

Accenture plc  
Form 10-Q  
June 29, 2012  
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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
FORM 10-Q  
(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED May 31, 2012

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934

FOR THE TRANSITION PERIOD FROM TO

Commission File Number: 001-34448

Accenture plc

(Exact name of registrant as specified in its charter)

Ireland

(State or other jurisdiction of  
incorporation or organization)

1 Grand Canal Square,

Grand Canal Harbour,

Dublin 2, Ireland

(Address of principal executive offices)

(353) (1) 646-2000

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☒ Smaller reporting company ☐  
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of shares of the registrant's Class A ordinary shares, par value \$0.0000225 per share, outstanding as of June 22, 2012 was 634,800,693 (which number does not include 107,415,114 issued shares held by the registrant).

The number of shares of the registrant's Class X ordinary shares, par value \$0.0000225 per share, outstanding as of June 22, 2012 was 44,998,365.

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## PART I — FINANCIAL INFORMATION

## ITEM 1. FINANCIAL STATEMENTS

## ACCENTURE PLC

## CONSOLIDATED BALANCE SHEETS

May 31, 2012 and August 31, 2011

(In thousands of U.S. dollars, except share and per share amounts)

	May 31, 2012 (Unaudited)	August 31, 2011
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$5,628,659	\$5,701,078
Short-term investments	2,238	4,929
Receivables from clients, net	3,222,310	3,236,059
Unbilled services, net	1,457,127	1,385,733
Deferred income taxes, net	641,011	556,160
Other current assets	506,681	587,224
Total current assets	11,458,026	11,471,183
<b>NON-CURRENT ASSETS:</b>		
Unbilled services, net	11,183	49,192
Investments	28,706	40,365
Property and equipment, net	752,495	785,231
Goodwill	1,205,678	1,131,991
Deferred contract costs	553,517	559,794
Deferred income taxes, net	831,355	756,079
Other non-current assets	694,955	937,675
Total non-current assets	4,077,889	4,260,327
<b>TOTAL ASSETS</b>	<b>\$15,535,915</b>	<b>\$15,731,510</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Current portion of long-term debt and bank borrowings	\$5,381	\$4,419
Accounts payable	808,674	949,250
Deferred revenues	2,156,711	2,219,270
Accrued payroll and related benefits	3,088,642	3,259,252
Accrued consumption taxes	329,308	348,540
Income taxes payable	315,446	238,003
Deferred income taxes, net	18,149	32,647
Other accrued liabilities	870,756	855,208
Total current liabilities	7,593,067	7,906,589
<b>NON-CURRENT LIABILITIES:</b>		
Long-term debt	49	—
Deferred revenues relating to contract costs	546,596	553,440
Retirement obligation	967,818	995,695
Deferred income taxes, net	50,240	72,257
Income taxes payable	1,506,518	1,619,076
Other non-current liabilities	283,534	233,581
Total non-current liabilities	3,354,755	3,474,049
<b>COMMITMENTS AND CONTINGENCIES</b>		

SHAREHOLDERS' EQUITY:

Ordinary shares, par value 1.00 euros per share, 40,000 shares authorized and issued as of May 31, 2012 and August 31, 2011	57	57
Class A ordinary shares, par value \$0.0000225 per share, 20,000,000,000 shares authorized, 742,006,632 and 727,795,770 shares issued as of May 31, 2012 and August 31, 2011, respectively	16	16
Class X ordinary shares, par value \$0.0000225 per share, 1,000,000,000 shares authorized, 44,998,365 and 49,365,379 issued and outstanding as of May 31, 2012 and August 31, 2011, respectively	1	1
Restricted share units	874,136	784,277
Additional paid-in capital	1,172,873	525,037
Treasury shares, at cost: Ordinary, 40,000 shares as of May 31, 2012 and August 31, 2011, respectively; Class A ordinary, 102,619,400 and 86,361,763 shares as of May 31, 2012 and August 31, 2011, respectively	(4,674,740)	(3,577,574)
Retained earnings	7,330,215	6,281,517
Accumulated other comprehensive loss	(596,554)	(134,380)
Total Accenture plc shareholders' equity	4,106,004	3,878,951
Noncontrolling interests	482,089	471,921
Total shareholders' equity	4,588,093	4,350,872
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$15,535,915	\$15,731,510

The accompanying Notes are an integral part of these Consolidated Financial Statements.

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## ACCENTURE PLC

## CONSOLIDATED INCOME STATEMENTS

For the Three and Nine Months Ended May 31, 2012 and 2011

(In thousands of U.S. dollars, except share and per share amounts)

(Unaudited)

	Three Months Ended May 31,		Nine Months Ended May 31,	
	2012	2011	2012	2011
REVENUES:				
Revenues before reimbursements ("Net revenues")	\$7,154,690	\$6,720,115	\$21,026,437	\$18,819,386
Reimbursements	486,100	484,240	1,463,289	1,359,455
Revenues	7,640,790	7,204,355	22,489,726	20,178,841
OPERATING EXPENSES:				
Cost of services:				
Cost of services before reimbursable expenses	4,783,785	4,410,487	14,287,626	12,648,054
Reimbursable expenses	486,100	484,240	1,463,289	1,359,455
Cost of services	5,269,885	4,894,727	15,750,915	14,007,509
Sales and marketing	854,476	832,374	2,464,291	2,273,624
General and administrative costs	455,233	527,442	1,342,064	1,348,667
Reorganization costs, net	435	396	1,258	1,113
Total operating expenses	6,580,029	6,254,939	19,558,528	17,630,913
OPERATING INCOME	1,060,761	949,416	2,931,198	2,547,928
Gain (loss) on investments, net	39	(22)	31	(941)
Interest income	11,304	9,861	31,062	29,147
Interest expense	(3,497)	(2,827)	(11,875)	(11,070)
Other (expense) income, net	(2,154)	1,421	7,604	11,560
INCOME BEFORE INCOME TAXES	1,066,453	957,849	2,958,020	2,576,624
Provision for income taxes	303,622	258,780	769,242	706,249
NET INCOME	762,831	699,069	2,188,778	1,870,375
Net income attributable to noncontrolling interests in Accenture SCA and Accenture Canada Holdings Inc.	(63,203)	(64,012)	(185,747)	(183,276)
Net income attributable to noncontrolling interests – other	(10,409)	(7,044)	(27,803)	(21,355)
NET INCOME ATTRIBUTABLE TO ACCENTURE PLC	\$689,219	\$628,013	\$1,975,228	\$1,665,744
Weighted average Class A ordinary shares:				
Basic	645,761,617	651,339,239	645,507,900	645,032,214
Diluted	728,876,260	746,204,855	729,183,064	744,224,581
Earnings per Class A ordinary share:				
Basic	\$1.07	\$0.96	\$3.06	\$2.58
Diluted	\$1.03	\$0.93	\$2.96	\$2.48
Cash dividends per share	\$0.675	\$0.45	\$1.35	\$0.90

The accompanying Notes are an integral part of these Consolidated Financial Statements.

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## ACCENTURE PLC

## CONSOLIDATED SHAREHOLDERS' EQUITY AND COMPREHENSIVE INCOME STATEMENTS

For the Nine Months Ended May 31, 2012

(In thousands of U.S. dollars and share amounts)

(Unaudited)

	Ordinary Shares		Class A Ordinary Shares		Class X Ordinary Shares		Restricted Share Units	Additional Paid-in Capital	Treasury Shares		Retained Earnings	Acco Oth Cor Los
	\$	No. Shares	\$	No. Shares	\$	No. Shares			\$	No. Shares		
Balance as of August 31, 2011	\$57	40	\$16	727,796	\$1	49,365	\$784,277	\$525,037	\$(3,577,574)	(86,402 )	\$6,281,517	\$(1
Comprehensive income:												
Net income											1,975,228	
Other comprehensive loss:												
Unrealized losses on cash flow hedges, net of tax and reclassification adjustments												(90,
Unrealized gains on marketable securities, net of reclassification adjustments												145
Foreign currency translation adjustments, net of tax												(38
Defined benefit plans, net of tax												12,4
Other comprehensive loss												(46
Comprehensive income												
Income tax benefit on share-based compensation plans								105,448				
Purchases of Class A ordinary shares								98,537	(1,307,905 )	(23,074 )		
Share-based compensation expense							381,091	31,298				
Purchases/redemptions of Accenture SCA Class I common shares, Accenture Canada Holdings Inc. exchangeable shares					(4,367 )			(87,483 )				

and Class X

ordinary shares

Issuances of Class A

ordinary shares:

Employee share

programs

10,936

(339,506 ) 513,557

210,739

6,817

Upon redemption of

Accenture SCA Class

3,275

I common shares

Dividends

48,274

(916,625 )

Other, net

(13,521 )

(9,905 )

Balance as of May 31,

2012

\$57 40 \$16 742,007 \$1 44,998 \$874,136 \$1,172,873 \$(4,674,740) (102,659) \$7,330,215 \$(5

The accompanying Notes are an integral part of these Consolidated Financial Statements.

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## ACCENTURE PLC

## CONSOLIDATED CASH FLOWS STATEMENTS

For the Nine Months Ended May 31, 2012 and 2011

(In thousands of U.S. dollars)

(Unaudited)

	2012	2011
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income	\$2,188,778	\$1,870,375
Adjustments to reconcile Net income to Net cash provided by operating activities —		
Depreciation, amortization and asset impairments	414,636	371,916
Reorganization costs, net	1,258	1,113
Share-based compensation expense	412,389	343,718
Deferred income taxes, net	(132,803)	) (123,413)
Other, net	(160,073)	) 62,542
Change in assets and liabilities, net of acquisitions —		
Receivables from clients, net	(218,540)	) (518,355)
Unbilled services, current and non-current	(246,396)	) (159,999)
Other current and non-current assets	(18,845)	) (331,403)
Accounts payable	(132,028)	) (17,760)
Deferred revenues, current and non-current	224,298	229,815
Accrued payroll and related benefits	110,747	107,852
Income taxes payable, current and non-current	35,936	151,579
Other current and non-current liabilities	69,304	72,483
Net cash provided by operating activities	2,548,661	2,060,463
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from maturities and sales of available-for-sale investments	12,549	6,592
Purchases of available-for-sale investments	(7,554)	) (6,834)
Proceeds from sales of property and equipment	2,635	3,386
Purchases of property and equipment	(256,716)	) (266,739)
Purchases of businesses and investments, net of cash acquired	(173,684)	) (118,662)
Net cash used in investing activities	(422,770)	) (382,257)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from issuance of ordinary shares	397,665	468,363
Purchases of shares	(1,403,100)	) (1,441,073)
Repayments of long-term debt, net	(6,346)	) (1,395)
Proceeds from short-term borrowings, net	5,344	—
Cash dividends paid	(950,857)	) (643,642)
Excess tax benefits from share-based payment arrangements	70,410	131,183
Other, net	(28,987)	) (20,405)
Net cash used in financing activities	(1,915,871)	) (1,506,969)
Effect of exchange rate changes on cash and cash equivalents	(282,439)	) 247,155
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(72,419)</b>	<b>) 418,392</b>
<b>CASH AND CASH EQUIVALENTS, beginning of period</b>	<b>5,701,078</b>	<b>4,838,292</b>
<b>CASH AND CASH EQUIVALENTS, end of period</b>	<b>\$5,628,659</b>	<b>\$5,256,684</b>

The accompanying Notes are an integral part of these Consolidated Financial Statements.



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ACCENTURE PLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of U.S. dollars, except share and per share amounts or as otherwise disclosed)

(Unaudited)

1. BASIS OF PRESENTATION

The accompanying unaudited interim Consolidated Financial Statements of Accenture plc and its controlled subsidiary companies (collectively, the “Company”) have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”) for quarterly reports on Form 10-Q and do not include all of the information and note disclosures required by U.S. generally accepted accounting principles (“U.S. GAAP”) for complete financial statements. These Consolidated Financial Statements should therefore be read in conjunction with the Consolidated Financial Statements and Notes thereto for the fiscal year ended August 31, 2011 included in the Company’s Annual Report on Form 10-K filed with the SEC on October 21, 2011.

The accompanying unaudited interim Consolidated Financial Statements have been prepared in accordance with U.S. GAAP, which requires management to make estimates and assumptions that affect amounts reported in the Consolidated Financial Statements and accompanying disclosures. Although these estimates are based on management’s best knowledge of current events and actions that the Company may undertake in the future, actual results may be different from those estimates. The Consolidated Financial Statements reflect all adjustments of a normal, recurring nature that are, in the opinion of management, necessary for a fair presentation of results for these interim periods. The results of operations for the three and nine months ended May 31, 2012 are not necessarily indicative of the results that may be expected for the fiscal year ending August 31, 2012.

The Company has evaluated events and transactions subsequent to the balance sheet date. Based on this evaluation, the Company is not aware of any events or transactions that occurred subsequent to the balance sheet date but prior to filing that would require recognition or disclosure in its Consolidated Financial Statements.

Allowances for Client Receivables and Unbilled Services

As of May 31, 2012 and August 31, 2011, total allowances recorded for client receivables and unbilled services were \$67,635 and \$73,296, respectively.

Accumulated Depreciation

As of May 31, 2012 and August 31, 2011, total accumulated depreciation was \$1,656,033 and \$1,639,965, respectively.

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## ACCENTURE PLC

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

(In thousands of U.S. dollars, except share and per share amounts or as otherwise disclosed)

(Unaudited)

## 2. EARNINGS PER SHARE

Basic and diluted earnings per share were calculated as follows:

	Three Months Ended May 31,		Nine Months Ended May 31,	
	2012	2011	2012	2011
Basic Earnings per share				
Net income attributable to Accenture plc	\$689,219	\$628,013	\$1,975,228	\$1,665,744
Basic weighted average Class A ordinary shares	645,761,617	651,339,239	645,507,900	645,032,214
Basic earnings per share	\$1.07	\$0.96	\$3.06	\$2.58
Diluted Earnings per share				
Net income attributable to Accenture plc	\$689,219	\$628,013	\$1,975,228	\$1,665,744
Net income attributable to noncontrolling interests in Accenture SCA and Accenture Canada Holdings Inc. (1)	63,203	64,012	185,747	183,276
Net income for diluted earnings per share calculation	\$752,422	\$692,025	\$2,160,975	\$1,849,020
Basic weighted average Class A ordinary shares	645,761,617	651,339,239	645,507,900	645,032,214
Class A ordinary shares issuable upon redemption/exchange of noncontrolling interests (1)	59,205,983	66,414,251	60,730,644	71,184,684
Diluted effect of employee compensation related to Class A ordinary shares (2)	23,800,300	28,384,948	22,881,765	28,000,507
Diluted effect of share purchase plans related to Class A ordinary shares	108,360	66,417	62,755	7,176
Diluted weighted average Class A ordinary shares (2)	728,876,260	746,204,855	729,183,064	744,224,581
Diluted earnings per share (2)	\$1.03	\$0.93	\$2.96	\$2.48

Diluted earnings per share assumes the redemption of all Accenture SCA Class I common shares owned by holders of noncontrolling interests and the exchange of all Accenture Canada Holdings Inc. exchangeable shares for

(1) Accenture plc Class A ordinary shares, on a one-for-one basis. The income effect does not take into account “Net income attributable to noncontrolling interests — other,” since those shares are not redeemable or exchangeable for Accenture plc Class A ordinary shares.

Fiscal 2011 diluted weighted average Accenture plc Class A ordinary shares and earnings per share amounts have (2) been restated to reflect the impact of the issuance of additional restricted share units to holders of restricted share units in connection with the payment of cash dividends.

## 3. INCOME TAXES

## Effective Tax Rate

The Company’s effective tax rates for the three months ended May 31, 2012 and 2011 were 28.5% and 27.0%, respectively. The Company’s effective tax rates for the nine months ended May 31, 2012 and 2011 were 26.0% and 27.4%, respectively. The effective tax rate for the three months ended May 31, 2012 was higher than the effective tax rate for the three months ended May 31, 2011, primarily as a result of increases to tax reserves and a number of factors that impact the geographic mix of income, partially offset by higher benefits related to final determinations and other adjustments to prior-year tax liabilities. The effective tax rate for the nine months ended May 31, 2012 was lower than

the effective tax rate for the nine months ended May 31, 2011, primarily as a result of higher benefits related to final determinations of tax liabilities for prior years, partially offset by increases in tax reserves.

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## ACCENTURE PLC

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

(In thousands of U.S. dollars, except share and per share amounts or as otherwise disclosed)

(Unaudited)

## 4. REORGANIZATION COSTS, NET

In fiscal 2001, the Company accrued reorganization liabilities in connection with its transition to a corporate structure. These liabilities included certain non-income tax liabilities, such as stamp taxes, as well as liabilities for certain individual income tax exposures related to the transfer of interests in certain entities to the Company as part of the reorganization. These primarily represent unusual and disproportionate individual income tax exposures assumed by certain, but not all, of the Company's shareholders and partners in certain tax jurisdictions specifically related to the transfer of their partnership interests in certain entities to the Company as part of the reorganization. (Prior to fiscal 2005, the Company referred to its highest-level employees with the "partner" title and the Company continues to use the term "partner" to refer to these persons in certain situations related to its reorganization and the period prior to its incorporation.) The Company identified certain shareholders and partners who may incur such unusual and disproportionate financial damage in certain jurisdictions. These include shareholders and partners who were subject to tax in their jurisdiction on items of income arising from the reorganization transaction that were not taxable for most other shareholders and partners. In addition, certain other shareholders and partners were subject to a different rate or amount of tax than other shareholders or partners in the same jurisdiction. When additional taxes are assessed on these shareholders or partners in connection with these transfers, the Company has made and intends to make payments, and in one country has contractually committed, to reimburse certain costs associated with the assessment either to the shareholder or partner, or to the taxing authority. The Company has recorded reorganization expense and the related liability where such liabilities are probable. Interest accruals are made to cover reimbursement of interest on such tax assessments.

The Company's reorganization activity was as follows:

	Three Months Ended May 31,		Nine Months Ended May 31,	
	2012	2011	2012	2011
Reorganization liability, beginning of period	\$287,913	\$296,169	\$307,286	\$271,907
Interest expense accrued	435	396	1,258	1,113
Foreign currency translation adjustments	(22,645)	) 13,243	(42,841)	) 36,788
Reorganization liability, end of period	\$265,703	\$309,808	\$265,703	\$309,808

As of May 31, 2012, reorganization liabilities of \$254,932 were included in Other accrued liabilities because expirations of statutes of limitations or other final determinations could occur within 12 months, and reorganization liabilities of \$10,771 were included in Other non-current liabilities. Timing of the resolution of tax audits or the initiation of additional litigation and/or criminal tax proceedings may delay final resolution. Final resolution, through settlement, conclusion of legal proceedings or a tax authority's decision not to pursue a claim, will result in payment by the Company of amounts in settlement or judgment of these matters and/or recording of a reorganization benefit or cost in the Company's Consolidated Income Statement. It is possible the aggregate amount of such payments in connection with resolution of all such proceedings could exceed the currently recorded amounts. As of May 31, 2012, only a small number of jurisdictions remain that have active audits/investigations or open statutes of limitations, and only one is significant (which is the country referenced above). In that country, current and former partners, and the Company, are engaged in disputes with tax authorities in connection with the corporate reorganization in 2001, some of which have resulted, and others of which are expected to result, in litigation. These individuals and the Company intend to vigorously defend their positions.

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## ACCENTURE PLC

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

(In thousands of U.S. dollars, except share and per share amounts or as otherwise disclosed)

(Unaudited)

## 5. BUSINESS COMBINATIONS AND GOODWILL

During the nine months ended May 31, 2012, the Company acquired the net assets of a provider of residential and commercial mortgage processing services. In addition, the Company completed four individually immaterial acquisitions. The total consideration for all acquisitions was \$173,684. In connection with these acquisitions, the Company recorded goodwill of \$118,964, which was allocated among the reportable operating segments. Goodwill also included immaterial adjustments related to recent acquisitions. The Company also recorded \$59,487 in intangible assets, primarily related to customer relationships. The intangible assets are being amortized over three to seven years. The pro forma effects on the Company's operations were not material.

The changes in the carrying amount of goodwill by reportable operating segment were as follows:

	August 31, 2011	Additions/ Adjustments	Foreign Currency Translation Adjustments	May 31, 2012
Communications, Media & Technology (1)	\$173,867	\$2,173	\$(9,619)	) \$166,421
Financial Services	304,720	110,870	(11,285)	) 404,305
Health & Public Service	286,158	1,273	(2,858)	) 284,573
Products	278,929	5,100	(16,617)	) 267,412
Resources	88,317	2,993	(8,343)	) 82,967
Total	\$1,131,991	\$122,409	\$(48,722)	) \$1,205,678

On September 1, 2011, the Company renamed the Communications & High Tech operating group to (1) Communications, Media & Technology. No amounts have been reclassified in any period in connection with this name change.

## 6. SHAREHOLDERS' EQUITY

## Comprehensive Income

Comprehensive income was as follows:

	Three Months Ended May 31, 2012	2011	Nine Months Ended May 31, 2012	2011
Comprehensive income attributable to Accenture plc	\$374,789	\$714,682	\$1,513,054	\$1,899,224
Comprehensive income attributable to noncontrolling interests	48,319	81,291	172,584	234,887
Total comprehensive income	\$423,108	\$795,973	\$1,685,638	\$2,134,111

## Dividends

The Company's dividend activity during the nine months ended May 31, 2012 was as follows:

Dividend Payment Date	Dividend Per Share	Accenture plc Class A Ordinary Shares		Accenture SCA Class I Common Shares and Accenture Canada Holdings Inc. Exchangeable Shares		Total Cash Outlay
		Record Date	Cash Outlay	Record Date	Cash Outlay	
November 15, 2011	\$0.675	October 14, 2011	\$432,615	October 11, 2011	\$42,281	\$474,896
May 15, 2012	0.675	April 13, 2012	435,736	April 10, 2012	40,225	475,961

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Total Dividends	\$868,351	\$ 82,506	\$950,857
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The payment of the cash dividends also resulted in the issuance of additional restricted share units to holders of restricted share units. Diluted weighted average Accenture plc Class A ordinary share amounts have been restated for all periods presented to reflect this issuance. For additional information, see Note 2 (Earnings Per Share).

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## ACCENTURE PLC

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

(In thousands of U.S. dollars, except share and per share amounts or as otherwise disclosed)

(Unaudited)

## 7. DERIVATIVE FINANCIAL INSTRUMENTS

The Company uses derivative financial instruments to manage foreign currency exchange rate risk. The Company's derivative financial instruments consist of deliverable and non-deliverable foreign currency forward contracts.

The activity related to the change in net unrealized (losses) gains on cash flow hedges, net of tax, in Accumulated other comprehensive loss was as follows:

	Nine Months Ended May 31,		
	2012	2011	
Net unrealized gains on cash flow hedges, net of tax, beginning of period	\$32,354	\$4,340	
Change in fair value, net of tax	(120,758	) 43,342	
Reclassification adjustments into Cost of services, net of tax	22,245	(9,820	)
Portion attributable to Noncontrolling interests, net of tax	8,167	(3,067	)
Net unrealized (losses) gains on cash flow hedges, net of tax, end of period	\$(57,992	) \$34,795	

As of May 31, 2012, \$(43,614) of the net unrealized loss on cash flow hedges is expected to be reclassified into earnings in the next 12 months. The ineffective portion of the change in fair value of a cash flow hedge is recognized immediately in Other (expense) income, net in the Consolidated Income Statement and, for the three and nine months ended May 31, 2012, was not material. In addition, the Company did not discontinue any cash flow hedges during the three and nine months ended May 31, 2012.

Realized gains or losses and changes in the estimated fair value of foreign currency forward contracts that have not been designated as hedges were a net loss of \$(116,407) and \$(201,267) for the three and nine months ended May 31, 2012, respectively. Realized gains or losses and changes in the estimated fair value of foreign currency forward contracts that have not been designated as hedges were a net gain of \$18,016 and \$84,994 for the three and nine months ended May 31, 2011, respectively. Net losses are offset by net foreign currency gains, including net gains related to the underlying balance sheet exposures, and are recorded in Other (expense) income, net in the Consolidated Income Statement.

## Fair Value of Derivative Instruments

The notional and fair values of all derivative instruments were as follows:

	May 31, 2012	August 31, 2011
Assets		
Cash Flow Hedges		
Other current assets	\$7,618	\$21,714
Other non-current assets	13,633	43,666
Other Derivatives		
Other current assets	6,278	13,863
Total assets	\$27,529	\$79,243
Liabilities		
Cash Flow Hedges		
Other accrued liabilities	\$81,582	\$4,649
Other non-current liabilities	39,112	698
Other Derivatives		
Other accrued liabilities	34,088	15,223

Total liabilities	\$154,782	\$20,570
Total fair value	\$(127,253)	) \$58,673
Total notional value	\$4,344,258	\$4,127,456



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ACCENTURE PLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

(In thousands of U.S. dollars, except share and per share amounts or as otherwise disclosed)

(Unaudited)

8. COMMITMENTS AND CONTINGENCIES

Commitments

The Company has the right to purchase or may also be required to purchase substantially all of the remaining outstanding shares of its Avanade Inc. subsidiary (“Avanade”) not owned by the Company at fair value if certain events occur. Certain holders of Avanade common stock and options to purchase the stock have put rights that, under certain circumstances and conditions, would require Avanade to redeem shares of its stock at fair value. As of May 31, 2012 and August 31, 2011, the Company has reflected the fair value of \$97,189 and \$113,143, respectively, related to Avanade’s redeemable common stock and the intrinsic value of the options on redeemable common stock in Other accrued liabilities on the Consolidated Balance Sheet.

Indemnifications and Guarantees

In the normal course of business and in conjunction with certain client engagements, the Company has entered into contractual arrangements through which it may be obligated to indemnify clients with respect to certain matters. The limitations of liability under these arrangements may be expressly limited or may not be expressly specified in terms of time and/or amount.

As of May 31, 2012 and August 31, 2011, the Company’s aggregate potential liability to its clients for expressly limited guarantees involving the performance of third parties was approximately \$960,000 and \$976,000, respectively, of which all but approximately \$266,000 and \$256,000, respectively, may be recovered from the other third parties if the Company is obligated to make payments to the indemnified parties that are the consequence of a performance default by the other third parties. For arrangements with unspecified limitations, the Company cannot reasonably estimate the aggregate maximum potential liability, as it is inherently difficult to predict the maximum potential amount of such payments, due to the conditional nature and unique facts of each particular arrangement.

To date, the Company has not been required to make any significant payment under any of the arrangements described above. The Company has assessed the current status of performance/payment risk related to arrangements with limited guarantees, unspecified limitations and/or indemnification provisions and believes that any potential payments would be immaterial to the Consolidated Financial Statements, as a whole.

Legal Contingencies

As of May 31, 2012, the Company or its present personnel had been named as a defendant in various litigation matters. The Company and/or its personnel also from time to time are involved in investigations by various regulatory or legal authorities concerning matters arising in the course of its business around the world. Based on the present status of these matters, management believes the range of reasonably possible losses in addition to amounts accrued, net of insurance recoveries, will not have a material effect on the Company’s results of operations or financial condition.

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## ACCENTURE PLC

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

(In thousands of U.S. dollars, except share and per share amounts or as otherwise disclosed)

(Unaudited)

## 9. SEGMENT REPORTING

The Company's reportable operating segments are the five operating groups, which are Communications, Media & Technology, Financial Services, Health & Public Service, Products and Resources. Information regarding the Company's reportable operating segments is as follows:

	Three Months Ended May 31, 2012		2011	
	Net Revenues	Operating Income	Net Revenues	Operating Income
Communications, Media & Technology (1)	\$1,505,403	\$232,548	\$1,443,188	\$195,631
Financial Services	1,502,473	216,451	1,441,626	262,180
Health & Public Service	1,088,353	115,666	971,277	70,363
Products	1,701,823	241,558	1,575,184	190,501
Resources	1,351,838	254,538	1,284,116	230,741
Other	4,800	—	4,724	—
Total	\$7,154,690	\$1,060,761	\$6,720,115	\$949,416

  

	Nine Months Ended May 31, 2012		2011	
	Net Revenues	Operating Income	Net Revenues	Operating Income
Communications, Media & Technology (1)	\$4,521,967	\$664,481	\$4,002,113	\$539,317
Financial Services	4,362,931	574,020	4,008,364	710,975
Health & Public Service	3,198,534	328,093	2,867,489	217,715
Products	4,955,972	644,590	4,344,871	473,547
Resources	3,971,914	720,014	3,583,449	606,374
Other	15,119	—	13,100	—
Total	\$21,026,437	\$2,931,198	\$18,819,386	\$2,547,928

On September 1, 2011, the Company renamed the Communications & High Tech operating group to

(1) Communications, Media & Technology. No amounts have been reclassified in any period in connection with this name change.

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ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with our Consolidated Financial Statements and related Notes included elsewhere in this Quarterly Report on Form 10-Q and in our Annual Report on Form 10-K for the year ended August 31, 2011, and with the information under the heading “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our Annual Report on Form 10-K for the year ended August 31, 2011.

We use the terms “Accenture,” “we,” the “Company,” “our” and “us” in this report to refer to Accenture plc and its subsidiaries. All references to years, unless otherwise noted, refer to our fiscal year, which ends on August 31. For example, a reference to “fiscal 2012” means the 12-month period that will end on August 31, 2012. All references to quarters, unless otherwise noted, refer to the quarters of our fiscal year.

We use the term “in local currency” so that certain financial results may be viewed without the impact of foreign currency exchange rate fluctuations, thereby facilitating period-to-period comparisons of business performance. Financial results “in local currency” are calculated by restating current period activity into U.S. dollars using the comparable prior year period’s foreign currency exchange rates. This approach is used for all results where the functional currency is not the U.S. dollar.

Disclosure Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 (the “Exchange Act”) relating to our operations, results of operations and other matters that are based on our current expectations, estimates, assumptions and projections. Words such as “may,” “will,” “should,” “likely,” “anticipates,” “expects,” “intends,” “plans,” “projects,” “believes,” “estimates” and similar expressions are used to identify these forward-looking statements. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. Forward-looking statements are based upon assumptions as to future events that may not prove to be accurate. Actual outcomes and results may differ materially from what is expressed or forecast in these forward-looking statements. Risks, uncertainties and other factors that might cause such differences, some of which could be material, include, but are not limited to:

- Our results of operations could be adversely affected by volatile, negative or uncertain economic conditions and the effects of these conditions on our clients’ businesses and levels of business activity.

- Our business depends on generating and maintaining ongoing, profitable client demand for our services and solutions, and a significant reduction in such demand could materially affect our results of operations.

If we are unable to keep our supply of skills and resources in balance with client demand around the world and attract and retain professionals with strong leadership skills, our business, the utilization rate of our professionals and our results of operations may be materially adversely affected.

- The consulting and outsourcing markets are highly competitive, and we might not be able to compete effectively. Our results of operations (including our net revenues and operating income) and the value of balance-sheet items originally denominated in other currencies could be materially adversely affected by unfavorable fluctuations in foreign currency exchange rates or changes to existing currencies.

- We could have liability or our reputation could be damaged if we fail to protect client and Accenture data or information systems as obligated by law or contract or if our information systems are breached.

- Our Global Delivery Network is increasingly concentrated in India and the Philippines, which may expose us to operational risks.

- As a result of our geographically diverse operations and our growth strategy to continue geographic expansion, we are more susceptible to certain risks.

- Our results of operations could materially suffer if we are not able to obtain sufficient pricing to enable us to meet our profitability expectations.

- If our pricing estimates do not accurately anticipate the cost, risk and complexity of performing our work or third parties upon which we rely do not meet their commitments, then our contracts could have delivery inefficiencies and

be unprofitable.

Our work with government clients exposes us to additional risks inherent in the government contracting environment,

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including risks related to governmental budget and debt constraints.

Our business could be materially adversely affected if we incur legal liability in connection with providing our services and solutions.

Our results of operations and ability to grow could be materially negatively affected if we cannot adapt and expand our services and solutions in response to ongoing changes in technology and offerings by new entrants.

Outsourcing services subject us to different operational risks than our consulting and systems integration services.

Our services or solutions could infringe upon the intellectual property rights of others or we might lose our ability to utilize the intellectual property of others.

We have only a limited ability to protect our intellectual property rights, which are important to our success.

Our ability to attract and retain business and employees may depend on our reputation in the marketplace.

Our alliance relationships may not be successful or may change, which could adversely affect our results of operations.

We may not be successful at identifying, acquiring or integrating other businesses.

Our profitability could suffer if our cost-management strategies are unsuccessful, and we may not be able to improve our profitability through improvements to cost-management to the degree we have done in the past.

Many of our contracts include performance payments that link some of our fees to the attainment of performance or business targets and/or require us to meet specific service levels. This could increase the variability of our revenues and impact our margins.

Changes in our level of taxes, and audits, investigations and tax proceedings, or changes in our treatment as an Irish company, could have a material adverse effect on our results of operations and financial condition.

If we are unable to manage the organizational challenges associated with our size, we might be unable to achieve our business objectives.

- If we are unable to collect our receivables or unbilled services, our results of operations, financial condition and cash flows could be adversely affected.

Our share price and results of operations could fluctuate and be difficult to predict.

Our results of operations and share price could be adversely affected if we are unable to maintain effective internal controls.

We are incorporated in Ireland and a significant portion of our assets are located outside the United States. As a result, it might not be possible for shareholders to enforce civil liability provisions of the federal or state securities laws of the United States. We may also be subject to criticism and negative publicity related to our incorporation in Ireland.

Irish law differs from the laws in effect in the United States and might afford less protection to shareholders.

We might be unable to access additional capital on favorable terms or at all. If we raise equity capital, it may dilute our shareholders' ownership interest in us.

For a more detailed discussion of these factors, see the information under the heading "Risk Factors" in our Annual Report on Form 10-K for the year ended August 31, 2011. We undertake no obligation to update or revise any forward-looking statements.

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### Overview

Revenues are driven by the ability of our executives to secure new contracts and to deliver solutions and services that add value relevant to our clients' current needs and challenges. The level of revenues we achieve is based on our ability to deliver market-leading service offerings and to deploy skilled teams of professionals quickly and on a global basis. Our results of operations can be affected by economic conditions, including macroeconomic conditions, credit market conditions and levels of business confidence. There continues to be significant volatility in markets around the world, as well as economic and geopolitical uncertainty in many of the markets where we operate, particularly in Europe. Such volatility and uncertainty could adversely affect our clients and the levels of business activities in some industries and geographies where we operate, which may reduce demand for our services. This has impacted the types of services our clients are demanding; for example, clients are requesting a higher volume of outsourcing services and placing a greater emphasis on cost savings initiatives. These changing demand patterns could have a material adverse effect on our new contract bookings and results of operations. We continue to monitor this volatility and uncertainty and our costs in order to respond to changing conditions.

Revenues before reimbursements ("net revenues") for the third quarter of fiscal 2012 were \$7.15 billion, compared with \$6.72 billion for the third quarter of fiscal 2011, an increase of 6% in U.S. dollars and 9% in local currency. Net revenues for the nine months ended May 31, 2012 were \$21.03 billion, compared with \$18.82 billion for the nine months ended May 31, 2011, an increase of 12% in both U.S. dollars and local currency. All of our operating groups experienced year-over-year revenue growth in local currency during the third quarter of fiscal 2012. Revenue growth was very strong in outsourcing and moderated significantly in consulting during the third quarter of fiscal 2012. We expect the level of year-over-year growth to continue to moderate in the fourth quarter of fiscal 2012, particularly in consulting, and vary across operating groups and geographic regions, with strong growth in certain areas of our business, more than offsetting lower growth or declines in other areas. In addition, a majority of our net revenues are denominated in currencies other than the U.S. dollar, including the Euro and U.K. pound. Unfavorable fluctuations in foreign currency exchange rates could have a material adverse effect on our revenues.

In our consulting business, net revenues for the third quarter of fiscal 2012 were \$3.97 billion, flat in U.S. dollars and an increase of 3% in local currency, compared with the third quarter of fiscal 2011. Net consulting revenues for the nine months ended May 31, 2012 were \$11.82 billion, compared with \$11.04 billion for the nine months ended May 31, 2011, an increase of 7% in both U.S. dollars and local currency. Consulting revenue growth moderated significantly in the third quarter of fiscal 2012 and included a decline in EMEA. Three of our five operating groups, including Health & Public Service, Products and Resources, experienced quarterly year-over-year revenue growth in local currency, while Communications, Media & Technology experienced a significant decline and Financial Services experienced a slight decline in quarterly year-over-year revenue. In our consulting business overall, clients are exercising caution by not commencing new large consulting commitments and by reducing the volume of small projects. This has led to lower demand for our consulting services, and we expect this trend to continue. Clients continued to be focused on initiatives designed to deliver cost savings and operational efficiency, as well as projects to integrate their global operations and grow and transform their businesses. We are also experiencing growing demand for our services in emerging technologies, including cloud, analytics and mobility. Compared to fiscal 2011, we continued to provide a greater proportion of systems integration consulting through use of lower-cost resources in our Global Delivery Network. This trend is resulting in work volume growing faster than revenues, and we expect this trend to continue. While the business environment remained competitive, pricing was relatively stable, and we saw some improvement in certain areas of our business.

In our outsourcing business, net revenues for the third quarter of fiscal 2012 were \$3.19 billion, compared with \$2.75 billion for the third quarter of fiscal 2011, an increase of 16% in U.S. dollars and 19% in local currency. Net outsourcing revenues for the nine months ended May 31, 2012 were \$9.20 billion, compared with \$7.78 billion for the nine months ended May 31, 2011, an increase of 18% in U.S. dollars and 19% in local currency. All five of our operating groups experienced double-digit year-over-year outsourcing revenue growth in local currency during the third quarter of fiscal 2012, reflecting significant growth in Communications, Media & Technology and Financial Services and strong growth in Health & Public Service, Products and Resources. This strong demand for outsourcing

services resulted in a greater proportion of revenues in outsourcing, particularly in Communications, Media & Technology and Financial Services, and this trend is expected to continue. Clients continue to be focused on transforming their operations to improve effectiveness and save costs. Growth in outsourcing was driven by higher volumes, scope and geographic expansions and new work at existing clients, as well as services for new clients. Compared to fiscal 2011, we provided a greater proportion of application outsourcing through use of lower-cost resources in our Global Delivery Network.

As we are a global company, our revenues are denominated in multiple currencies and may be significantly affected by currency exchange-rate fluctuations. If the U.S. dollar weakens against other currencies, resulting in favorable currency

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translation, our revenues and revenue growth in U.S. dollars may be higher. If the U.S. dollar strengthens against other currencies, resulting in unfavorable currency translation, our revenues and revenue growth in U.S. dollars may be lower. When compared to the third quarter of fiscal 2011, the U.S. dollar strengthened against many currencies during the third quarter of fiscal 2012. This resulted in unfavorable currency translation and U.S. dollar revenue growth that was approximately 3% lower than our revenue growth in local currency for the third quarter of fiscal 2012. When compared to the nine months ended May 31, 2011, there was no aggregate foreign currency translation impact during the nine months ended May 31, 2012, resulting in U.S. dollar revenue growth that was the same as our revenue growth in local currency. However, assuming that exchange rates stay within recent ranges for the remainder of fiscal 2012, we estimate the foreign-exchange impact to our full fiscal 2012 revenue growth will be approximately 2% lower growth in U.S. dollars than our growth in local currency.

The primary categories of operating expenses include cost of services, sales and marketing and general and administrative costs. Cost of services is primarily driven by the cost of client-service personnel, which consists mainly of compensation, subcontractor and other personnel costs, and non-payroll outsourcing costs. Cost of services as a percentage of revenues is driven by the prices we obtain for our solutions and services, the utilization of our client-service personnel and the level of non-payroll costs associated with new outsourcing contracts. Utilization primarily represents the percentage of our consulting professionals' time spent on billable work. Utilization for the third quarter of fiscal 2012 was approximately 87%, flat with the second quarter of fiscal 2012, and within our target range. This level of utilization reflects continued strong demand for resources in our Global Delivery Network and in most countries. We continue to hire to meet current and projected future demand.

We proactively plan and manage the size and composition of our workforce and take actions as needed to address changes in the anticipated demand for our services, given that payroll costs are the most significant portion of our operating expenses. Based on current and projected future demand, we have increased our headcount, the majority of which serve our clients, to more than 249,000 as of May 31, 2012, up slightly from approximately 246,000 as of February 29, 2012 and up from 223,000 as of May 31, 2011. The year-over-year increase in our headcount reflects an overall increase in demand for our services, including those delivered through our Global Delivery Network in lower-cost locations. Annualized attrition, excluding involuntary terminations, for the third quarter of fiscal 2012 was 13%, up from 12% in the second quarter of fiscal 2012 and down from 15% in the third quarter of fiscal 2011. We adjust levels of new hiring, evaluate voluntary attrition and use involuntary terminations as means to keep our supply of skills and resources in balance with increases or decreases in client demand. In addition, we also adjust compensation in certain skill sets and geographies in order to attract and retain appropriate numbers of qualified employees, and we may need to continue to adjust compensation in the future. For the majority of our personnel, compensation increases for fiscal 2012 became effective September 1, 2011. As in prior fiscal years, we strive to adjust pricing and/or the mix of resources to reduce the impact of compensation increases on our gross margin. Our ability to grow our revenues and increase our margins could be adversely affected if we are unable to keep our supply of skills and resources in balance with client demand, mobilize our employees globally on a timely basis, manage attrition, recover increases in compensation and/or effectively assimilate and utilize new employees.

Gross margin (Net revenues less Cost of services before reimbursable expenses as a percentage of Net revenues) for the third quarter of fiscal 2012 was 33.1%, compared with 34.4% for the third quarter of fiscal 2011. Gross margin for the nine months ended May 31, 2012 was 32.0%, compared with 32.8% for the nine months ended May 31, 2011.

Gross margin for the nine months ended May 31, 2012 was lower than for the nine months ended May 31, 2011, principally due to higher payroll costs as a percentage of net revenues, including costs associated with investments in offerings and acquisitions, holiday time and pre-contract costs, partially offset by higher contract profitability.

Sales and marketing and general and administrative costs as a percentage of net revenues were 18.3% for the third quarter of fiscal 2012 and 18.1% for the nine months ended May 31, 2012, compared with 20.2% for the third quarter of fiscal 2011 and 19.2% for the nine months ended May 31, 2011. Sales and marketing costs are driven primarily by compensation costs for business-development activities, investment in offerings, and marketing- and advertising-related activities. General and administrative costs primarily include costs for non-client-facing personnel, information systems and office space. We continuously monitor these costs and implement cost-management actions,



as appropriate. These actions include performing a greater proportion of general and administrative activities in lower-cost locations. For the nine months ended May 31, 2012 compared to the nine months ended May 31, 2011, sales and marketing costs as a percentage of net revenues decreased 40 basis points, while general and administrative costs as a percentage of net revenues decreased 80 basis points. These decreases were principally due to growth of these costs at a rate lower than that of net revenues. In addition, during fiscal 2011, we recorded a provision for litigation matters for \$75 million, or 0.4% of net revenues, which was partially offset by a reduction in the allowance for client receivables and unbilled services. Our margins could be adversely affected if our cost-management actions are not sufficient to maintain sales and marketing and general and administrative costs at or below current levels as a percentage of net revenues.

Operating income for the third quarter of fiscal 2012 was \$1,061 million, compared with \$949 million for the third quarter

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of fiscal 2011. Operating income for the nine months ended May 31, 2012 was \$2,931 million, compared with \$2,548 million for the nine months ended May 31, 2011. Operating margin (Operating income as a percentage of Net revenues) for the third quarter of fiscal 2012 was 14.8%, compared with 14.1% for the third quarter of fiscal 2011. Operating margin for the nine months ended May 31, 2012 was 13.9%, compared with 13.5% for the nine months ended May 31, 2011.

Our Operating income and Earnings per share are also affected by currency exchange-rate fluctuations on revenues and costs. Most of our costs are incurred in the same currency as the related net revenues. Where practical, we also seek to manage foreign currency exposure for costs not incurred in the same currency as the related net revenues, such as the cost of our Global Delivery Network, by using currency protection provisions in our customer contracts and through our hedging programs. We seek to manage our costs taking into consideration the residual positive and negative effects of changes in foreign exchange rates on those costs.

### Bookings and Backlog

New contract bookings for the third quarter of fiscal 2012 were \$7.29 billion, with consulting bookings of \$4.05 billion and outsourcing bookings of \$3.24 billion. New contract bookings for the nine months ended May 31, 2012 were \$23.02 billion, with consulting bookings of \$12.34 billion and outsourcing bookings of \$10.68 billion.

We provide information regarding our new contract bookings because we believe doing so provides useful trend information regarding changes in the volume of our new business over time. However, new bookings can vary significantly quarter to quarter depending in part on the timing of the signing of a small number of large outsourcing contracts. Clients continue to seek flexibility by using a phased approach to contracting work. Information regarding our new bookings is not comparable to, nor should it be substituted for, an analysis of our revenues over time. There are no third-party standards or requirements governing the calculation of bookings. New contract bookings involve estimates and judgments regarding new contracts as well as renewals, extensions and changes to existing contracts. We do not update our new bookings for material subsequent terminations or reductions related to bookings originally recorded in prior fiscal years. New contract bookings are recorded using then-existing foreign currency exchange rates and are not subsequently adjusted for foreign currency exchange rate fluctuations.

The majority of our contracts are terminable by the client on short notice, and some without notice. Accordingly, we do not believe it is appropriate to characterize bookings attributable to these contracts as backlog. Normally, if a client terminates a project, the client remains obligated to pay for commitments we have made to third parties in connection with the project, services performed and reimbursable expenses incurred by us through the date of termination.

### Revenues by Segment/Operating Group

Our five reportable operating segments are our operating groups, which are Communications, Media & Technology, Financial Services, Health & Public Service, Products and Resources. Operating groups are managed on the basis of net revenues because our management believes net revenues are a better indicator of operating group performance than revenues. In addition to reporting net revenues by operating group, we also report net revenues by two types of work: consulting and outsourcing, which represent the services sold by our operating groups. Consulting net revenues, which include management and technology consulting and systems integration, reflect a finite, distinct project or set of projects with a defined outcome and typically a defined set of specific deliverables. Outsourcing net revenues typically reflect ongoing, repeatable services or capabilities provided to transition, run and/or manage operations of client systems or business functions.

From time to time, our operating groups work together to sell and implement certain contracts. The resulting revenues and costs from these contracts may be apportioned among the participating operating groups. Generally, operating expenses for each operating group have similar characteristics and are subject to the same factors, pressures and challenges. However, the economic environment and its effects on the industries served by our operating groups affect revenues and operating expenses within our operating groups to differing degrees. The mix between consulting and outsourcing is not uniform among our operating groups. Local currency fluctuations also tend to affect our operating groups differently, depending on the geographic concentrations and locations of their businesses.

While we provide discussion about our results of operations below, we cannot measure how much of our revenue growth in a particular period is attributable to changes in price or volume. Management does not track standard measures of unit or rate volume. Instead, our measures of volume and price are extremely complex, as each of our services contracts is unique, reflecting a customized mix of specific services that does not fit into standard comparability measurements. Pricing for our services is a function of the nature of each service to be provided, the skills required and outcome sought, as well as estimated cost, risk, contract terms and other factors.

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## Results of Operations for the Three Months Ended May 31, 2012 Compared to the Three Months Ended May 31, 2011

Net revenues (by operating group, geographic region and type of work) and reimbursements were as follows:

	Three Months Ended May 31,		Percent Increase (Decrease) U.S. Dollars	Percent Increase Local Currency	Percent of Total Net Revenues for the Three Months Ended May 31,		
	2012	2011			2012	2011	
(in millions of U.S. dollars)							
<b>OPERATING GROUPS</b>							
Communications, Media & Technology (1)	\$1,505	\$1,443	4	% 8	% 21	% 22	%
Financial Services	1,502	1,442	4	8	21	22	
Health & Public Service	1,088	971	12	13	15	14	
Products	1,702	1,575	8	11	24	23	
Resources	1,352	1,284	5	8	19	19	
Other	5	5	n/m	n/m	—	—	
TOTAL NET REVENUES (2)	7,155	6,720	6	% 9	% 100	% 100	%
Reimbursements	486	484	—				
TOTAL REVENUES	\$7,641	\$7,204	6	%			
<b>GEOGRAPHIC REGIONS</b>							
Americas	\$3,227	\$2,921	10	% 12	% 45	% 43	%
EMEA (3)	2,907	2,935	(1)	) 4	41	44	
Asia Pacific	1,021	865	18	18	14	13	
TOTAL NET REVENUES (2)	\$7,155	\$6,720	6	% 9	% 100	% 100	%
<b>TYPE OF WORK</b>							
Consulting	\$3,965	\$3,966	—	% 3	% 55	% 59	%
Outsourcing	3,189	2,754	16	19	45	41	
TOTAL NET REVENUES (2)	\$7,155	\$6,720	6	% 9	% 100	% 100	%

n/m = not meaningful

(1) On September 1, 2011, we renamed the Communications & High Tech operating group to Communications, Media & Technology. No amounts have been reclassified in any period in connection with this name change.

(2) May not total due to rounding.

(3) EMEA includes Europe, the Middle East and Africa.

#### Net Revenues

Outsourcing revenue growth in local currency during the third quarter of fiscal 2012 was very strong and comparable to the growth we experienced during the first and second quarters of 2012. Consulting revenue growth in local currency moderated significantly during the third quarter of fiscal 2012 compared to the first and second quarters of fiscal 2012. All five of our operating groups experienced double-digit year-over-year outsourcing revenue growth in local currency during the third quarter of fiscal 2012. Health & Public Service experienced strong growth in consulting revenues in local currency during the third quarter of fiscal 2012, while quarterly year-over-year consulting revenue growth in local currency either moderated or declined for all other operating groups.

The following net revenues commentary discusses local currency net revenue changes for the third quarter of fiscal 2012 compared to the third quarter of fiscal 2011:

#### Operating Groups

Communications, Media & Technology net revenues increased 8% in local currency. Outsourcing revenues reflected significant growth, led by Electronics & High Tech in EMEA, principally due to a significant short-term increase

from one contract. We also experienced strong outsourcing growth in Communications in EMEA and Asia Pacific. Consulting revenues declined significantly, driven by a decline in all industry groups in EMEA and Communications in Americas, partially offset by growth in Electronics & High Tech in Americas. Some of our clients, particularly in EMEA, are exercising more caution by reducing and/or deferring their investment in consulting

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projects, which is having a negative impact on our consulting revenues, and we expect this to continue.

Financial Services net revenues increased 8% in local currency. Outsourcing revenues reflected very significant growth, driven by all industry groups in Americas and Asia Pacific. Consulting revenues declined slightly, primarily driven by declines in Banking and Capital Markets in EMEA, partially offset by strong growth in Insurance across all geographic regions and Banking in Asia Pacific. The uncertainty in the banking and capital markets industries continued to impact our consulting revenue growth in the third quarter of fiscal 2012.

Health & Public Service net revenues increased 13% in local currency. Outsourcing revenues reflected very strong growth, driven by Public Service across all geographic regions, and Health, led by Americas. Consulting revenues reflected strong growth, driven by Health across all geographic regions and Public Service in Asia Pacific. The global uncertainty and challenges in the public sector continued to have an impact on demand in our public service business.

Products net revenues increased 11% in local currency. Outsourcing revenues reflected very strong growth, driven by growth across all geographic regions and most industry groups, led by Retail and Life Sciences. Consulting revenues reflected growth, driven by all industry groups in Americas and Industrial Equipment and Life Sciences in Asia Pacific, partially offset by a decline in most industry groups in EMEA.

Resources net revenues increased 8% in local currency. Outsourcing revenues reflected strong growth, driven by very strong growth across all geographic regions in Energy and Natural Resources. Consulting revenues reflected growth, driven by Energy across all geographic regions and Natural Resources in Asia Pacific, partially offset by a decline in Natural Resources in Americas and Utilities in EMEA.

### Geographic Regions

Americas net revenues increased 12% in local currency, led by the United States and Brazil.

EMEA net revenues increased 4% in local currency, driven by growth in Finland and the Netherlands. In general, there was significant revenue growth moderation across EMEA, particularly in Italy and Germany, while we experienced declines in France, Switzerland and the United Kingdom.

Asia Pacific net revenues increased 18% in local currency, led by Australia, Japan, South Korea, China and Singapore.

### Operating Expenses

Operating expenses for the third quarter of fiscal 2012 were \$6,580 million, an increase of \$325 million, or 5%, over the third quarter of fiscal 2011, and decreased as a percentage of revenues to 86.1% from 86.8% during this period.

Operating expenses before reimbursable expenses for the third quarter of fiscal 2012 were \$6,094 million, an increase of \$323 million, or 6%, over the third quarter of fiscal 2011, and decreased as a percentage of net revenues to 85.2% from 85.9% during this period.

### Cost of Services

Cost of services for the third quarter of fiscal 2012 was \$5,270 million, an increase of \$375 million, or 8%, over the third quarter of fiscal 2011, and increased as a percentage of revenues to 69.0% from 67.9% during this period. Cost of services before reimbursable expenses for the third quarter of fiscal 2012 was \$4,784 million, an increase of \$373 million, or 8%, over the third quarter of fiscal 2011, and increased as a percentage of net revenues to 66.9% from 65.6% during this period. Gross margin for the third quarter of fiscal 2012 decreased to 33.1% from 34.4% for the third quarter of fiscal 2011, principally due to higher payroll costs as a percentage of net revenues, including pre-contract costs, holiday time and costs associated with investments in offerings and acquisitions, partially offset by higher contract profitability.

### Sales and Marketing

Sales and marketing expense for the third quarter of fiscal 2012 was \$854 million, an increase of \$22 million, or 3%, over the third quarter of fiscal 2011, and decreased as a percentage of net revenues to 11.9% from 12.4% during this period. The decrease as a percentage of net revenues was due to growth of business development costs at a rate lower than that of net revenues.

### General and Administrative Costs

General and administrative costs for the third quarter of fiscal 2012 were \$455 million, a decrease of \$72 million, or 14%, from the third quarter of fiscal 2011, and decreased as a percentage of net revenues to 6.4% from 7.8% during

this period. The decrease as a percentage of net revenues was principally due to the impact of the provision for litigation matters for \$75 million, or 1.1% of net revenues, recorded in the third quarter of fiscal 2011, as well as management of other general and administrative costs at a growth rate lower than that of net revenues.

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## Operating Income and Operating Margin

Operating income for the third quarter of fiscal 2012 was \$1,061 million, an increase of \$111 million, or 12%, over the third quarter of fiscal 2011, and increased as a percentage of net revenues to 14.8% from 14.1% during this period. Operating income and operating margin for each of the operating groups were as follows:

	Three Months Ended May 31,				
	2012		2011		
	Operating	Operating	Operating	Operating	Increase
	Income	Margin	Income	Margin	(Decrease) (2)
	(in millions of U.S. dollars)				
Communications, Media & Technology (1)	\$ 233	15	% \$ 196	14	% \$ 37
Financial Services	216	14	262	18	(46 )
Health & Public Service	116	11	70	7	45
Products	242	14	191	12	51
Resources	255	19	231	18	24
Total (2)	\$ 1,061	14.8	% \$ 949	14.1	% \$ 111

(1) On September 1, 2011, we renamed the Communications & High Tech operating group to Communications, Media & Technology. No amounts have been reclassified in any period in connection with this name change.

(2) May not total due to rounding.

During the third quarter of fiscal 2011, each operating group recorded a portion of the provision for litigation matters. In addition, during the third quarter of fiscal 2012, each operating group benefited from our management of other general and administrative costs at a growth rate lower than that of net revenues. The commentary below provides additional insight into operating group performance and operating margin for the third quarter of fiscal 2012, compared with the third quarter of fiscal 2011, exclusive of these impacts.

Communications, Media & Technology operating income increased, primarily due to outsourcing revenue growth, principally related to a significant short-term increase from one contract.

Financial Services operating income decreased, primarily due to higher pre-contract costs, a lower proportion of high margin consulting work and costs related to recent acquisitions, partially offset by strong outsourcing revenue growth.

Health & Public Service operating income increased due to revenue growth and lower sales and marketing costs as a percentage of net revenues.

Products operating income increased, primarily driven by revenue growth and improved consulting contract profitability.

Resources operating income increased, primarily driven by revenue growth.



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Provision for Income Taxes

The effective tax rate for the third quarter of fiscal 2012 was 28.5%, compared with 27.0% for the third quarter of fiscal 2011. The effective tax rate was higher in the third quarter of fiscal 2012 primarily as a result of increases to tax reserves and a number of factors that impact the geographic mix of income, partially offset by higher benefits related to final determinations and other adjustments to prior year tax liabilities.

Our provision for income taxes is based on many factors and subject to volatility year to year. We expect the fiscal 2012 annual effective tax rate to be in the range of 27% to 28%. The fiscal 2011 annual effective tax rate was 27.3%.

Net Income Attributable to Noncontrolling Interests

Net income attributable to noncontrolling interests for the third quarter of fiscal 2012 was \$74 million, an increase of \$3 million, or 4%, over the third quarter of fiscal 2011. The increase was due to higher Net income of \$64 million, offset by a reduction in the Accenture SCA Class I common shares and Accenture Canada Holdings Inc. exchangeable shares average noncontrolling ownership interest to 8% for the third quarter of fiscal 2012 from 9% for the third quarter of fiscal 2011.

Earnings Per Share

Diluted earnings per share were \$1.03 for the third quarter of fiscal 2012, compared with \$0.93 for the third quarter of fiscal 2011. The \$0.10 increase in our earnings per share was due to increases of \$0.10 from higher revenues and operating results and \$0.02 from lower weighted average shares outstanding, compared with the third quarter of fiscal 2011. These increases were partially offset by a decrease of \$0.02 from a higher effective tax rate. For information regarding our earnings per share calculations, see Note 2 (Earnings Per Share) to our Consolidated Financial Statements under Item 1, "Financial Statements."

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Results of Operations for the Nine Months Ended May 31, 2012 Compared to the Nine Months Ended May 31, 2011  
Net revenues (by operating group, geographic region and type of work) and reimbursements were as follows:

	Nine Months Ended May 31, 2012                      2011 (in millions of U.S. dollars)		Percent Increase U.S. Dollars	Percent Increase Local Currency	Percent of Total Net Revenues for the Nine Months Ended May 31, 2012                      2011			
OPERATING GROUPS								
Communications, Media & Technology (1)	\$4,522	\$4,002	13	% 13	% 21	% 21	%	
Financial Services	4,363	4,008	9	9	21	22		
Health & Public Service	3,199	2,867	12	11	15	15		
Products	4,956	4,345	14	14	24	23		
Resources	3,972	3,583	11	11	19	19		
Other	15	13	n/m	n/m	—	—		
TOTAL NET REVENUES (2)	21,026	18,819	12	% 12	% 100	% 100	%	
Reimbursements	1,463	1,359	8					
TOTAL REVENUES (2)	\$22,490	\$20,179	11	%				
GEOGRAPHIC REGIONS								
Americas	\$9,329	\$8,230	13	% 14	% 44	% 44	%	
EMEA	8,713	8,164	7	8	42	43		
Asia Pacific	2,984	2,426	23	19	14	13		
TOTAL NET REVENUES (2)	\$21,026	\$18,819	12	% 12	% 100	% 100	%	
TYPE OF WORK								
Consulting	\$11,824	\$11,043	7	% 7	% 56	% 59	%	
Outsourcing	9,202	7,776	18	19	44	41		
TOTAL NET REVENUES	\$21,026	\$18,819	12	% 12	% 100	% 100	%	

n/m = not meaningful

(1) On September 1, 2011, we renamed the Communications & High Tech operating group to Communications, Media & Technology. No amounts have been reclassified in any period in connection with this name change.

(2) May not total due to rounding.

#### Net Revenues

Revenue growth was very strong in outsourcing and moderated in consulting during the nine months ended May 31, 2012 compared to the nine months ended May 31, 2011. All five of our operating groups experienced double-digit year-over-year outsourcing revenue growth in local currency during the nine months ended May 31, 2012 compared to the nine months ended May 31, 2011. Products, Health & Public Service and Resources experienced strong growth in consulting revenues in local currency and Financial Services and Communications, Media & Technology experienced slight growth in consulting revenues in local currency during the nine months ended May 31, 2012 compared to the nine months ended May 31, 2011.

The following net revenues commentary discusses local currency net revenue changes for the nine months ended May 31, 2012 compared to the nine months ended May 31, 2011:

#### Operating Groups

Communications, Media & Technology net revenues increased 13% in local currency. Outsourcing revenues reflected significant growth, led by Electronics & High Tech in EMEA, principally due to a significant short-term increase from one contract. We also experienced outsourcing growth in Communications across all geographic regions.

Consulting revenues reflected slight growth, driven by growth in Communications and Media & Entertainment in Americas and Electronics & High Tech in Asia Pacific, partially offset by a decline in Communications in EMEA. Some of our clients, particularly in EMEA, are exercising more caution by reducing and/or deferring their investment in consulting projects, which is having a negative impact on our consulting revenues, and we expect this to continue. Financial Services net revenues increased 9% in local currency. Outsourcing revenues reflected significant growth,

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driven by all industry groups in Americas and Asia Pacific and Capital Markets in EMEA. Consulting revenues reflected slight growth, driven by very strong growth in Insurance across all geographic regions, partially offset by declines in Banking and Capital Markets in EMEA and Americas. The uncertainty in the banking and capital markets industries continued to impact our consulting revenue growth during the nine months ended May 31, 2012.

Health & Public Service net revenues increased 11% in local currency. Consulting revenues reflected strong growth, led by Health in Americas and Asia Pacific. Outsourcing revenues reflected strong growth, driven by Health, led by Americas, and Public Service, led by EMEA and Asia Pacific. Outsourcing revenues during the nine months ended May 31, 2011 reflected revenues recognized upon favorable resolution of billing holdbacks on certain contracts with United States government agencies. The global uncertainty and challenges in the public sector continued to have an impact on demand in our public service business.

Products net revenues increased 14% in local currency. Consulting revenues reflected strong growth, driven primarily by growth across all industry groups in Americas and most industry groups in Asia Pacific. By industry group, growth was led by Retail, Industrial Equipment and Automotive. Outsourcing revenues reflected very strong growth, driven by growth across all geographic regions and most industry groups, led by Air, Freight & Travel Services, Life Sciences and Retail.

Resources net revenues increased 11% in local currency. Consulting revenues reflected strong growth, driven by Energy across all geographic regions and Natural Resources in Asia Pacific and EMEA, partially offset by a decline in Natural Resources in Americas. Outsourcing revenues reflected strong growth across all geographic regions and most industry groups, led by Energy and Natural Resources.

### Geographic Regions

Americas net revenues increased 14% in local currency, led by the United States and Brazil.

EMEA net revenues increased 8% in local currency, driven by growth in Finland, the United Kingdom, the Netherlands and Italy. In general, there was significant revenue growth moderation across EMEA in the third quarter of fiscal 2012.

Asia Pacific net revenues increased 19% in local currency, led by Australia, Japan, China, Singapore and South Korea.

### Operating Expenses

Operating expenses for the nine months ended May 31, 2012 were \$19,559 million, an increase of \$1,928 million, or 11%, over the nine months ended May 31, 2011, and decreased as a percentage of revenues to 87.0% from 87.4% during this period. Operating expenses before reimbursable expenses for the nine months ended May 31, 2012 were \$18,095 million, an increase of \$1,824 million, or 11%, over the nine months ended May 31, 2011, and decreased as a percentage of net revenues to 86.1% from 86.5% during this period.

### Cost of Services

Cost of services for the nine months ended May 31, 2012 was \$15,751 million, an increase of \$1,743 million, or 12%, over the nine months ended May 31, 2011, and increased as a percentage of revenues to 70.0% from 69.4% during this period. Cost of services before reimbursable expenses for the nine months ended May 31, 2012 was \$14,288 million, an increase of \$1,640 million, or 13%, over the nine months ended May 31, 2011, and increased as a percentage of net revenues to 68.0% from 67.2% during this period. Gross margin for the nine months ended May 31, 2012 decreased to 32.0% from 32.8% for the nine months ended May 31, 2011, principally due to higher payroll costs as a percentage of net revenues, including costs associated with investments in offerings and acquisitions, holiday time and pre-contract costs, partially offset by higher contract profitability.

### Sales and Marketing

Sales and marketing expense for the nine months ended May 31, 2012 was \$2,464 million, an increase of \$191 million, or 8%, over the nine months ended May 31, 2011, and decreased as a percentage of net revenues to 11.7% from 12.1% during this period. The decrease as a percentage of net revenues was due to growth of business development costs at a rate lower than that of net revenues.

### General and Administrative Costs

General and administrative costs for the nine months ended May 31, 2012 were \$1,342 million, a decrease of \$7 million, or 1%, from the nine months ended May 31, 2011, and decreased as a percentage of net revenues to 6.4% from 7.2% during this period. The decrease as a percentage of net revenues was due to management of these costs at a growth rate lower than that of net revenues. In addition, during fiscal 2011, we recorded a provision for litigation matters for \$75 million, or 0.4% of net revenues, which was partially offset by a reduction in the allowance for client receivables and unbilled services.

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## Operating Income and Operating Margin

Operating income for the nine months ended May 31, 2012 was \$2,931 million, an increase of \$383 million, or 15%, over the nine months ended May 31, 2011, and increased as a percentage of net revenues to 13.9% from 13.5% during this period. Operating income and operating margin for each of the operating groups were as follows:

	Nine Months Ended May 31, 2012		2011		
	Operating Income	Operating Margin	Operating Income	Operating Margin	Increase (Decrease)
	(in millions of U.S. dollars)				
Communications, Media & Technology (1)	\$664	15	% \$539	13	% \$125
Financial Services	574	13	711	18	(137)
Health & Public Service	328	10	218	8	110
Products	645	13	474	11	171
Resources	720	18	606	17	114
Total	\$2,931	13.9	% \$2,548	13.5	% \$383

(1) On September 1, 2011, we renamed the Communications & High Tech operating group to Communications, Media & Technology. No amounts have been reclassified in any period in connection with this name change. During the nine months ended May 31, 2012, each operating group benefited from our management of general and administrative costs at a growth rate lower than that of net revenues. In addition, during fiscal 2011, each operating group recorded a portion of the provision for litigation matters, partially offset by a reduction in the allowance for client receivables and unbilled services. The commentary below provides additional insight into operating group performance and operating margin for the nine months ended May 31, 2012, compared with the nine months ended May 31, 2011, exclusive of these impacts.

Communications, Media & Technology operating income increased, primarily due to outsourcing revenue growth, principally related to a significant short-term increase from one contract.

Financial Services operating income decreased, primarily due to a lower proportion of high margin consulting work, costs related to recent acquisitions and higher sales and marketing costs as a percentage of net revenues, partially offset by strong outsourcing revenue growth.

Health & Public Service operating income increased due to revenue growth, improved consulting contract profitability and lower sales and marketing costs as a percentage of net revenues. Operating income during the nine months ended May 31, 2011 included revenues recognized upon favorable resolution of billing holdbacks on certain contracts with United States government agencies.

Products operating income increased, primarily driven by revenue growth and improved consulting and outsourcing contract profitability.

Resources operating income increased, primarily driven by strong revenue growth.

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Provision for Income Taxes

The effective tax rate for the nine months ended May 31, 2012 was 26.0%, compared with 27.4% for the nine months ended May 31, 2011. The effective tax rate was lower in the nine months ended May 31, 2012 primarily as a result of higher benefits related to final determinations of tax liabilities for prior years, partially offset by increases in tax reserves.

Our provision for income taxes is based on many factors and subject to volatility year to year. We expect the fiscal 2012 annual effective tax rate to be in the range of 27% to 28%. The fiscal 2011 annual effective tax rate was 27.3%.

Net Income Attributable to Noncontrolling Interests

Net income attributable to noncontrolling interests for the nine months ended May 31, 2012 was \$214 million, an increase of \$9 million, or 4%, over the nine months ended May 31, 2011. The increase was due to higher Net income of \$318 million, offset by a reduction in the Accenture SCA Class I common shares and Accenture Canada Holdings Inc. exchangeable shares average noncontrolling ownership interest to 9% for the nine months ended May 31, 2012 from 10% for the nine months ended May 31, 2011.

Earnings Per Share

Diluted earnings per share were \$2.96 for the nine months ended May 31, 2012, compared with \$2.48 for the nine months ended May 31, 2011. The \$0.48 increase in our earnings per share was due to increases of \$0.36 from higher revenues and operating results, \$0.06 from lower weighted average shares outstanding and \$0.06 from a lower effective tax rate, compared with the nine months ended May 31, 2011. For information regarding our earnings per share calculations, see Note 2 (Earnings Per Share) to our Consolidated Financial Statements under Item 1, "Financial Statements."

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## Liquidity and Capital Resources

Our primary sources of liquidity are cash flows from operations, available cash reserves and debt capacity available under various credit facilities. In addition, we could raise additional funds through public or private debt or equity financings. We may use our available or additional funds to:

- take advantage of opportunities, including more rapid expansion;
- acquire complementary businesses or technologies;
- develop new services and solutions; or
- facilitate purchases, redemptions and exchanges of Accenture shares.

As of May 31, 2012, Cash and cash equivalents was \$5.6 billion, compared with \$5.7 billion as of August 31, 2011.

Cash flows from operating, investing and financing activities, as reflected in our Consolidated Cash Flows Statements, are summarized in the following table:

	Nine Months Ended May 31,		Change (1)
	2012	2011	
	(in millions of U.S. dollars)		
Net cash provided by (used in):			
Operating activities	\$2,549	\$2,060	\$488
Investing activities	(423)	) (382	) (41)
Financing activities	(1,916	) (1,507	) (409)
Effect of exchange rate changes on cash and cash equivalents	(282	) 247	(530)
Net decrease in cash and cash equivalents (1)	\$(72	) \$418	\$(491)

(1) May not total due to rounding.

Operating activities: The \$488 million increase in cash provided by operating activities was primarily due to higher net income and changes in other operating assets and liabilities, including higher collections on net client balances.

Investing activities: The \$41 million increase in cash used was primarily due to increased spending on business acquisitions. For additional information, see Note 5 (Business Combinations and Goodwill) to our Consolidated Financial Statements under Item 1, "Financial Statements."

Financing activities: The \$409 million increase in cash used was primarily due to an increase in cash dividends paid. For additional information, see Note 6 (Shareholders' Equity) to our Consolidated Financial Statements under Item 1, "Financial Statements."

We believe that our available cash balances and the cash flows expected to be generated from operations will be sufficient to satisfy our current and planned working capital and investment needs for the next 12 months. We also believe that our longer-term working capital and other general corporate funding requirements will be satisfied through cash flows from operations and, to the extent necessary, from our borrowing facilities and future financial market activities.



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As of May 31, 2012, we had the following borrowing facilities, including the issuance of letters of credit, to support general working capital purposes:

	Facility Amount	Borrowings Under Facilities
	(in millions of U.S. dollars)	
Syndicated loan facility (1)	\$1,000	\$—
Separate, uncommitted, unsecured multicurrency revolving credit facilities	503	5
Local guaranteed and non-guaranteed lines of credit	144	—
Total	\$1,647	\$5

On October 31, 2011, we replaced our \$1.2 billion syndicated loan facility maturing on July 31, 2012 with a \$1.0 billion syndicated loan facility maturing on October 31, 2016. This new facility provides unsecured, revolving borrowing capacity for general working capital purposes, including the issuance of letters of credit. Financing is provided under this facility at the prime rate or at the London Interbank Offered Rate plus a spread. This facility (1) requires us to: (1) limit liens placed on our assets to (a) liens incurred in the ordinary course of business (subject to certain qualifications) and (b) other liens securing obligations not to exceed 30% of our consolidated assets; and (2) maintain a debt-to-cash-flow ratio not exceeding 1.75 to 1.00. As of May 31, 2012, we were in compliance with these terms. The facility is subject to annual commitment fees. As of May 31, 2012, we had no borrowings under the facility.

Under the borrowing facilities described above, we had an aggregate of \$159 million of letters of credit outstanding as of May 31, 2012. In addition, we had total outstanding debt of \$5 million as of May 31, 2012.

**Share Purchases and Redemptions**

The Board of Directors of Accenture plc has authorized funding for our publicly announced open-market share purchase program for acquiring Accenture plc Class A ordinary shares and for purchases and redemptions of Accenture plc Class A ordinary shares, Accenture SCA Class I common shares and Accenture Canada Holdings Inc. exchangeable shares held by our current and former senior executives and their permitted transferees. As of May 31, 2012, our aggregate available authorization was \$4,825 million for our publicly announced open-market share purchase and these other share purchase programs.

Our share purchase activity during the nine months ended May 31, 2012 was as follows:

	Accenture plc Class A Ordinary Shares		Accenture SCA Class I Common Shares and Accenture Canada Holdings Inc. Exchangeable Shares	
	Shares	Amount	Shares	Amount
	(in millions of U.S. dollars, except share amounts)			
Open-market share purchases (1)	19,711,498	\$1,121	—	\$—
Other share purchase programs	—	—	1,586,972	95
Other purchases (2)	3,362,376	187	—	—
Total	23,073,874	\$1,308	1,586,972	\$95

We conduct a publicly announced, open-market share purchase program for Accenture plc Class A ordinary shares. (1) These shares are held as treasury shares by Accenture plc and may be utilized to provide for select employee benefits, such as equity awards to our employees.

(2)

During the nine months ended May 31, 2012, as authorized under our various employee equity share plans, we acquired Accenture plc Class A ordinary shares primarily via share withholding for payroll tax obligations due from employees and former employees in connection with the delivery of Accenture plc Class A ordinary shares under those plans. These purchases of shares in connection with employee share plans do not affect our aggregate available authorization for our publicly announced open-market share purchase and the other share purchase programs.

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We intend to continue to use a significant portion of cash generated from operations for share repurchases during the remainder of fiscal 2012. The number of shares ultimately repurchased under our open-market share purchase program may vary depending on numerous factors, including, without limitation, share price and other market conditions, our ongoing capital allocation planning, the levels of cash and debt balances, other demands for cash, such as acquisition activity, general economic and/or business conditions, and board and management discretion.

Additionally, as these factors may change over the course of the year, the amount of share repurchase activity during any particular period cannot be predicted and may fluctuate from time to time. Share repurchases may be made from time to time through open-market purchases, in respect of purchases and redemptions of Accenture SCA Class I common shares and Accenture Canada Holdings Inc. exchangeable shares, through the use of Rule 10b5-1 plans and/or by other means. The repurchase program may be accelerated, suspended, delayed or discontinued at any time, without notice.

### Other Share Redemptions

During the nine months ended May 31, 2012, we issued 3,274,546 Accenture plc Class A ordinary shares upon redemptions of an equivalent number of Accenture SCA Class I common shares pursuant to our registration statement on Form S-3 (the “registration statement”). The registration statement allows us, at our option, to issue freely tradable Accenture plc Class A ordinary shares in lieu of cash upon redemptions of Accenture SCA Class I common shares held by senior executives, former executives and their permitted transferees.

For a complete description of all share purchase and redemption activity for the third quarter of fiscal 2012, see Part II, Item 2, “Unregistered Sales of Equity Securities and Use of Proceeds.”

### Off-Balance Sheet Arrangements

In the normal course of business and in conjunction with some client engagements, we have entered into contractual arrangements through which we may be obligated to indemnify clients with respect to certain matters. These arrangements with clients can include provisions whereby we have joint and several liability in relation to the performance of certain contractual obligations along with third parties also providing services and products for a specific project. Indemnification provisions are also included in arrangements under which we agree to hold the indemnified party harmless with respect to third party claims related to such matters as title to assets sold or licensed or certain intellectual property rights.

Typically, we have contractual recourse against third parties for certain payments made by us in connection with arrangements where third party nonperformance has given rise to the client’s claim. Payments by us under any of the arrangements described above are generally conditioned on the client making a claim which may be disputed by us, typically under dispute resolution procedures specified in the particular arrangement. The limitations of liability under these arrangements may be expressly limited or may not be expressly specified in terms of time and/or amount. For arrangements with unspecified limitations, we cannot reasonably estimate the aggregate maximum potential liability, as it is inherently difficult to predict the maximum potential amount of such payments, due to the conditional nature and unique facts of each particular arrangement.

To date, we have not been required to make any significant payment under any of the arrangements described above. For further discussion of these transactions, see Note 8 (Commitments and Contingencies) to our Consolidated Financial Statements under Item 1, “Financial Statements.”

## ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

During the nine months ended May 31, 2012, there were no material changes to the information on market risk exposure disclosed in our Annual Report on Form 10-K for the year ended August 31, 2011. For a discussion of our market risk associated with foreign currency risk, interest rate risk and equity price risk as of August 31, 2011, see “Quantitative and Qualitative Disclosures About Market Risk” in Part II, Item 7A, of our Annual Report on Form 10-K for the year ended August 31, 2011.

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**ITEM 4. CONTROLS AND PROCEDURES**

**Evaluation of Disclosure Controls and Procedures**

An evaluation was performed under the supervision and with the participation of our management, including our principal executive officer and our principal financial officer, of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) as of the end of the period covered by this report. Any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. Based on that evaluation, the principal executive officer and the principal financial officer of Accenture plc have concluded that, as of the end of the period covered by this report, our disclosure controls and procedures are effective at the reasonable assurance level.

**Changes in Internal Control Over Financial Reporting**

There has been no change in our internal control over financial reporting that occurred during the third quarter of fiscal 2012 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

**PART II — OTHER INFORMATION**

**ITEM 1. LEGAL PROCEEDINGS**

We are involved in a number of judicial and arbitration proceedings concerning matters arising in the ordinary course of our business. We and/or our personnel also from time to time are involved in investigations by various regulatory or legal authorities concerning matters arising in the course of our business around the world. We do not expect that any of these matters, individually or in the aggregate, will have a material impact on our results of operations or financial condition.

We currently maintain the types and amounts of insurance customary in the industries and countries in which we operate, including coverage for professional liability, general liability and management liability. We consider our insurance coverage to be adequate both as to the risks and amounts for the businesses we conduct.

**ITEM 1A. RISK FACTORS**

For a discussion of our potential risks and uncertainties, see the information under the heading “Risk Factors” in our Annual Report on Form 10-K for the year ended August 31, 2011. There have been no material changes to risk factors disclosed in our Annual Report on Form 10-K for the year ended August 31, 2011.

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## ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

## Purchases and Redemptions of Accenture plc Class A Ordinary Shares and Class X Ordinary Shares

The following table provides information relating to our purchases of Accenture plc Class A ordinary shares and redemptions of Accenture plc Class X ordinary shares during the third quarter of fiscal 2012.

Period	Total Number of Shares Purchased	Average Price Paid per Share (1)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (2)	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (3) (in millions of U.S. dollars)
March 1, 2012 — March 31, 2012				
Class A ordinary shares	11,963	\$59.96	—	\$5,455
Class X ordinary shares	460,404	\$0.0000225	—	—
April 1, 2012 — April 30, 2012				
Class A ordinary shares	3,263,309	\$63.66	3,235,384	\$5,226
Class X ordinary shares	1,077,202	\$0.0000225	—	—
May 1, 2012 — May 31, 2012				
Class A ordinary shares	6,703,169	\$59.35	6,596,304	\$4,825
Class X ordinary shares	599,716	\$0.0000225	—	—
Total				
Class A ordinary shares (4)	9,978,441	\$60.76	9,831,688	
Class X ordinary shares (5)	2,137,322	\$0.0000225	—	

- (1) Average price per share reflects the total cash outlay for the period, divided by the number of shares acquired, including those acquired by purchase or redemption for cash and any acquired by means of employee forfeiture. Since August 2001, the Board of Directors of Accenture plc has authorized and periodically confirmed a publicly announced open-market share purchase program for acquiring Accenture plc Class A ordinary shares. During the third quarter of fiscal 2012, we purchased 9,831,688 Accenture plc Class A ordinary shares under this program for an aggregate price of \$597 million. The open-market purchase program does not have an expiration date. As of May 31, 2012, our aggregate available authorization for share purchases and redemptions was \$4,825 million, which management has the discretion to use for either our publicly announced open-market share purchase program or the other share purchase programs. Since August 2001 and as of May 31, 2012, the Board of Directors of Accenture plc has authorized an aggregate of \$20.1 billion for purchases and redemptions of Accenture plc Class A ordinary shares, Accenture SCA Class I common shares or Accenture Canada Holdings Inc. exchangeable shares.
- (2) During the third quarter of fiscal 2012, Accenture purchased 146,753 Accenture plc Class A ordinary shares in transactions unrelated to publicly announced share plans or programs. These transactions consisted of acquisitions of Accenture plc Class A ordinary shares primarily via share withholding for payroll tax obligations due from employees and former employees in connection with the delivery of Accenture plc Class A ordinary shares under our various employee equity share plans. These purchases of shares in connection with employee share plans do not affect our aggregate available authorization for our publicly announced open-market share purchase and the other share purchase programs.
- (3) During the third quarter of fiscal 2012, we redeemed 2,137,322 Accenture plc Class X ordinary shares pursuant to our articles of association. Accenture plc Class X ordinary shares are redeemable at their par value of \$0.0000225 per share.
- (4)
- (5)



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## Purchases and Redemptions of Accenture SCA Class I Common Shares and Accenture Canada Holdings Inc. Exchangeable Shares

The following table provides additional information relating to our purchases and redemptions of Accenture SCA Class I common shares and Accenture Canada Holdings Inc. exchangeable shares for cash during the third quarter of fiscal 2012. We believe that the following table and footnotes provide useful information regarding the share purchase and redemption activity of Accenture. Generally, purchases and redemptions of Accenture SCA Class I common shares and Accenture Canada Holdings Inc. exchangeable shares for cash and employee forfeitures reduce shares outstanding for purposes of computing diluted earnings per share.

Period	Total Number of Shares Purchased (1)	Average Price Paid per Share (2)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (3)
Accenture SCA				
March 1, 2012 — March 31, 2012				
Class I common shares	202,167	\$65.00	—	—
April 1, 2012 — April 30, 2012				
Class I common shares	317,913	\$63.89	—	—
May 1, 2012 — May 31, 2012				
Class I common shares	159,341	\$62.03	—	—
Total				
Class I common shares	679,421	\$63.78	—	—
Accenture Canada Holdings Inc.				
March 1, 2012 — March 31, 2012				
Exchangeable shares	5,000	\$65.09	—	—
April 1, 2012 — April 30, 2012				
Exchangeable shares	48,500	\$63.40	—	—
May 1, 2012 — May 31, 2012				
Exchangeable shares	—	—	—	—
Total				
Exchangeable shares	53,500	\$63.56	—	—

(1) During the third quarter of fiscal 2012, we acquired a total of 679,421 Accenture SCA Class I common shares and 53,500 Accenture Canada Holdings Inc. exchangeable shares from current and former senior executives and their permitted transferees by means of purchase or redemption for cash, or employee forfeiture, as applicable. In addition, during the third quarter of fiscal 2012, we issued 1,712,899 Accenture plc Class A ordinary shares upon redemptions of an equivalent number of Accenture SCA Class I common shares pursuant to the registration statement.

(2) Average price per share reflects the total cash outlay for the period, divided by the number of shares acquired, including those acquired by purchase or redemption for cash and any acquired by means of employee forfeiture.

(3) As of May 31, 2012, our aggregate available authorization for share purchases and redemptions was \$4,825 million, which management has the discretion to use for either our publicly announced open-market share purchase program or the other share purchase programs. Since August 2001 and as of May 31, 2012, the Board of Directors of Accenture plc has authorized an aggregate of \$20.1 billion for purchases and redemptions of Accenture plc Class A ordinary shares, Accenture SCA Class I common shares or Accenture Canada Holdings Inc. exchangeable shares.





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ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

(a) None.

(b) None.

ITEM 6. EXHIBITS

Exhibit Index:

Exhibit Number	Exhibit
3.1	Amended and Restated Memorandum and Articles of Association of Accenture plc (incorporated by reference to Exhibit 3.1 to Accenture plc's 8-K filed on February 9, 2012)
10.1	Form of Articles of Association of Accenture SCA, updated as of November 15, 2010 (incorporated by reference to Exhibit 10.1 to the November 30, 2010 10-Q)
31.1	Certification of the Chief Executive Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of the Chief Financial Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101	The following financial information from Accenture plc's Quarterly Report on Form 10-Q for the quarterly period ended May 31, 2012, formatted in XBRL (eXtensible Business Reporting Language): (i) Consolidated Balance Sheets as of May 31, 2012 (Unaudited) and August 31, 2011, (ii) Consolidated Income Statements (Unaudited) for the three and nine months ended May 31, 2012 and 2011, (iii) Consolidated Shareholders' Equity and Comprehensive Income Statements (Unaudited) for the nine months ended May 31, 2012, (iv) Consolidated Cash Flows Statements (Unaudited) for the nine months ended May 31, 2012 and 2011 and (v) the Notes to Consolidated Financial Statements (Unaudited)

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: June 29, 2012

ACCENTURE PLC

By:	/s/ Pamela J. Craig
Name:	Pamela J. Craig
Title:	Chief Financial Officer (Principal Financial Officer and Authorized Signatory)

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