize all the processes around the new sortation equipment they've put in place. We are helping people crunch through their PMI, whether it's in the construction industry or financial services industry, to get stuff done quickly.

We're also seeing this whole area of risk management, whether that's in scenario planning for the resources industry or helping with the whole control and regulatory environments. Pierre mentioned the financial services sector. These are all things that we're working on now. We're seeing immediate opportunity to drive our business forward.

But we're also seeing the transformation agenda for clients also remain. There are still a number of large-scale enterprise transformation programs we're driving across the board of the operating groups. We're still helping with a lot of cross-border M&A that comes out of the multi-polar world; helping organizations like InBev as they go global, helping Tata as they go global, and thinking about how to take advantage of this opportunity in cross-border M&A.

We're helping with global operating models both in the developed world with organizations, obviously, such as Diageo, Unilever and others, but we're also helping with the global operating models of the new players—like Petrobras, like Vale, like LG and Samsung—as they take their global stories further as well.

Last year I talked a lot about the talent area, and even now this is a real time when people want to hold onto their talent, and they're still grappling in the developed world with how to actually retain it and up-skill it; and of course, looking to see how you can acquire talent in the emerging markets around the world.

Last year I also talked about sustainability. This is a trend now, and even though pressure is on in organizations as to how they build sustainability into their organizations, that remains a big area for us. And the innovation topic is still out there, organizations looking now to think about their innovation process. I was at several companies in Korea last week where they were talking a lot about how they improve their innovation process. We saw some great works on the leading companies in the consumer goods industry around innovation as well.

I think that one of the things that's really interesting about this phase, this time right now, is that many clients, and Gianfranco touched on it, many clients that, to be honest, have been very self-sufficient, leading organizations globally that we frankly wanted to work for forever, have a degree of openness to our ideas and our work right now that is really interesting. That's, I think, a huge opportunity for us to take forward, Bill.

William D. Green
Chairman & CEO

Yeah, you might just also comment, we tend to think of consulting, maybe if we're in the U.S., from a U.S. mindset. But some of our greatest strengths are around the world and what you've got in India and Singapore and how all that works into driving this business.

Mark Foster
Group Chief Executive – Management Consulting & Integrated Markets

Absolutely. I mean we have a tremendous global footprint in our management consulting, and that has served us extremely well in terms of being on the ground in the key markets that are

developing around the world. We've also been looking to leverage talent pools more, to go after some of these global markets. So we've developed a very strong strength now in India to provide services to our global consulting. It's not just the back office processes at all; it's very much bringing the talent of India to bear directly into projects either staying in their special center, we've created innovation in Delhi, but also going onshore and helping clients with developing their opportunities.

We have put in place, as you mentioned, Bill, we just recently announced a new innovation center in Singapore, which is again a place where we're going to bring together our expertise around these critical offerings and areas to serve the 4,000 companies that have got their regional headquarters for Asia Pacific in Singapore; and really be able to bring our skills to bear again in an innovation center there.

William D. Green
Chairman & CEO

Great, thanks. Karl-Heinz, let's turn to you, System Integration and Technology. I think technology leadership, broadly, has been one of the hallmarks of our company for a long time. So you have a lot of things going on. There's a lot of internal things you do in order to sort of industrialize and get us to be the best provider, as well as all the things that relate to the client.

So why don't you just comment on two things, I guess. One is some of the things you've had going on this past year and that we're working on for '09, and then the impact in the market that we're having.

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

I think the things we were focused on in the last year were on four main topics. The first one was managing our cost to serve. The second is industrialization. The third, managing our business partner ecosystem, and the fourth is aligning our offerings to where the opportunities are. The roughly 110,000 people that work tightly integrated with the operating groups and tightly integrated with the other cost platforms—we have a big agenda, but as I said, these have been the primary focus.

We just mentioned the cost to serve. Salaries have gone up over the last three years across the board in India very strongly, and they have gone up onshore as well. But we have been able to manage our cost to serve in a very, very effective way so that our relative cost position over the last three years has improved somewhere between significantly or very significantly.

The second is industrialization, and that's a buzzword that lots of people are using. But what we have been doing is we are taking a very engineered approach by defining our industry value chain, the means on how we deliver all the engagement that the operating groups were talking about, and how do we enable particularly the outsourcing of the operating group as well.

Then look at the whole V-Model, which we call it, the way on how we deliver engagement. We have taken a very systematic approach on how we take labor out of each and every phase of the delivery process. We do it in a measurable way. We have gone on record; we have put it into our objectives, and the measures will be around predictability, speed, productivity and quality. So we are well underway, so we have waited a little bit until we go public on that, and put a stake in the ground.

The third area is our business partner ecosystem. We continue to be the number one system integrator of the world. We are the number one in SAP; we are the number one in Oracle. We are probably the number two in the Microsoft space, Hewlett Packard is probably much closer, let's say, to the products, and there's not so much a transformational market yet, but we are growing very, very strongly in that place.

Then we are watching very, very carefully what are the new disruptive technologies out in the marketplace that are becoming good enough, moving into our sweet spot because the level of complexity and globalization is increasing. We are very focused on looking at the whole software and services phase, and on open-source, but I don't want to steal the firepower here of our Chief Technology Officer, who will get a little bit into that.

Now on offerings, if you listen to the operating groups and managing partners, it becomes very clear that all the industries are in different stages of direction, momentum, timing, and the demand is shifting. What we have to do is to make sure that we are able to regroup and refocus very, very fast where the opportunities are because the opportunities are out there. There's no question. The question is and the critical success factor is on how fast are we going to regroup.

Now the top topic was cost and cost reduction. If you look at cost reduction, you can do it in maybe four fundamental ways. You can do labor cost arbitrage. You can do streamlining. You can transform your IT organization, or you can help or the IT can help the business units to transform their cost structures in a sustainable way.

If you look at labor cost arbitrage, we do that, and we are winning new clients. Gianfranco mentioned this German car manufacturer, which we have recently won. It's the hot topic, and because we are at par in our cost space with the Indian tier-one players, we win this kind of work as well.

If you go into streamlining, I mean streamlining and transformation is a continuum. But if you look at all the post-merger integration work that has happened in the past, and we still are working with our clients to realize the cost savings and realize the synergies in there, and the big wave of post-merger integration that is happening. If you open up the newspaper, there's one—well excuse me, there are two acquisitions every day in the newspaper. This is the new wave that is coming at us. Pierre mentioned that we have done more post-merger integration work than anybody else.

Now, then, streamlining the applications, streamlining the methodologies and the processes that are used to run an IT department; that is a big focus area. And then on the transformational side, it's very much the virtualization; virtualizing hardware, IT infrastructure and software. And again, Don is going more deeply into it.

Then in helping our clients to transform their business models, which most of the operating groups refer to, that's their big thing, and it can be—you have domestic—you have a public sector entity, a government in a certain country, that is moving to a common operating model for finance and HR. That is huge, right? Then if you go into the industry, it's often multi-country. This transformational multi-country engagement; this is our sweet spot, and that's what we are focusing on.

So I believe the market will continue to be very tough—it hasn't been easy this year, but I believe that our vast set of capabilities which we have—I mean if you start from management consulting, technology consulting, into systems integration across SAP, Oracle, Microsoft and the custom and emerging technologies, and you go into the outsourcing offerings, our global footprint—and then, very, very important, our nimbleness and effectiveness on how we regroup under the opportunities; that is the key thing which we have to get right, and I believe we have put ourselves into a very, very good shape.

William D. Green
Chairman & CEO

Good. Thank you, Karl-Heinz. You know, when you stand back and look at it, I mean Mark is about envisioning and architecting solutions. Karl-Heinz is about designing and building those solutions. And we'll go to Kevin in a minute, and he's about operating those solutions on behalf of our clients. The thing that is distinctive is our ability to glue all that together.

So Kevin, you're sort of at the operating side of this, so let's get some of your insights on what you see broadly across outsourcing, and what are some of the things that clients are focused on in today's market?

Kevin Campbell
Group Chief Executive – Outsourcing

Thanks, Bill. As you heard from my OG [operating group] peers, outsourcing is alive and well and in demand these days. When there's change in the market, there's disruption. When there's M&A, when there's the need to cut costs fast, and there was a need to make those cuts sustainable. When there's problems that people are going to bet their careers on, we're somebody that they turn to in order to make those changes happen on a go-forward basis.

We're the person they turn to for a couple of reasons. One, Karl-Heinz articulated this, our global capability and our ability to serve them in the countries, all the countries they're at, and to get them the most cost-effective delivery from the centers that we have. That global capability is huge, and that capability across the group of us, and within outsourcing—the ability to not only just run things the way they are, but to improve them and dramatically change them—I think is a huge differentiator.

And lastly, relationships. Relationships, you've heard that theme today, are important to us. Last year over half of our large sales came from existing clients buying more scope from us. We

call that sequential bundling, and that's something that we've been on a journey to build out our capabilities, to make it easy to do, to be able to be in a position from an operational excellence and cost perspective where clients can add that.

I think another fact that would be surprising to a lot of people is that in '08 over half of our clients, over half of our contracts in outsourcing generated more revenue in '08 than they did in '07. Again, that's part of the theme of those special relationships.

So how do we do that? We do that with the theme that you heard before from Bill. We do that by understanding what the issues and concerns are of our clients, by having the critical business conversations with them, and then taking them the insights that we have from working side by side with them, from running their operations, from knowing what's happening in the rest of the world. We take those insights to them, and a lot of times they ask for us to be able to present what they should do.

They may be as simple as, you know, we need to change this business process. Hey, it doesn't seem to us that if you link these two things together that it would work—all the way to people saying hey, I need a new capability in China. Can you just provide that capability? So that wide range of things that we can provide has really driven the demand that we have.

William D. Green
Chairman & CEO

What are you seeing in terms of, you know, what's selling now, the demand pattern in the market?

Kevin Campbell
Group Chief Executive – Outsourcing

Well, we've roped it into really three different themes that we're focused on. The first one is cash and liquidity, which are important in this market, and are always important for people. Some people would say how do we help with that? Well, both our finance and accounting and our procurement offerings are offerings that help clients collect cash more efficiently, reduce the days sales outstanding they have, and with our procurement offering, help them keep the cash that they have.

So we've really focused those two offerings together on helping to improve the cash position and the cash on hand for a majority of our clients. We have examples with Microsoft, with the work we've done in F&A and procurement with them. We also have a large network manufacturer. We have two media companies that Marty mentioned. All are examples of us doing that work to help people get cash and hold onto that cash that they have.

The second thing is growth. In the growth area we're doing some quite unique things, and they range from—for example, at Unilever, we're helping train the people at their 4,000 distribution points in China to be able to come up to speed quickly and be able to sell, so that we are focused

on, 100 percent, making their people more productive on day 1 through 100 in order to grow that business fast, and for them to take advantage of what's happening with that huge population.

We also get requests time and time again for people that are clients for us around the world to say we're going to new geographies. We're either going to go, as we said in the multi-polar world, back to the U.S.; or we get lots of requests for China, India, Russia, for us to be able to provide the back-office capability that they need so that they can grow very quickly. So there we package together all of our services and provide back-office IT for them to be able to focus on getting there and selling, and not having to worry about the other functions. So we're really providing a capability that enables their growth.

And then there's a new airline that we've just signed in Vietnam with the reservation system. So again, in order for them to start up and take advantage of the changes in that market, they just plug into our reservation system and drive forward.

The last one, which is the one that everybody thinks about when we come to outsourcing, is cost cutting and the ability to cut the costs and then sustain those reductions in cost. The German car manufacturer, we were able to give them a value proposition that took 30 percent out of their cost in the first year. So that change — and that requires all of our business and pieces of our operating model work together — is quite substantial.

We have another large financial processor that Pierre talked about earlier today where our job is to improve the cost of what they're taking to maintain their systems, the existing systems. So we're taking that cost down by over 25 percent, and they want to redeploy that to be able to build some of their systems of the future. So again, we're taking the savings from that and the capability we have and using that, both in management consulting and systems integration, to generate more revenue.

We have, you know, a chocolate manufacturer, the premium chocolate manufacturer in Italy. We are providing back-office services for them, and those complete back-office services will allow this very, very fast growing company to grow at a much lower cost point than they would otherwise. We take immediate cost savings and then help them grow going forward.

So those are the cash, the growth and the cost cutting are things where I think we can provide great value to our clients.

William D. Green
Chairman & CEO

Great. Thanks, Kevin. Let me now introduce Don Rippert, our Chief Technology Officer. Rippert and I are always looking for technology waves, and Don promises me tsunamis every once in a while because we like riding those things. But in order to ride them, you've got to catch them early, and so a lot of this is about keeping our toes or our feet, or up to our knees, in the water in certain technologies.

Don, maybe begin with some context. Karl-Heinz gave us sort of top items on the CIO agenda, if you cut right through it. Some of these are about positioning for the future. Maybe you can give us some color on that part of the CIO's agenda today as you see it out there.

Don Rippert

Chief Technology Officer and Managing Director – Technology

Yeah, absolutely. You talked about the wave, and I think the wave is and has been developing a more loosely coupled architecture inside of an enterprise. It gives you the option to use pieces provided by others and bring them together to solve the problems of your enterprise.

Karl-Heinz talked about cost reduction. He talked about streamlining. He talked about transformation as goals of a CIO or goals of an IT organization. The question that we answer on the tech side is how do you achieve those goals? How do you reduce costs, streamline, transform? How do you move your architecture from tightly-coupled to loosely-coupled.

There are six main thrusts that we advise our clients to do, and that we help our clients to do. The first is to increase virtualization, to implement identity management, to create a service orchestration capability, to implement master data management, enhance the integration of your infrastructure operations, and provide user-oriented computing tools. Those are the six thrusts that we think are the way to achieve cost reduction, streamlining and transformation.

I'll take a couple of examples on cost reduction and virtualization. A lot of people, a lot of companies, bought virtualization software a few years ago. They went for a project, put their applications under that software, and realized some benefit from buying fewer servers, less network and less storage. But a lot of the applications didn't qualify back then. It was three years ago. Sometimes the vendor didn't support the application under the virtualization software. Sometimes they couldn't connect it to the network policies.

Three years have come and gone. It's time to go look back at that virtualization plan. It's time to ask whether some of the applications that didn't qualify three years ago qualify now. So it's an example of one of our six thrusts, providing cost reduction today to our clients.

On streamlining, Karl-Heinz's second point, user-oriented computing; the tools are so much better now than they've ever been before. The one I'll focus on is a mash-up creator. So a mash-up is where you take information from one system, information from another system, and build a hybridized user interface that's connected to both systems.

It used to be you'd have to spend a lot of time and money reworking those systems. Now you don't. You put a mashup layer on top of it. So you can streamline your application development. You can streamline your business processes by using the sixth of the tools that I talked about, user-oriented computing.

As far as transformation, I think the big deal there is on master data management. It's on having your applications talk to a data layer that then talks to databases, as opposed to the applications each talking to databases separately. You get a lot of benefit in consolidation, streamlining capabilities. If you're a company that's out today and there are many with a philosophy of I'm

going to buy other companies during this period of time when the other companies are relatively cheap, you've got a problem in IT. You've got to pick the application they're going to run after you buy them, and you've got to integrate the data. If you had a master data management layer, you'd made that integration of the data — normally the harder of the two problems — much easier.

So I look at the things Karl-Heinz has talked about, the goals that IT organizations have. We're out there every day working with the IT organizations in our six areas. We can save money now. We can set up those organizations for a future where the operations are much more loosely coupled. People are buying software as a service, cloud components. They're buying into BPO operations. This architecture will not just save money now; it'll also provide for that capability going forward.

William D. Green
Chairman & CEO

Thanks, Don. You know, I was with the CIO of one of our clients who has been a client for 20 years, one of Sander's clients actually, a few weeks back. I know some of you folks in here take a lot of surveys on the pulse about IT spending. This company's not going to increase IT spending next year, but they spend \$4 billion on IT. So propositions like you went through in terms of being able to deliver the value, being able to put a better value proposition and taking the sort of total cost of ownership over a lifetime point of view is a huge demand driver for our company, even in times when IT budgets—in terms of the total big number—are challenged.

One of the other things that we're doing a lot of work on as far as looking ahead is, we had our board meeting a few weeks back we had it in San Diego, so our board members could tour our labs out there and/or San Jose, one of those West Coast towns. Sorry, Bob.

[Laughter]

They're all the same to me. They've all got the same name. But we have a technology lab out there, and we sort of took our board members out there to immerse them in all that's going on out there. You just might want to speak about some of the newer things we're doing, leveraging some of the new technologies.

Don Rippert
Chief Technology Officer and Managing Director – Technology

Yeah. On the new technology side, I'll give you three kind of bigger themes. One we talked about, which is continuing the migration toward a loosely coupled environment. The next one is building better websites, to put it in plain words. The technology has evolved to a point today where you can combine your customer-facing website with real-time analytics and personalization at scale.

So the websites that people frequent ought to look different depending on who the person is frequenting the website. Usually they don't. Most websites look the same whether you access

them or I access them. The kind of new philosophy is that you'd access the website, there'd be information about you, it would run analytics on a number of things regarding you, and then it would dynamically build the website to look like you want it to look. If I accessed that same site, it would look a bit different. So it's bringing together analytics and the ability to build dynamic websites. That's a pretty big area right now that I see going on in the future for a while.

Then longer term yet is what I call virtual envelopment. It's the ability of things, besides computers, to be connected into the Internet. One example, an easy one to kind of get your head around, is cell phones. Right now you use your cell phone to talk. You use your cell phone to do e-mail. But your cell phone knows where you are. It knows your schedule. It can contain information in a secure way.

So you can imagine a day where you get up in the morning, go out to your car. Your schedule is in the computer; your schedule is already set. As soon as you turn on the car, the car knows where you're going, so it begins to bring up the maps of where you head. You drive to the train station to catch the train to work. The security cameras in the train station that look at the parking lot not only look for security purposes; they can identify open parking spaces. The nearest open parking space to your car is communicated to your car.

You pull into that parking space. You get out of your car. You start walking toward the station and the train company, the transit company, knows that your train is late, so they send you a message that the train's eight minutes late. Clipped to that is a coupon for a coffeehouse. You say I want to get the coffee. The coffeehouse knows what you buy. You walk in, pick up your coffee, walk up to the train, hold your cell phone near the train station antenna, pay with a credit card that's in your cell phone, and walk on the train.

It's that bringing things together. Instead of it being discrete transactions, it's kind of one envelopment. Every piece of that works today. Every one of those pieces can be done today. I think the future, the big future, is to bring those pieces together, which means people have to use different business models, different approaches. Companies have to operate in a different manner. The technology is there; the business models aren't yet.

William D. Green
Chairman & CEO

That's a good story, and you're scaring me.

[Laughter]

But I'd like to think it's a few years out, at least, or at least some of the parts. But I think, speaking of the future, I mentioned at the outset—you know, we operate the business with a foot in today and a foot in tomorrow. That foot in tomorrow is about being relevant for tomorrow, right? So let me just ask maybe Mark and Don to comment.

First, Mark, to address this whole notion of tomorrow, what do we see and how are we positioning for I guess you'd call it the next wave of business change, if anything else?

Mark Foster

Group Chief Executive – Management Consulting & Integrated Markets

Thanks, Bill. In fact, I think one of the roles, obviously, we play in a management consulting organization is to be trying to be the business sense is looking out, the same way our technology colleagues are looking out in terms of what's happening from a technology perspective, and to act as the sort of tip of the spear to then bring the rest of the Accenture organization along.

Maybe, I think, what Don has been talking about I think is a great example of the fact we are at a moment where, in fact, technology is driving business model change again. The kind of examples — and maybe they're not quite as extreme as the last example Don [Rippert] gave — is meaning that the whole idea of digital transformation is expanding way beyond the Comms & High Tech world of Marty [Cole] into the integration across financial services, retail, travel and transportation services, insurance, utilities; different organizations that are going to end up doing business in a different way because of the way that digital transformation is taking place around them.

It's a lot more than multi-channel and portal plays. It really is around some fundamental change in the business model. We think that's something that's going to be, we're seeing it happen already in certain industries, and we're going to see, I think, an acceleration around that.

I also think, for good or for ill, this current cycle and everything that's been going on is going to drive further regulatory change around the world. We're seeing it being driven by the whole climate change agenda. We're going to see financial regulatory change occurring around the patch. We're seeing new accounting standards, IFRS coming through; all of this joy. All of that is future change for us and for our clients. That's something I think that we can see; there are opportunities out there.

I touched on the innovation topic, and I think that we're barely scratching the surface of how organizations in the future are going to partner, create more open innovation models, connect to the markets that are driving the innovation of their products, open up new collaboration approaches for global companies, connecting themselves; the sort of thing we're having to do internally, but now we're at large for our clients.

And finally, I think the operating model journey that organizations around the world are going on is still continuing to evolve. We haven't yet seen how Chinese companies will create global operating models; how will Indian companies, how will Middle Eastern companies. Indeed, how will we create the new models for the future that'll be much more granular to allow us to be responsive to a different global economy?

Those are some things, I think, that are coming down the track. I mentioned sustainability. I happened to be with the North American Automotive Industry, speaking to them a few weeks ago. That's an industry in a world of hurt, but nonetheless the issue of sustainability isn't going away. They're going to have to keep on creating vehicles that are more sustainable, that reflect the environmental needs of the world, forever. That kind of the way the sustainability is going to be built into business models for the long term is going to be, I think, a big trend as well. A lot of change coming, still, for us to try and build our business around.

William D. Green
Chairman & CEO

Yeah. Don, certainly technology enables that change and allows us to cope, I suppose, in many ways. So what are the things you see on the technology front that'll be leveraged to make those business model changes work?

Don Rippert
Chief Technology Officer and Managing Director – Technology

Well, part of it is, I think, already kind of on us. You've heard a lot of talk about software as a service. I'll pick one vendor that we work with, Salesforce.com, and talk about two examples where companies, substantially large companies, have implemented that with us. The idea is it's less expensive and more streamlined. It capitalizes on very large core infrastructure that companies like Salesforce.com run.

In the first case, at Red Hat, which is a large open-source solutions provider, they needed to kind of keep the capabilities in their IT organization up with the growth in their sales force. They follow a business model that's an instantiation of kind of the new world, where they have a lot of partner sales. A lot of the work they do isn't directly through their inside sales force; it's through outside sales forces.

We worked with them to implement Salesforce.com and achieved a number of operational improvements by doing that; let alone the savings that might have come through IT. Beyond that, 70 percent reduction in the finance sales manual credit verification, something pretty important in a partner-type model; a 75 percent reduction in error processing within sales. This is a company that's generating 10,000 leads a month for its partners.

So I think part of the way to achieve new business models is to make it easier for companies to work with partners and partners to work together. This software as a service capability is one of those steps that's already in play. In another example, large hardware manufacturer, we implemented Salesforce.com again. My point this time is it's for big companies too. At the end of the project, we had 17,000 users operating in 50 countries on that platform.

So a big part of where I think these new business models go is for IT to be more flexible, to be less tightly-coupled, more loosely-coupled, and to be able to adopt things like software as a service, BPO operations. Take the best that the world can supply; you provide the secret sauce if you're the company, and have an architecture that allows that to occur. I think that's sort of the technological underpinnings of the transformation you're talking about.

William D. Green
Chairman & CEO

Well, and I think the secret sauce that we provide is integration. It's a myth that these things come off the shelf, you pop them in, and life is good. There's still a whole lot of work to do, and

we know that from having worked with these tools now as they become more industrial and more durable, and more secure, to handle the kind of clients we have. So we've woven it into sort of the fabric of our offerings and our solution sets in the market, and we'll continue to do that. So thanks for your insights. I appreciate it very much.

[Applause]

We've got time for just a couple quick ones, and then we will come back.

Moshe Katri
Cowen

The question is for Kevin. You've kind of changed the focus of the outsourcing business during the past few years. You've been kind of avoiding the large deals. You've been kind of de-risking the whole portfolio on the outsourcing side. Assuming the demand will improve going forward, are you changing the way you are going back to the market? Are you adding more salespeople? Assuming that outsourcing revenue growth will accelerate, how do you avoid potentially diluting the overall operating margin and the business as well? Thanks.

Kevin Campbell
Group Chief Executive – Outsourcing

Well, first, on the focus that we've changed, I think we've taken what the market has given us, and we've also been relentlessly focused with my peers and my teaming partners of Pam, Bob and Steve, making sure that we evaluate the risk, we understand the risks, and that we're focused on profitable growth.

Nothing will change on that side. Profitable growth is what we're focused on. We think there are a lot of opportunities. Sometimes we're faced with opportunities where we have to let the opportunity go, or we don't win, because we don't feel like we can manage the risk or get the cost profile, or some other condition isn't right for it to be successful.

We've been around in this business... As Sander said, in roughly 1990-91, we signed our first BPO deal, but we've been doing IT stuff for a long time. I think with the help of Don and his team, we stay at the forefront of what's going on, but yet we understand there's basic principles that make things successful and not successful.

We did, last year, have a significant number of "bigger deals" than we did the previous year, and some of that's the market, but also some of that's the positioning we've had. What we really focused on is that operationally excellent platform that focused on no defects; focusing with Karl-Heinz on the team and being relentless in getting all our costs out, making sure that we make it as easy as possible for people to buy multiple services from us. We think that's the way the marketplace wants to buy, and we think that's going to continue in the months and years ahead.

Moshe Katri
Cowen

You also had a pretty big ramp in outsourcing bookings last quarter. I mean can we kind of look at this as a proxy for things to come, looking forward 6 to 12 months from now?

Kevin Campbell
Group Chief Executive – Outsourcing

Well, thank you for recognizing that. With outsourcing sales, as we always say, outsourcing sales are lumpy, right? So it's always hard to predict any one quarter and what's going to happen there. But I think we continue to, as we talked about today, be somebody that people turn to in these times for growth, cash and cost cutting. So we're going to continue to go aggressively at all those opportunities with my peers in the OGs.

William D. Green
Chairman & CEO

Thanks, Kevin. We'll take one over here.

Rod Bourgeois
Sanford C. Bernstein & Co.

Rod Bourgeois here. I'm hoping to ask a question that will allow me to put some numbers in my notes. I'm just feeling a little uncomfortable that I don't have any numbers on the page yet, so I'll do my best. In particular on the sales pipeline, I'm wondering if you guys can give us some numbers around sales pipeline growth. And then if you look at the deals that are in the pipeline, how have they changed in the last year in terms of average deal size, average contract duration, or even the pricing structure? Is there more fixed-price deals, performance-based deals, or have there been any noteworthy changes? I know Karl is often good with numbers, and Kevin, you probably have some of these things.

[Laughter]

But pipeline growth and then anything you can quantify in terms of the average contract characteristics and how they've changed in the last year. That would be really helpful.

William D. Green
Chairman & CEO

I mean I sort of look at this all the time. Steve will be up here in a minute, and he like lives with it in his pocket. Even though the outside world has changed a lot, the inside world hasn't changed as much. The nature of the things that we're selling are consistent with the things we're

selling. We have to sharpen our propositions. The nature of the pipeline is consistent with what it is. The nature of the deals is consistent with what it has been. And so there hasn't been sort of a radical shift in buyer value in terms of what they want to buy, per se. There's just been a heightened sense of wanting value delivered for what's in the pipeline.

I think that's the thing, and that's what when we ask ourselves how do we react to what we're seeing out there, we go there first, right? We know we have to sharpen the message, sharpen the value proposition. And we have to learn the ones that are never going to work, to get them out of the pipeline and stop spending time and money on them so we can focus on the ones that do.

We know that there are companies that get it about what we do and companies that, through desperation, are not going to be good customers of Accenture. It's about quality, not numbers, to us. That's how we look at the pipeline. We do the scrubbing process routinely, which is getting the junk out of there that's never going to go, or that'll have terms that aren't worth us wasting our time. Our focus has more been on the quality of the pipeline than the statistics. I'm sorry that doesn't give you any numbers to put in your book. But maybe when Steve gets up here, we can take a crack at it.

Thank you, guys, and we'll bring up the one last panel. All right, here comes some numbers. Here come some numbers people.

[Laughter]

These are the guys that are lashed to the mast, up on the bow. We put them up there last year, and they haven't been able to come down. We've got them still up there this year, and they don't look any the worse for wear because '08 we knocked out of the park, and a lot of that had to do with the diligence and the insights of the three people up here.

So far we've looked across our operating groups and across our growth platforms, with a little touch on technology. I think one of the things that came out of this morning is when we use the term "drive the business," we mean that. You can let the business drive you, or you can drive it. You've got to decide. I think what you heard across everyone is the ability to adapt and to adjust, and to make opportunity happen. The stuff just doesn't happen by itself, and that's why we're fortunate to have a leadership team that is deep and broad.

Last weekend, we had a meeting of our top 150 business leaders from all around the globe. People were pumped. It's not that we don't get it about the challenges out there; we know that. But we also have some confidence that, as leaders, our obligation is to adjust, and to adapt, and to improvise in many ways. I think that's what we're doing.

Operations Panel

But let me get on to these guys because this is about operating Accenture as a high-performance business. This is about, as I say, not having your finger on the pulse, but having your hand on the heart of the company. Somebody once said to me, can you feel the goo? And I would say almost, because that's how close I think everyone has an obligation to manage their business in this environment. The reason '08 was like it is because we made it like it was. It didn't just

happen for us. So here we are in '09. The bar gets raised on the outside; we raise our game on the inside. Here's some of the game raisers right here.

Pam, let me start with you. As you all know, Pam is our CFO and, frankly, the best CFO in our industry by a mile. Pam, let me go to the first question. I know we're not going to provide any interim updates or business outlook, but could you provide some context for how we're managing the business during this time of market uncertainty?

Pamela Craig
Chief Financial Officer

I told you they were going to keep trying. Well, the one word I would say is diligently. Last year we sat up here; we said we had some challenges. We told you we were going to navigate them; we did. This year it's a tougher environment. There's no question about that. We're geared up for it. Steve, in a minute, will tell you a few of the operational things we're doing.

As I think about our P&L, the number one thing that we need to do is generate demand, and that means revenue. You heard the guys, right? These guys are not just a bunch of guys in suits, although they were all up here in suits, who can talk. These are big brains who are big leaders with a lot of capacity and a lot of capability. I get to witness that every day. What I hope you heard is that we have really good business cases for our clients. We're focused on ones that are compelling, that have specific, committable, rapid ROIs that the client decision makers can take a decision on. More and more often, by the way, that's the CFO.

If you move down our P&L and you think a little bit about costs, yes, we have FX headwinds. Yes, two thirds of our business is outside the United States, and therefore not in dollars, where it's generated. We're not going to just change our business because we have FX headwinds, right? I mean this is a business that we manage in real terms.

So on the cost side, we are tightly laser focused on managing our cost in local currency in order to preserve the margin percentages. And then where we can — and we've demonstrated this, by the way, in our past since our IPO — we will tighten our belts even further on managing those costs in local currency so that we can maybe even get a little margin lift. So that's our mindset. That's what we're focused on doing as we manage this business.

William D. Green
Chairman & CEO

It's a good description. I think mindset says it all, right? And attitude says it all; confidence in the market, but diligence internally with how we execute. Pam, you mentioned FX and some of the writings. There's been, I think some confusion on FX. Maybe you can just give a little clarity or color, if it's possible, on it.

Pamela Craig
Chief Financial Officer

Yeah. I mean these are extraordinary times. I mean FX is just one of the things out there, right? And yeah, we call it a headwind because when you compare our results to last year, last year we had a weak dollar. This year the dollar is incredibly strong. It's probably strengthened faster than many of us thought it would.

So what we tried to do in September, and we will continue to do every quarter, is tell you what we know in terms of what's happened so far. In September when we were preparing for earnings, the currencies were moving every day, and we said well, we'll take two weeks in September. We'll tell you what that kind of impact would be, and we said it would be negative 2 to negative 4 percent on our results for the year if that carried through the whole year and compared our results to last year.

Now obviously that's changed. There's more of a headwind now. We'll update you and tell you about it. But again, we're going to manage our business in real terms. Some of the things we do, we have the natural hedges where revenues and costs are denominated in the same currency. We also specifically hedge where they're not, with our global delivery network, where we have revenues in one currency and costs in another. So our results are predictable in terms of profitability.

William D. Green
Chairman & CEO

Thanks, Pam. We have a culture of treating cash in our balance sheet as sacred around here, which started long before us, and we learned it as young kids, and we continue to approach that world this way. But can you talk about some of the things we're doing in the current environment to protect our balance sheet, keep our cash flow strong, and keep the cash safely invested?

Pamela Craig
Chief Financial Officer

Yes, cash has always been king in this company, and we learn it from the get-go. All our people get it. We incent them that way and it's just what we do every day.

I will tell you that on the Capital Committee — which Bob, Steve, and I sit on; Bob chairs it — there are some things that come in now where our clients are maybe a little bit more challenged from a credit and liquidity perspective, and we're dealing with that head on. We're dealing with it in the business cases and we're dealing with it in the credit term. We will absolutely continue to be focused that way.

Just in terms of the rest of our balance sheet, it's a pretty simple balance sheet, as you all know. We haven't lost anything in terms of principal in our cash and investment portfolio, right?

We're focused on managing that for liquidity; protection of principal. And receivables, our DSOs, you know what those are, right? I mean industry-leading. So DSOs and unbilled services. We generally don't finance services work. It doesn't make sense. Where we do, it's a compelling value proposition for the client, and we make sure that we're focused on our revenue and margins.

So that's really a lot on the asset side. If you go to the obligations, we don't have any debt to speak of no short term, no long term. One of you, I think it was Mr. Bourgeois, was focused on pension obligations. Our pension obligations are less than 0.5% of our operating expenses.

William D. Green
Chairman & CEO

There's a number!

Pamela Craig
Chief Financial Officer

Write it down, Rod. That one's for you. We have very little in the way of pension obligations. Our biggest one is in the United States, which we've frozen, and we're winding down now, because we froze it a couple of years ago. So the one unfunded we have is for pre-IPO partners, right. So think about those guys. They're pretty old.

[LAUGHTER]

They get a nominal amount, which is unfunded, and the reason it's unfunded is because it's \$12 million a year for us. So we just paid it every year, as we always have. It's not material. That's that. So just a little flavor for our balance sheet.

William D. Green
Chairman & CEO

It's helpful because we've had a culture in this place forever of no baggage. Debts baggage and pension liability are baggage and all that stuff. And because of the generational way we run this place, we don't want to hand that stuff over to the next generation to go figure out. So that's philosophically, whether it's right or wrong or people like it or don't, it's why we treat this stuff in a very serious way and continue to do.

Pam, I guess one final question. You talked about the income statement, the balance sheet, our obligations. What is your view of the financial health of our business now?

Pamela Craig
Chief Financial Officer

Well hopefully I've given you a flavor for that, but I mean we're well positioned to support the exciting business that you've heard about today.

William D. Green
Chairman & CEO

Thanks, Pam. You know I would also tell you that in challenging times it becomes more and more important to our clients, the financial health and viability and wherewithal of their suppliers, particularly in an environment where people tend to consolidate suppliers like the environment we're in right now. So we're very fortunate to have had the diligence over years that serves us well right now.

Let me know turn to Steve, our Chief Operating Officer. Steve, when we had our last earnings call you said that in light of the changing economic situation that you were going to redouble the focus on closely managing our business. Why don't you just give us a feel for what you and your team are doing on that regard?

Steve Rohleder
Chief Operating Officer

Sure. I'd be happy to do. I would step back though and talk about the analogy, and I think Adam asked the question about how you feel last year versus this year. And when you used the boat analogy, I think you said we were up, looking over the ship and all that. I feel like today we're all three duck taped to the mast together because we're working together basically to deliver a number of actions.

The three areas that I'd focus on very simply are pipeline and demand management, people management, and cost management. And just to give you a little bit of flavor about the activities underway in all three of those categories.

First of all, in the pipeline and demand management, you guys have heard every single panel talk about our client relationships. Last year — here's another number for you Rod — last year over 75% of our bookings were generated by Foundation and Diamond clients. Almost half of that was sole-source. Very important as you put that in the context of what we talk about when we say getting close to our clients, bringing new and innovative solutions and services to solve their business problems.

So we have a number of activities underway to continue to drive that demand and drive our pipeline. Number one, we've sharpened our sales focus around making sure that we've established monthly pipeline targets by operating group and we measure our progress against those pipeline targets. Secondly, we've got specialized teams set up now in each operating

group to drive application outsourcing sales. And third, we've got a number of activities underway to drive penetration of new client accounts, which is also important for us.

So a combination of all of that, I think, gives us some confidence that we're going to be able to drive pipeline generation and drive demand.

The second area is people management. And in people management, I would tell you point blank we've basically gone to what I call short-interval management of supply and demand. And what that means is that we take the three levers that we have — recruiting, utilization and attrition — and we're managing every single one of those in an integrated way across all 13 of our geographic units. Every single one of our geographic unit leads is now reporting monthly on progress against specific goals in all three of those areas. And they're making adjustments in supply and demand to make sure that we don't get ahead of demand with the supply of people or that we need to accelerate recruiting in specialized areas. So we have activities underway there.

The third area is in cost management. And cost management really is a multi-year journey of making sure that we're driving down the internal costs that we have at Accenture. We've asked each one of the corporate function leads and our geographic services leads to take another look at their existing plans, to take some very conservative and prudent spending patterns over the next two quarters, and we're making sure that we've instituted policies and procedures that drive savings in those areas.

So that kind of gives you a sense. Now, a number of these activities have been underway for awhile, but I guess if I had to characterize the focus, it's basically short-interval management to make sure that we minimize the variances against the plan.

William D. Green
Chairman & CEO

Thanks, Steve. You know we have built systems and capabilities on the people, assets, and money side to really run a very tight ship. And, you know if anything, I guess I was challenging... I thought our guys, in some ways, were overreacting to what might happen because there's still a lot of great business out there. And as I said before, we're managing this place for profitability, but we're going to drive the growth, right, because if we can do that, the profitability is easy as falling off a log with all the things we have focused on internally.

Steve, you might just talk about the initiatives, because these have been ongoing as well, and I think started at the right time around sales effectiveness, cost-to-serve pricing, and some of the big levers that you've been focused on.

Steve Rohleder
Chief Operating Officer

Sure. If I rewind back to June, we kind of set our operational priorities back then as we move into the fiscal year. And as Bill said, we came into FY09 with three operational priorities:

number one is managing our cost to serve; number two is continuing our journey on pricing optimization; and three is continuing our progress in sales effectiveness.

In the cost-to-serve area, I think it's important for you guys to understand a little bit of the context of what's in that initiative because it's a great lever for us to continue to pull to drive down the cost to our clients in both outsourcing and systems integration and technology, and allow us to create some headroom for profitability.

You know, with today's environment, you've heard some of the people talk about the challenges that we have with our clients coming back and asking us for price reductions. I'll talk about that in a second when I talk about pricing. But what we want to do is continue this journey of driving down the cost-to-serve by moving more people offshore to increase the growth of our global delivery network, to put product pricing in place in our outsourcing area, and drive down the cost across BPO, application outsourcing and infrastructure outsourcing together.

So we're on a journey there. We have specific metrics set up in our cost-to-serve for both systems integration technology and outsourcing. We're monitoring those metrics and we'll continue to drive down the cost to our clients.

In pricing, again we started this journey about 18 months ago. Pricing optimization, very simply put, is driving premium prices for premium services. And that's very important to us, right? Examples of premium services in the management consulting area: supply chain services or M&A services. In technology consulting, it's services or skills around application renewal or enterprise network design. And in systems integration and technology, it's specific skills in SAP and Oracle that are industry-specific: health care, energy skills, people that know exactly what they need to do when they're configuring those systems for those clients.

We believe we can continue to drive premium pricing for those skills and we're going to continue. In FY09 we'll continue to push this initiative into EALA [Europe, Middle East, Africa and Latin America] and to Asia-Pacific so that we have global reach in all of our pricing processes, and we'll put tools in the hands of our senior executives to give them information on what the pricing situation is and the market situation is in their specific geographies.

The third area is sales effectiveness. I still believe we have headroom to improve the efficiency and the effectiveness of our sales organization. I was disappointed, frankly, with our performance in '08 around this, although we did raise our win rates. Unfortunately, it cost us more. So I think there's opportunities to drive down the cost of sales as we go through FY09. Whether it's consolidating the activities that we have on proposals and early sales activities into low-cost centers, or it's just weeding out opportunities that we know are not going to deliver for us, early in the process before we've spent money — all of those have an impact.

So those are the three operational priorities, Bill, and we're going to work toward achieving the metrics in all three areas for '09.

William D. Green
Chairman & CEO

As Steve, you know, cruises around the world and he runs into our senior executives, and in fact he did this last week when we had 150 of the top leaders, he gives them a little quiz on these things and makes sure that they pass it. But I think institutionally, these aren't just like corporate things. Institutionally, people are very focused on this because they know these levers have huge impact and they know that we're just plain a better company if we continue to make progress on these levers and these dimensions, and it gives us some room to maneuver in other parts of our business.

Let me turn now to Bob Frerichs, our Chief Risk Officer. That's the title we gave him some time ago, and he sort of roams far afield from the Chief Risk. I mean Chief Risk Officer used to be kind of a ho-hum role in a lot of companies, and now they've become rock stars, and people sort of wish they had one or wish they had a good one, or at least wished the person was paying attention over the last couple of years. But Bob's been in there. Bob's a good one and Bob always pays attention.

So Bob, let me just ask you to talk a bit about how we're approaching risk management across our company, broadly, and then particularly in this environment.

Robert Frerichs
Chief Risk Officer

Sure, Bill. I hope one of the key aspects was obvious this morning. I can't imagine you guys looking at companies and seeing the diversity, the geographic diversity of the top leadership team you saw here today. And a team that, you know, you get your freshman pin, your initiation pin, when you've been here 25 years. And that doesn't mean just working in the industry. That means working for Accenture. I've been here a long time and it's still very impressive to see. And even the three of us, you know, we've got a New Yorker and a Texan and a Californian. That's pretty damn diverse too. But we get along as well as any leadership team I've ever seen. So that's a key part of it.

But more formally, we do have an enterprise risk model. I've described it here before. I expect that it was ho-hum back then, but it is getting a lot of interest in discussion these days. If you remember, we started with a corporate model years ago. We've been refining it for Accenture, and every year we take a look at every single risk. We evaluate the probability of it occurring and the possible impact if it does. And we weight those, we rack and stack them. We put the ones that are significant on top and we assign one of the people in this room to be responsible for creating a mitigation plan and executing against that. It's a very effective tool. It served us very well, and even under these unique conditions of the market, we look at it, and the areas that have popped up are in the model and accounted for.

I'll just say on a personal basis, we've seen a lot of these types of markets. I remember I used to run Electronics & High Tech when there was a tech meltdown in early 2000. And I remember

the one in '91 where it was a broader recession. And I know Bill and I both remember the one in the early '80s, which was a deeper one still.

We learned from those. We learned a lot. And one of the things that I personally make sure we do is we take advantage of all those learnings as we look at the markets today.

William D. Green
Chairman & CEO

Thanks Bob. You know one of your other hats, of many, is Chairman of the Capital Committee. Bob sends out more mail in the firm than anyone else... giant decks filled with numbers for the six or eight deals that seem to come crashing through the Capital Committee every few days or so. He also schedules the emergency Capital Committee meetings when we have a client thing that we need to respond to overnight. And we all just tow the line and show up the best we can. But I think it gives him a very interesting perspective on looking at the risk profile and the economics and the structure of the deals and the criteria. So you might just talk about what you're seeing coming in and that kind of insight.

Robert Frerichs
Chief Risk Officer

Okay. The Capital Committee's been mentioned a couple of times. This is the first time we've had all the members here, so I just would say that the three of us are on the Capital Committee. Kevin Campbell, who you've heard from, he covers our BPO and outsourcing; Karl-Heinz [Floether] covers SI; Doug [Scrivner], our Chief Legal Counsel, is on the legal side; and Joellin Comerford, who is retired but has such a strong sense of stewardship, still participates with us. And with her deep competence, we're delighted to have her.

But are we seeing more risk come in from the teams? Yes, we are. Have we changed our criteria? No, we haven't. They've served us very well. We've seen enough. We've been doing this long enough that we can restructure the deals in such a way that it delivers the value to the client and delivers the economics to Accenture.

Now we are going deeper in some things. I'll give an example. We've always had the constructs to work both for the client and for Accenture regardless of the volumes that come through the deals over time, and in these times, where volumes are not as predictable as they once were, we're being extra careful that the clarity is there from both our side and the client side.

We measure the heck out of these things, and our performance has improved every year, and we're at a level now that is beyond comparison in the industry. The important thing is the things that we load into our portfolio are absolutely rock solid.

William D. Green
Chairman & CEO

You know I think that's a good summary, Bob, because the thing we preserve for is the portfolio itself and we feel good about that.

I guess I'd also just mention the Capital Committee isn't sort of like roll the dice. It's not a binary thing. There's a thing called the fly-by so someone can come forward with a deal and take it through the Capital Committee process. Pam will remind them we're not a bank, right? Steve will remind them that the economics has to be there, and Bob will remind them that they need to have the A team, and then they'll go back and reshape the deal. Although these folks are final decision makers, they're also helpful in steering because we can take a deal, an opportunity. You can't blame the clients for asking. They're going to ask you for some things you're not going to want to do. What we have to do is have a proposition that's compelling and then make it a shape that works for Accenture. So it's something that we can be comfortable with, we can commit to, we can improve, and we can put into our portfolio.

So that's the process, but I would say the Capital Committee process gives our leaders incredible insight for just what's going on out there in the market, you know, as things change lately, almost week to week.

We have a little time for some questions. These guys are sort of perfect targets, but you can ask a question of anyone who was up here today. They're sitting here in the front row. Am I with the program here, Richard? Is that where we're going? Okay. There were a lot of hands over here so if we could get a microphone over to the hands we'll start there and try to bounce around the room a little.

Dylan Cathers
Standard & Poor's

Dylan Cathers, Standards & Poor's - - Research. Thanks you for taking my question. I was wondering if you could just give us sort of your early feelings. I realize it is very early. But with a new administration coming in, just your thoughts on the general possibility of increased protectionism, sort of a discouragement against outsourcing and those sorts of issues?

William D. Green
Chairman & CEO

I mean I think that there's going to be a lot of confusion in the cockpit. Let's face it. I dismiss the rhetoric from the current reality we'll face. I would tell you this, that the current administration and the incoming team are very receptive to what's on the minds of businesses right now. So the trade agenda, right? People understand that. They get it. And I think it's going to be about a thing to achieve balance.

I don't think they're going to be looking for targets, because we've got a million targets, right, sort of self-created targets out there. I think they're going to be fundamentally looking for solutions.

You know on balance, I think the change in the administration, I mean in the press that sort of looks at what will the regime change mean to Accenture, you know I've read a lot of things that said we're a good stock to have for the new administration. I don't know if that's right or not. I know that the key thing we have to do is be relevant both to our particularly U.S. government customers as well as our commercial customers around the United States where, you know it's been I would say eight weeks ago... You know, every week I'm on a call with what I call the captains of industry, but people that have roles like me with the biggest companies in the country. And, you know, there was a few weeks there the calls were a little quiet. I think now people are starting to digest, as credit has eased up a little bit, as people are starting to get a sense for what's really happening out there. I think people are getting more rational.

That said, I think business is going to advance the agenda about the competitiveness of the United States as a country and of our companies is important to the rising standards of living in the United States. They'll be some forces that challenge that. And at the end of the day I think we'll have sort of an outcome that's fundamentally neutral—hopefully better than the world we have now. You know we're very attuned to it, but we're not afraid of it, I guess, at this juncture.

Anne Anderson
Atlantis Investment Co.

Ann Anderson, Atlantis Investment. Your last balance sheet day was August, and September, October, November have been very difficult months. Should investors be braced for mark-to-market adjustments this quarter?

Pamela Craig
Chief Financial Officer

Well if you looked at our balance sheet, there's not much to mark-to-market. I mean, of course, we have to snap the line and do all that with currency. I mean naturally there's more flows in the sense of it, you know, because we have to do that at the end of the quarter, but I don't think there's anything out of the ordinary that any company would be having. And certainly our stuff isn't the kind of stuff where we can be taking big losses on it in terms of investment.

Jamie Friedman
Susquehanna

Hi. Thanks. This is Jamie Friedman of Susquehanna. We've heard a lot today about the M&A environment, and I was wondering, maybe Steve, if you could help us to quantify the impact to your business. And let me suggest the structure. So, you know, if you have

Steve Rohleder
Chief Operating Officer

Not numbers-related?

Jamie Friedman
Susquehanna

Yeah, if you have, say, a hundred, hypothetical, billable hours in a year, is five of that or ten of that related to putting the pieces together? And how would you compare the level today versus the same time last year?

Steve Rohleder
Chief Operating Officer

Well I'll answer the last part first. I think the volume of that type of activity, obviously, has increased. You heard Pierre talk about financial services and the role we're playing there. I think also in Sander's world, in the resources world, we're seeing an increase in that activity. So yeah, it's impossible to snap a line and say, you know, this is what the percentage of that work is.

You know it's part of Mark's world in the management consulting area. It has increased in the last six months. We're actively bringing in people to help us with that and redeploying people to help us with that volume of work. So, you know, the business is very healthy there right now. And I would say that given the business world today, you know, who knows what's going to happen going forward, but it's a decent piece of the business.

William D. Green
Chairman & CEO

We don't do the M&A for M&A's sake. We do it to establish the relationship for a decade. I mean that's kind of our focus. So to us it's about strategically picking winners. It's about being in the right place. It's about having propositions, because the post-merger integration assignment itself is what do you need to do. What we want to do is to do it. And so our key thing is how to take it from the initial opportunity and design and build and then operate the new environment on their behalf and weave ourselves into that client for a lifetime. I mean that's sort of the game we're playing.

So when we look at it, we look at it in different economics. We look at sort of a long-term view about capturing client relationships because the reason we are where we are is the client relationships we have. And so we're sort of all just wired to capture new ones. And so M&A becomes a means to an end, not an end in itself. The end in itself is the long-term revenue relationship with leading companies around the world.

Tien-Tsin Huang
JP Morgan

Tien-Tsin Huang from JP Morgan. A question for Steve actually on the GDN because the headcount growth has slowed a little bit in the last several quarters. Is that just a function that you're closer to scale today? Anything to read into there? And how should we think about the utilization of the GDN as we go into '09 relative to '08?

Steve Rohleder
Chief Operating Officer

Yeah, I wouldn't read anything into that Tien-Tsin. You know as I said, we're pulling all the levers of supply and demand. The one thing that people should really understand about the global delivery network is that over time you're going to see shift in resources up and down in specific locations in that network. Whether it's India, Manila, Eastern Europe, Latin America, we're going to continue to shift resources around there.

We've also seen, and we saw this at the end of Q4 and we reported that, a reduction in the attrition. So when you see attrition come down, you obviously want to make sure that you're linked up with supply and demand. That's going to put less of a demand to go into the market and recruit people in.

So, you know, using headcount growth as a proxy for growth, I think, is dangerous in this environment if you don't understand all three of the levers that we have to pull there.

David Togut
First Manhattan Company

Thanks, David Togut at First Manhattan. I have a question for you, Pam, on capital allocation. You'll be done with the 61 million share repurchase at the end of this year which will essentially complete the eight-year lockup from the IPO. Dividend is \$0.50 a share, less than a 20% payout. Got plenty of cash on the balance sheet. You don't really acquire. What are the prospects for significant increase in the dividend payout ratio over the next year or so?

Pamela Craig
Chief Financial Officer

Thanks, David.

[Audience laughter]

First of all, in terms of the 61 million, they'll be unlocked, but they might hold. So they're certainly unlocked, and we will continue our program of share repurchases from founders, and

we expect to for a few years, just because there's many more than that that are unrestricted that are out there. They're being held by those guys.

The dividend is something we work with the board on, and we will continue to just in terms of how we evolve that. We thought that the level we had for this year was right, but we will continue to look at those two things in tandem as we go forward.

M&A, yep, we're continuing with the tactical tuck-in strategy. That's the strategy we've been on. That's not to say that we're not looking all the time at what's out there, but as you know we're picky and we're going to continue to be.

David Togut
First Manhattan Company

But how many shares are left after the 61 million? In other words

Pamela Craig
Chief Financial Officer

...that are held by founders? Roughly 195 million, of which two-thirds of those are SCA shares, which are the ones that are redeemable only through Accenture. So those are out there, and I'm looking at some people in the room that are intentionally holding them. So that's going to be out there.

David Togut
First Manhattan Company

So do you suggest that there's really no change in capital allocation? That you have these above-trend buy backs that will continue?

Pamela Craig
Chief Financial Officer

No, I'm not suggesting that at all. I'm suggesting that we're going to continue to look at the two. I'm just saying that we will continue to have some obligation there with the founders, and then we'll be looking at the dividend with the board, and we'll be making decisions year-by-year.

Vincent Lin
Goldman Sachs

Vincent Lin, Goldman Sachs. So I think Bill, you touched on vendor consolidation a little bit. I just wondered if you could comment on what specific areas are you seeing that happening, and if so, how is that affecting Accenture.

William D. Green
Chairman & CEO

Well, you know, I think all these and it's still early days in this current downturn, if you will. But if you look at, you know, every time there's an economic challenge, companies take the opportunity to rationalize their supplier base. I mean it's just sort of how the world works and it's not just service suppliers, right, it's widget suppliers and, you know, broadly everything. And people come to it and say if I can consolidate more spend, I can get a better economic proposition, I can reduce the cost of operating the procurement process and all that stuff.

We always look at it as an opportunity. We look at it as an opportunity because in the end, right, they're going to always end up with one guy like us, right? And there aren't many guys like us left. And then they're going to rationalize, you know, a lot of suppliers at the bottom of the food chain. And you know that's under way now. That's just happening. And whether it's people putting guns to your head or people just saying, you know, I'm going to pick some winners and we're going to take all our eggs and put them in fewer baskets. That's what they do. They do it routinely during these times, and it's something that we've seen a little of now, and I'm sure they'll be more of it.

Robert Frerichs
Chief Risk Officer

Yeah, we've had a couple of those come in the Capital Committee already, and Bill called it exactly right. We always pick up share when that happens. They go from tens to a handful. And they're going to have us as one of the handful. So we pick up work in that consolidation.

William D. Green
Chairman & CEO

I mean we have clients now that our offshore mix is 30% of the resources. And if we dial it to 45, which is nothing, it has huge value proposition. And it's probably where the work should be done anyway. And so, there's just a lot of that you kind of go through what you do so you can spend the money you do have on the higher-end things and more on the consulting and less on some of the people-intense activity. So I think we'll see some of that. And I think you guys have done some of that.

Vincent Lin
Goldman Sachs

Just another quick question for Bob. If you compare Accenture's current risk profile going to FY09 relative to last year, I just wondered if you could comment on whether you see any difference in terms of risk profile, and if that's the case, if there's anything that you are doing differently this year so that Accenture can be better prepared or positioned?

Robert Frerichs
Chief Risk Officer

Well I tried to address that in my remarks. But the answer specifically to your question, I think, our risk profile is better this year than last year. And last year was better than the year previous. And the reason for that is we had some older contracts out there that could go back quite some time, and as those tail off, the ones that fill our portfolio are the ones that have gone through our more current process, which is far more rigorous. And we feel very comfortable with the profile on that. It just improves with time. And we're not doing...the criteria have not changed. We may have to work a deal harder to get it into the criteria, but they do get in the criteria.

Moshe Katri
Cowen

This one is actually about numbers. Maybe Pam can talk about it. Looking more at some of the discretionary expenses within Accenture, if I remember correctly, I think you spent about \$5-600 million a year on training. There's another big number that you spend on research and development, and obviously there's the bonus that is now tacked to performance. Can you talk a bit about which part of those expenses, in your view, could actually be viewed as discretionary going forward if things really get tough or tougher? And in the past, I remember during the '01-'03 timeframe, you did use those as kind of buffer to be able to kind of maintain your bottom-line numbers or results. Thanks.

Pamela Craig
Chief Financial Officer

The annual bonus, which we don't talk about, continues to be a lever that we would use if we're not meeting our plan. So that's number one. Training is sacred. We might figure out cheaper ways to do it, but we're going to still do it.

And so we are pretty clever about... well, we're focused on how we're going to manage costs. We have a big program in place it's working very well on really managing travel and how much we do, and is it absolutely necessary, and can we use Telepresence, which we've installed all over the world. So we focus on all those things, and, as you know, have a program to drive down SG&A, as well as any of those sorts of out-of-the-pocket things that we can.

Moshe Katri
Cowen

Then, Steve, you've been kind of focusing also on offshoring some of those back-office functions. Are we about 70% done there? Do you think that's there's, you know, can you kind of give us a percent there in terms of where we are now?

Steve Rohleder
Chief Operating Officer

Yeah, I mean I think 60 or 70 at the end of '08 is where I would have pegged us. I think we still have opportunity in certain corporate functions, Moshe, specifically in our HR function. The finance guys made wonderful progress last year. I think they're on a journey to continue that this year. But the CIO guys are ahead of everyone just in terms of percentage offshoring. Interestingly enough, they've actually started moving in a second wave to cheaper locations, right? So the first wave was to low-cost locations, and now they've actually pushed it to other locations to drive down the cost even more.

So to answer your question directly, I believe we still have some opportunity to continue to move those corporate functions offshore, and it's part of our G&A day job, if you will.

Pamela Craig
Chief Financial Officer

We're going to keep working that. We're not going to be done at that.

William D. Green
Chairman & CEO

But just to sort of wrap up on your question. Like if bad stuff happens, do we know what we do, right, to preserve the economic performance of the firm? We know to the nickel what we do. We know to the action. We know to the bellybutton. We know everything there is. We have three scenarios. We've got the thing baked in. We've taken our board through it. This is the second or third year we've been doing it. And, you know, that stuff comes second nature to us.

And I think we've proved in the last downturn, which, you know, it really landed very much in our laps, that we had an ability to navigate through it and make the decisions that are right for our investors and right for our enterprise. We're absolutely prepared to do that now. And the stuff sitting on the shelf, hope we don't have to go get it, dust it off, and look at it, but if we do, we do, and I think it's something we do overnight. It's just sort of the natural part of managing the business in uncertain times and it just comes with the territory for our jobs.

Dhruv Chopra
Morgan Stanley

Yeah, Dhruv Chopra from Morgan Stanley. Steve, you talked about, on the applications outsourcing side in particular, driving more of your asset to product sales as a mix. Clearly in insurance we've got some examples. Could you provide any other examples? And as that mix changes, what does that mean for the economics of that business?

Steve Rohleder
Chief Operating Officer

We'll let the market kind of determine where the mix goes. I mean we're not targeting a specific mix of AO or outsourcing in general. But I will tell you, with the relationships that we have, our ability to add on application outsourcing services to existing systems integration jobs is still there. We have opportunities where we can come into clients, put value propositions on the table that say we can support this application much more efficiently than if we transition it to your IT organization. That's one of the big pushes that we have with the activities that we have underway in the operating groups.

The other one is focused on application rationalization, if you will, taking a number of application support functions that we see in our existing clients, and bundling those together into one AO initiative and taking that value proposition to the client.

I think that we have a tremendous opportunity to drive growth if we're able to get into those clients with those value propositions, because the timing is there. I mean they've got a cost-cutting agenda. What we have to do is just focus on the relationships that we have and crafting outcomes around application outsourcing that will drive out those costs. And that's what we're doing, frankly.

Lawrence Fong
Ascent Growth Funds

Thanks. Lawrence Fong at Ascent Growth Funds. The business of anticipating the managing change can be difficult at times. And today the industry trend toward software as a service has come up a number of times. And it occurred to me that as the enterprise software providers have built big businesses on ERP systems, supply chain management systems, and traditionally for every dollar of those large, up-front licenses they sell, there's been four or five dollars attendant to that consulting firms have benefited from implementing. It seems that selling software as a service, which would, you know, destroy that proprietary model, would cause those vendors considerable pain, at least in the three- to five-year timeframe while they adopted subscription models, would not be very happy for that service or need that you're anticipating, and at the same time you might be cutting yourself off from substantial businesses by selling something that replaces your ERP and supply chain management implementation businesses. So it seemed like a good example for how you've managed conflicts of interest within your business, both for yourself and your client.

William D. Green
Chairman & CEO

Yeah, we sort of live this life. First of all, the telecom companies, they're our customers. They all not only want our business, they want all the business we drive for all our clients, right? We have this huge process of navigating our way through these things.

As you get through these transitions like software as a service, I mean Don Rippert spoke at Dream Force with the 10,000 software as a service folks there, a week before last or last week, I guess it was. And people were delighted to have us there because we give credibility to the offering. We pay attention to it.

At the same time, right, we know what it is and what it isn't. And we understand that in all these things, the whole thing about replatforming and integration is where the money gets made. And that's our stuff. And this stuff is not as easy as it seems. It is if you're a hundred-million-dollar retailer or manufacturer or something and you want to buy it by the drink and you need to have capability like that, but in the business we're in, the money gets made in the G2000, right? That's the market where you make serious money.

People will be looking at software as a service more internally in their own enterprises. People will be looking at the cloud, not the cloud outside their enterprise, but inside their enterprise to say, geez, we've got 10,000 servers ourselves. Maybe we can make a... I mean if you think about what's really going on there, there's a generation of tremendous change, disruption, replatforming and positioning. And so our job is to make sure that you don't abandon...I mean the worst thing you can do is abandon the thing that's still cranking before its time.

So that's part of the business. It's the big enterprise stuff. We will continue to go. On the other hand, we want to get ahead of the new stuff. And in fact what we'll see is hybrids. We'll see huge enterprises that have had systems that took a decade to get in that they're not going to swap out for software as a service. But around the edges of that, there'll be a whole new set of products and services that are going to leverage technology. Gluing that stuff together is where we make money. We feel good about the opportunity, not threatened by it broadly.

Ken Majmundar
The Ridgewood Group

Ken Mont for The Ridgewood Group Investments. I'd appreciate your perspectives, more from a long-term perspective, on the competitive dynamics. I'm talking like say three to five years out in terms of the evolution of how the different companies have positioned themselves in your industry. You know you have the people like you guys that have come from the Western model and have sort of gone down I would call it downstream in terms of adding BPO and things like that, and then you have those Indian guys who are trying to also go to the global model, more of moving up market. And I'd love your thoughts on sort of how that's sorting out, who's doing well and who's not doing well, and how the competitive dynamics are changing, and how they're expected to evolve.

William D. Green
Chairman & CEO

Well I'll give you the short ride. Any one of our people has their own opinion on this and they'll all be different than mine. But since I'm sitting in this chair, I'll give you mine, and then you can check with all the other ones and they'll give you their own view.

I mean I guess some simple things. First is, what is your customer base? Where do you make money? We make money in the big companies, particularly the global ones. And so in our world I'd rather have 2,000 of them than 200,000 little customers in all the countries of the world. It's an incredibly different business model.

The second thing is it's a hell of a lot easier to go down than it is up. And I think that's been proven over the last six, seven, eight years. I mean we did go down, right? We did go downstream in the old days. You know, 60% of the work content in a project was Accenture and 40% of it was local body shoppers. And now that 40%, right, we're able to do in global delivery network and all that stuff. So our ability to go down was incredibly important. And it's very much defensive.

The thing we never lose sight of is offensive, which is the other guys want to be like us. We need to be gone when they get there. Gone is about differentiation. It's about superior execution. It's about deep differentiated skills and knowledge in industries and technologies and functions that the other guys don't have. It's sort of the [Mark] Foster side of the shop and the [Don] Rippert side of the shop.

So if you look at how this thing evolved, people are going to take their place. Because in the end, there'll be giants and there'll be niche players. And sometimes that niche will be a vertical; sometimes that niche will be a layer, horizontal. But to become a giant in today's environment is really hard to do. You can get the global coverage, but the hardest part to do is to go upstream; it's to build a consulting business with deep differentiated skills that people stay there. That's a really hard thing to do.

And the harder thing to do than that, maybe, is had we assembled our three growth platforms by outside acquisitions, we'd have a mess on our hands. But when we grew it all organically, and it grows connected, and to have to go back and sew it together, some of the parts you need to be a leader in the future, I can't imagine it. It failed the last time, you know, in the early days of CSC and in DEC's and all the people that assembled these, they failed then. And this is 10X complex to those days.

So I think that's how we'll see it. I think these people will decide where their spot is in the market. There'll be some excellent providers for certain services with the right price points, the right quality levels, the right service and the right relationships. And then they'll be the sort of guys that continue to focus on full service. And anywhere in the middle, I think, will be a dangerous place to be, because even at our scale, we need them. We have high win rates. We need high win rates just to keep the machine moving.

Every month you've got to sell six billion or more worth of stuff. There's just a big machine here and every year we grow the size of many of our competitors in total. And so those things we

can't escape from. And so I think it keeps us focused on inventing the new as opposed to perfecting the old because we need the ability to get the growth.

I don't know if that answers your question. But you can ask these other guys at the break and they'll help you.

Elizabeth Buckley
Arete Research

Yes, hi. Good morning. Another question on the GDN. I just wanted more specifically; maybe it's also a question for Karl-Heinz. You were targeting over the last 12 months double the growth that we saw in the GDN. I'm wondering if you could talk specifically about what happened there and what conclusions you've drawn in terms of the way you're looking to ramp the GDN going forward. Are you looking to build more scale in some areas? And then also what you're doing on the cost and the investment side to drive better profitability? And then secondly, if you could just maybe give some kind of guess as to how big you see the GDN as a percentage of your overall business on a longer-term basis?

William D. Green
Chairman & CEO

Were you paying attention, Karl-Heinz?

[Audience laughter]

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

The growth rate in the GDN has slowed down as all of India has slowed down, and we are managing the demand and supply very, very carefully. Utilization continues to be very, very high, and our pieces that are near-shore and on-shore are continuing to grow. So I think what is happening is that the very, very strong offshore growth is getting closer to our average growth rate which we have. But it's still going very well. As I said, we are managing it very, very tightly.

While I have the microphone, may I comment on two things that were raised, about software as a service, and the second was about our competition in India. We have been sitting through several years of getting the question, is this going to kill you, and who is going to get their part, and I hope that by now this question has been answered. I said that, net-net, offshore will be a positive to us, and it was.

And second, who was going to get there first? We've built a 40,000 people operation in India. I think as we speak we have something like 60,000 people in low-cost operations. And I don't

know what the top Indian firm has in terms of consulting capabilities. And it's going to be in the hundreds; it's not going to be in the thousands.

Second, on software as a service, again, change will be our friend. And this is going to be our friend because in the end you have to look at what is software as a service. I mean it starts very simple with a good enough solution for a certain functionality. And as long as it's simple and not very complex, it's not our sweet spot. Everybody can do it. But it's getting more complex. It's getting functionally, the job, the end-up phases are getting more complex. You get security issues. You get the real-time interfaces. You have to feed, right? And then it gets very much into a space that gets very attractive for us. We are going into this space now, we have gone into this space, and we are going to scale it up.

And at some point in time, you will see a converging model between software as a service and what the software companies are, and then you have to dissect what are the elements of software as a service or service model. There's something like pricing. You get the full stack. That's a degree of functionality you get. And in the end it will be very disruptive to the industry over time. And there are huge consulting opportunities for us and there are huge integration opportunities for us.

Now as long as this stuff stays simple, it will be easier to implement. And the more it gets complex, the more effort you have to put into it. But net-net, this software as a services thing will be our friend as well.

Tim Fox
Deutsche Bank

Good morning. Tim Fox with Deutsche Bank. Steve mentioned that 75% of your bookings last year came from Foundation and Diamond clients, and I think Sander may have mentioned that he did a review of all of his Diamond clients and a relatively significant proportion were in great shape from a balance-sheet perspective.

I was wondering as a capital risk, have you taken a look at your certainly your Diamond clients, but also some of your Foundation clients and tried to do an assessment about the liquidity position of your largest clients and what effect that may have downstream on their terms or payments going forward. And if you haven't done that, you can give me a list. I'll be happy to do that for you.

Pamela Craig
Chief Financial Officer

We have done that. We are doing that and we will continue to do that. Our treasurer happens to be sitting in the audience. He's been very helpful in working with all the teams to help them do that and so this is obviously part of what we're doing and part of our capital committee processes.

Steve Rohleder
Chief Operating Officer

He's right behind you, Tim. Turn around.

Tim Fox
Deutsche Bank

You can hand me the list then. A quick thought. You mentioned also that Bob and Bill, you've been through a number of recessions going back to the '80s.

Pamela Craig
Chief Financial Officer

We all have.

Tim Fox
Deutsche Bank

And if you could just summarize the top two or three reasons why you think and I'm assuming you think that Accenture's at a better position today than it was during either 2000 and '90s and '80s, and why you're a more robust organization to plow through what could be a couple years' worth of pain here.

William D. Green
Chairman & CEO

Well I'll just give you the short ride. When we went through those other ones, we had a business with two and a half months of backlog where we had to resell the work you know, and your visibility was in front of your nose. And we were working at smaller companies doing smaller things. We didn't have long-term relationships. There was no such thing as a Diamond client. We didn't have an outsourcing business. We didn't have this whole Foundation client thing. We didn't have people that lived full-time in the client environment. I mean, it was a very, frankly, fragile business. It was a good business because technology was new and everyone was buying computers and software, and we were doing all this stuff around. But it was a dramatically different business than today.

You know today we sit here and even in the last, even since the last downturn or the tech meltdown, when we had 17 diamonds and now we have I think 80 or 79 or like right in there somewhere. You know those things are \$100 million a year minimum.

So you pile up 80 of those, you know you've got a nice place to start. We have an outsourcing business now 40% of the firm. It was 17% back then and certainly back in the other downturns,

it didn't exist. And I would have said you know 20 years ago we were discretionary. It was, are you going to put in this, you know, system 34 and this manufacturing software or not. It was just a whole different thing. But maybe most importantly is that we hadn't weaved ourselves into the fabric of the companies and the whole thing of sourcing broadly as a company, and recognizing the Accenture people that are on your account are just like your people.

And the whole thing about the natural thing that get the best advice and knowledge you have, weave a team together as a company and do what you need to do, and recognize that you're going to use a lot of outside talent to do it. All that stuff didn't exist then.

So when we sit here now and when we did these scenarios, when we looked at what could happen, there's a whole bunch of our business that just doesn't go anywhere. It's just a rock. And you know we don't lose sight of that.

And you know even if companies wanted to not spend the money on us, they can't, right? We turn the crank in a lot of these places. I mean we are indispensable.. we collect their money. We purchase their stuff. And so you know that's not our whole business, but in terms of durability, it's incredibly different now.

And at the same time back then, we didn't have the global footprint that we do now. And so you know how the U.S. went, went the firm. You know that doesn't happen anymore. We now have places all around the world, that are contributing, building and driving profits.

And I think we also run the place a lot tighter than we ever have. I mean we're a better run company today than we ever were in our history. It's harder to run today, but we're better run because of that, and because we know what it takes to achieve and sustain high performance.

That's what we do for a living. And so when we think about what we do when we show up on the field, you know we have a sense that there's more than a few people looking over our shoulder. Every one of our clients is as well as our investors, as well as the outside world. I think it just gives us a different perspective on the thing. So you can't compare the durability we have now to even the last downturn let along the few that went before that. I don't know.

Robert Frerichs
Chief Risk Officer

I would just add a couple things, one in particular. One of the things that I know Pam stresses like the rest of us, but she's emphatic on it, is the business case for the client, the value proposition for the client. As Bill said, I mean these programs are multi-year and a client would have to be in a really tough position after investing literally years on something to stop that and not get the business value that's there.

And that's one of the things and you know all of us — I said the junior members are 25 years — we've all gone through this. So that's why we push on them so hard the business value, the business cases, to keep that up at top level in the companies. You know the Board of Directors buys into these things. They expect it to be delivered, and nobody's going to pull the plug on these things midstream. It's very different than it was the years ago.

Pamela Craig
Chief Financial Officer

I mean when you have a compelling ROI and we drive that hard today and the GDN helps, right, that the cost to serve, you can really take it down. It's completely different. In the old days it was a long time till payback of putting a big system project in, which was most of what we did.

William D. Green
Chairman & CEO

So we feel good about it. Let me just I think we're out of clock here. So let me just wrap up and then there'll be some people around for you to have a chance to chat with. I want to thank our team, my team, for spending too many weeks in the U.S. in a row, probably for the guys from Europe and we all have a natural attraction to our clients.

So we love you guys, but we'd all rather be out driving the business. But we take a few days off, we'll do this and then we can get back to work. But I think you can sense sort of the individual positions of all the elements of the firm and then I hope you can get a sense for the collective you know position of the elements of the firm.

We got a hell of a lot right. I mean I don't know any better way to say it. Yeah, there's challenges out there. We're not naïve about those. I mean we *live* with the clients. We live the individual client challenges and things they have to do, whether it's how they're going to make the money last, how they're going to stay the course on big programs. How they're not going to get distracted by some of the challenges in the market. So we're starting from a position of incredible strength — and I would maintain better strength than anybody in this thing.

I think what you heard today is that we're driving the business on every dimension, not letting it drive us. And that is incredibly important. And that we are intensely focused on our clients and we are thankful and grateful and fortunate to have thousands of us that know us like brothers and sisters, and have been with us for a long time, and expect us to come and bring new ideas and offerings in times like this. They expect us to do it without having to ask and I think the sole source thing Steve talked about and I think the statistics on 80% of the business coming from our existing clients speaks to that.

So we go into whatever it is we're going into with that frame of reference, but think about the strength that it gives us as we go in there.

We see opportunity in the current challenges. We see opportunities to increase our differentiation. We see opportunities to extend our global franchise. We see opportunities to expand our market share, because there's going to be a lot of people that don't have the wherewithal that we do to stay the course and still deliver the results, and I think that's going to work to us.

Yes, there are uncertainties. There are huge challenges out there and we will face them like we did a year ago this time. There were challenges out there. We faced them and we prevailed. Who knows what's going to be next in reading the newspaper? What's going to happen the

week after next or the week after that, right? But I think you know that our clients are some of the best and most successful companies in the world. They're led by some of the best business people on the planet. And they see their job as not only satisfying the near term, but taking advantage of the opportunities for the long term, and that's the ride that we go on with them. That's why we work at the C-suites of the biggest companies. That's why we work for the traditional ones as well as we find the new entrants and we embed ourselves in them when they're small so we can be a big part of their world when they're big.

So as I said at the outset, we've always operated this business with one foot in today and one foot in tomorrow. We're going to drive this business to achieve the plans we set forward for this year, and also we're going to take advantage of the opportunities that will serve our company well for generations to come that are created by the current uncertainty.

So thanks for your support of Accenture. Thanks for listening today, and we're happy to bump into you individually. And as always, Richard Clark and his team are very focused on getting answers to you for things that you have, so don't hesitate to check in. Thanks very much.

[END]