ACCENTURE LTD
Form 424B4
July 19, 2001

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Registration No. 333-59194

115,000,000 Class A Common Shares

This is an initial public offering of Class A common shares of Accenture Ltd. This prospectus relates to an offering of 97,750,000 shares in the United States. In addition, 17,250,000 shares are being offered outside the United States in an international offering. All of the 115,000,000 Class A common shares are being sold by Accenture Ltd.

Prior to this offering, there has been no public market for the Class A common shares. The Class A common shares have been approved for listing on the New York Stock Exchange under the symbol ACN.

Upon completion of the offering, our partners will own or control shares representing, in the aggregate, approximately 82% of the voting interest in Accenture Ltd, or approximately 80% if the underwriters exercise their overallotment option in full, and will effectively control all matters put to a vote of Accenture Ltd shareholders.

See Risk Factors beginning on page 11 to read about factors you should consider before buying the Class A common shares.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

	Per Share	Total
Initial public offering price	$14.50	$1,667,500,000
Underwriting discount	$ 0.68	$ 78,200,000
Proceeds, before expenses, to Accenture Ltd	$13.82	$1,589,300,000

To the extent that the U.S. underwriters sell more than 97,750,000 Class A common shares, the U.S. underwriters have the option to purchase up to an additional 14,662,500 Class A common shares at the initial public offering price less the underwriting discount. The international underwriters have a similar option to purchase up to 2,587,500 additional Class A common shares.

The underwriters expect to deliver the shares in New York, New York on July 24, 2001.

Goldman, Sachs & Co. **Morgan Stanley**

Credit Suisse First Boston

Deutsche Banc Alex. Brown

JPMorgan

Salomon Smith Barney

Banc of America Securities LLC

Lehman Brothers

Merrill Lynch & Co.

UBS Warburg

ABN AMRO Rothschild LLC

Prospectus dated July 18, 2001.

[Inside Front Cover Artwork:
A photograph of one woman and two men looking at a computer occupies the full page. The following text is written across the page approximately 5.5" from the bottom of the page: Argentina Australia Austria Belgium Brazil Canada Columbia Czech Republic Denmark Finland France Germany Greece* . A footnote on the lower left hand corner of the page reads, *Accenture has offices in these countries.]

[Front Gatefold Artwork:
The left side of the 11x17" gatefold is solid orange except for the following text which is left justified and begins 4.5" from the bottom of the page: Accenture Helping clients accelerate their vision from innovation to execution. The right side of the gatefold is a full page photograph of three women looking at a document. The following text is written across the gatefold approximately 5.5" from the bottom of the gatefold: Hungary India Indonesia Ireland Italy Japan Luxembourg Malaysia Mexico The Netherlands New Zealand Nigeria Norway People s Republic of China The Philippines Poland Portugal Russia Saudi Arabia Singapore Slovak Republic South Africa* . A footnote on the lower left hand corner of the gatefold reads, *Accenture has offices in these countries.]

You should rely only on the information contained in this prospectus. We have not authorized anyone to provide you with different information. We are not making an offer to sell these securities in any jurisdiction where the offer is not permitted. You should not assume that the information contained in this prospectus is accurate as of any date other than the date on the front cover of this prospectus.

The Bermuda Monetary Authority has classified us as non-resident of Bermuda for exchange control purposes. Accordingly, the Bermuda Monetary Authority does not restrict our ability to convert currency, other than Bermuda dollars, held for our account to any other currency, to transfer funds in and out of Bermuda or to pay dividends to non-Bermuda residents who are shareholders, other than in Bermuda dollars. The permission of the Bermuda Monetary Authority is required for the issue and transfer of our shares under the Exchange Control Act 1972 of Bermuda and regulations under it.

We have obtained the permission of the Bermuda Monetary Authority for the issue of the Accenture Ltd Class A common shares that we may sell in the offering described in this prospectus. In addition, we have obtained the permission of the Bermuda Monetary Authority for the free issue and transferability of the Accenture Ltd Class A common shares following the offering. Approvals or permissions received from the Bermuda Monetary Authority do not constitute a guaranty by the Bermuda Monetary Authority as to our performance or our creditworthiness. Accordingly, in giving those approvals or permissions, the Bermuda Monetary Authority will not be liable for our performance or default or for the correctness of any opinions or statements expressed in this document.

We have filed this document as a prospectus with the Registrar of Companies in Bermuda under Part III of the Companies Act 1981 of Bermuda. In accepting this document for filing, the Registrar of Companies accepts no responsibility for the financial soundness of any proposals or for the correctness of any opinions or statements expressed in this document.

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SUMMARY

This summary highlights some of the information contained elsewhere in this prospectus. We urge you to read the entire prospectus carefully, including the Risk Factors and Pro Forma Financial Information sections and our historical financial statements and related notes included elsewhere in this prospectus, before making an investment decision.

Accenture

Accenture is the world s leading provider of management and technology consulting services and solutions. We have more than 75,000 employees based in more than 110 offices in 46 countries delivering to our clients a wide range of consulting, technology and outsourcing services. We operate globally with one common brand and business model. We work with clients of all sizes and have extensive relationships with the world s leading companies and governments. We serve 84 of the *Fortune* Global 100 and more than half of the *Fortune* Global 500. In total, we have served more than 4,000 clients on nearly 18,000 engagements over the past five fiscal years.

Our business consists of using our industry knowledge, our service offering expertise and our insight into and access to existing and emerging technologies to identify new business and technology trends and formulate and implement solutions for clients under demanding time constraints. We help clients around the world identify and enter new markets, increase revenues in existing markets and deliver their products and services more effectively and efficiently. We deliver our services and solutions through five global market units, which together comprise 18 industry groups. Our industry focus enables our professionals to provide business and management consulting, technology and outsourcing services with an understanding of industry evolution, business issues and applicable technologies, and ultimately to deliver solutions tailored to each client s industry. Our five global market units and 18 industry groups are:

Communications & High Tech	**Financial Services**	**Products**	**Resources**	**Government**
Communications Electronics & High Tech Media & Entertainment	Banking Health Services Insurance	Automotive Consumer Goods & Services Industrial Equipment Pharmaceuticals & Medical Products Retail Transportation & Travel Services	Chemicals Energy Forest Products Metals & Mining Utilities	Government

We develop and deliver a full spectrum of services and solutions that address business opportunities and challenges common across industries through the following eight service lines:

Strategy & Business Architecture	Finance & Performance Management
Customer Relationship Management	Technology Research & Innovation
Supply Chain Management	Solutions Engineering
Human Performance	Solutions Operations

Our affiliates, alliances and venture capital activities enhance our management and technology consulting services and solutions business. If a capability that we do not already possess is of strategic importance and value to us but is in an area that is best developed in a business model outside our client service business, we may form a new business, often with one or more third parties, to develop that capability. We call these businesses affiliates. In general, we expect the capabilities developed by these new businesses to be used by our own professionals as well as by other companies. We enter into alliances because today s business environment demands more speed, flexibility and resources than typically exist at any single company. We seek to form alliances with leading companies and organizations whose capabilities complement our own, whether by extending or deepening a service offering, delivering a new technology or business process or helping us extend our services to new geographies. Our venture capital business, Accenture Technology Ventures, gives us insight into and access to emerging business models, products and technologies through investments in portfolio companies. Although we have not generated material revenues from our affiliates, alliances and venture capital activities, we believe that our approach, which we refer to as our network of businesses, provides us with a fundamental advantage in delivering value to our clients.

Revenues are driven by our partners and senior executives ability to secure contracts for new engagements and to deliver products and services that add value to our clients. We derive substantially all of our revenues from contracts for management and technology service offerings and solutions that we develop, implement and manage for our clients. Substantially all of our contracts include time-and-materials or fixed-price terms.

Our leading position in the management and technology consulting services and solutions markets results from the fact that we have more consulting professionals than any other consulting firm, with more than 57,000 professionals working within our global market units, complemented by more than 8,000 professionals dedicated full time to our service lines. In addition, we have deep industry knowledge in 18 distinct industry groups and broad service offering expertise through our eight service lines. In total, we have more than 75,000 employees who provide global scale and reach through more than 110 offices in 46 countries. Based on our knowledge of our business and the business of our competitors, we believe that no other consulting firm provides as broad a range of management and technology consulting services and solutions to as many industry groups in as many geographic markets as we do.

Our Corporate Information

Accenture Ltd is organized under the laws of Bermuda. We maintain a registered and principal executive office in Bermuda at Cedar House, 41 Cedar Avenue, Hamilton HM12, Bermuda. Our telephone number in Bermuda is (441) 296-8262. We also have major offices in the world s leading business centers, including New York, Chicago, Dallas, Los Angeles, San Francisco, London, Frankfurt, Madrid, Milan, Paris, Sydney and Tokyo. In total, we have more than 110 offices in 46 countries around the world. Our Internet address is www.accenture.com. Information contained on our Web site is not a part of this prospectus.

We use the term partner in this prospectus to refer to the partners and shareholders of the series of related partnerships and corporations through which we operated our business prior to our transition to a corporate structure. These individuals have become our executive employees following our transition to a corporate structure but will retain the partner title. Where the context permits, the term also refers to our employees and others who have been or are in the future named as partners in this executive sense. In using the term partner, we do not mean to imply any intention of the parties to create a separate legal entity.

Until August 7, 2000, we had contractual relationships with Andersen Worldwide and Arthur Andersen. Following arbitration proceedings between us and Andersen Worldwide and Arthur Andersen that were completed in August 2000, we separated from Andersen Worldwide and Arthur Andersen. On January 1, 2001, we began to conduct business under the name Accenture. See Certain Relationships and Related Transactions Relationship with Andersen Worldwide and Arthur Andersen.

Organizational Structure

Accenture Ltd is a Bermuda holding company with no material assets other than Class I and Class II common shares in our subsidiary, Accenture SCA, a Luxembourg partnership limited by shares. Each Class I common share and each Class II common share of Accenture SCA entitles its holder to one vote on all matters submitted to a vote of shareholders of Accenture SCA. Each Accenture SCA Class II common share entitles Accenture Ltd to receive a dividend or liquidation payment equal to 10% of any dividend or liquidation payment to which an Accenture SCA Class I common share entitles its holder. Accenture Ltd holds all of the Class II common shares of Accenture SCA and has a majority voting interest in Accenture SCA. When we refer to Accenture SCA Class I and Class II common shares, we are referring to partnership interests. In the opinion of our counsel, under Accenture SCA s articles of association, shares in Accenture SCA held by Accenture Ltd are *actions de commandité*, or general partnership interests, and shares in Accenture SCA held by our partners are *actions de commanditaires*, or limited partnership interests. Accenture Ltd, as general partner of Accenture SCA, has unlimited liability for the liabilities of Accenture SCA. Accenture Ltd s only business is to hold these shares and to act as the sole general partner of Accenture SCA. As the general partner of Accenture SCA and as a result of Accenture Ltd s majority voting interest in Accenture SCA, Accenture Ltd controls Accenture SCA s management and operations and will consolidate Accenture SCA s results in its financial statements. We operate our business through subsidiaries of Accenture SCA.

None of our partners will be selling shares in the offering, and, immediately following the offering, our partners will own approximately 82% of the equity in our business, or approximately 80% if the underwriters exercise their overallotment option in full. Upon completion of the offering, our partners will own or control shares representing, in the aggregate, approximately 82% of the voting interest in Accenture Ltd, or approximately 80% if the underwriters exercise their overallotment option in full. Immediately following the offering, our public shareholders (including our non-partner employees) will own approximately 18% of the equity in our business, or approximately 20% if the underwriters exercise their overallotment option in full, and will own shares representing approximately 18% of the voting interest in Accenture Ltd, or approximately 20% if the underwriters exercise their overallotment option in full.

Our organizational structure immediately following the offering will be as shown in the diagram below. The diagram does not display the subsidiaries of Accenture SCA and does not reflect exercise of the underwriters overallotment option.

(1) Includes non-partner employees.
(2) Generally consists of our partners in countries other than Australia, Canada, Denmark, France, Italy, New Zealand, Norway, Spain, Sweden and the United States.
(3) Generally consists of our partners in Australia, Canada, Denmark, France, Italy, New Zealand, Norway, Spain, Sweden and the United States. Our partners in Canada and New Zealand do not hold Accenture Ltd Class A common shares or Accenture SCA Class I common shares, but instead hold Accenture Canada Holdings exchangeable shares. Each of these exchangeable shares is exchangeable at the option of the holder for an Accenture Ltd Class A common share on a one-for-one basis and entitles its holder to receive distributions equal to any distributions to which an Accenture Ltd Class A common share entitles its holder.

We intend to make all distributions to all of our equity holders pro rata based on economic ownership. Based on the shares outstanding immediately after the offering and assuming no exercise of the underwriters overallotment option, our public shareholders would receive approximately 18% of any distribution. You should read Accenture Organizational Structure, Certain Relationships and Related Transactions and Description of Share Capital for additional information about our corporate structure.

The Offering

Class A common shares offered in the offering	115,000,000 Class A common shares.

(1) Class A common shares to be outstanding immediately following the offering and the other information in the prospectus based thereon reflects:

115,000,000 Class A common shares offered in the offering;

212,257,238 Class A common shares held by our partners (or 807,714,574 Class A common shares if our partners holdings of Accenture SCA Class I common shares and Accenture Canada Holdings exchangeable shares are redeemed or exchanged for newly issued Class A common shares on a one-for-one basis); and

67,724,657 Class A common shares underlying restricted share units that are fully vested or are scheduled to fully vest prior to the end of the current fiscal year. Information in the prospectus also reflects the assumed issuance of an equivalent number of Accenture SCA Class I common shares to be issued to Accenture Ltd in connection with these restricted share units.

Class A common shares to be outstanding immediately following the offering and the other information in the prospectus based thereon does not reflect:

17,250,000 Class A common shares issuable upon exercise of the underwriters overallotment option;

6,695,091 Class A common shares underlying restricted share units that will not fully vest prior to the end of the current fiscal year; and

97,270,000 Class A common shares issuable pursuant to options.

See Accenture Organizational Structure and Management Employee Awards.

Use of proceeds:	
By Accenture Ltd	Accenture Ltd intends to use the net proceeds from the offering to subscribe for Accenture SCA Class I common shares. approximately \$338 million to repay amounts outstanding under our revolving credit facilities; and the balance for working capital, which previously was funded by our partners, and for general corporate purposes.
Voting rights	Each Class A common share and each Class X common share will entitle its holder to one vote per share on all matters submitted to a vote of shareholders of Accenture Ltd. Immediately following the offering, our partners will own or control Class A common shares and Class X common shares representing, in the aggregate, approximately 82% of the voting interest in Accenture Ltd, or approximately 80% if the underwriters exercise their overallotment option in full. All of our partners who hold Class A or Class X common shares have entered into a voting agreement that requires them to vote as a group with respect to all matters voted upon by shareholders of Accenture Ltd. For a discussion of the voting agreement, see Certain Relationships and Related Transactions Voting Agreement. Our partners will effectively control us for as long as they continue to hold a significant block of voting rights.
Dividend and distribution policy	We currently do not anticipate that Accenture Ltd or Accenture SCA will pay dividends.
Transfer restrictions	The equity interests that our partners own are subject to transfer restrictions that generally restrict sales for one year and then permit sales in increasing amounts over the subsequent seven years. For a discussion of the terms of the transfer restrictions, see Certain Relationships and Related Transactions Voting Agreement and Accenture SCA Transfer Rights Agreement and Risk Factors Risks That Relate to Your Ownership of Our Class A Common Shares Our share price may decline due to the large number of Class A common shares eligible for future sale.
New York Stock Exchange symbol	ACN
Risk factors	For a discussion of some of the factors you should consider before buying our Class A common shares, see Risk Factors.

Summary Financial Data

The following unaudited summary historical and pro forma financial information should be read in conjunction with Selected Financial Data, Pro Forma Financial Information, our historical financial statements and related notes included elsewhere in this prospectus and

Management s Discussion and Analysis of Financial Condition and Results of Operations.

	Historical					Pro forma as adjusted	Historical		Pro forma as adjusted
	Year ended August 31,					Year ended August 31, 2000	Nine months ended May 31,		Nine months ended May 31, 2001
	1996	1997	1998	1999	2000		2000	2001	
	(in millions, except share and per share data)								
Income Statement Data:									
Revenues:									
Revenues before reimbursements	$4,942	$6,275	$8,215	$ 9,550	$ 9,752	$ 9,752	$7,245	$ 8,666	$ 8,666
Reimbursements	768	1,172	1,425	1,529	1,788	1,788	1,301	1,475	1,475
Revenues	5,710	7,447	9,640	11,079	11,540	11,540	8,546	10,141	10,141
Operating expenses:*									
Cost of services:*									
Cost of services before reimbursable expenses*	2,678	3,470	4,700	5,457	5,486	6,138	4,000	4,509	5,243
Reimbursable expenses	768	1,172	1,425	1,529	1,788	1,788	1,301	1,475	1,475
Cost of services*	3,446	4,642	6,125	6,986	7,274	7,926	5,301	5,984	6,718
Sales and marketing*	532	611	696	790	883	1,192	651	771	1,065
General and administrative costs*	659	819	1,036	1,271	1,297	1,441	936	1,131	1,177
Reorganization and rebranding costs*								777	332
Total operating expenses*	4,637	6,072	7,857	9,047	9,454	10,559	6,888	8,663	9,292
Operating income*	1,073	1,375	1,783	2,032	2,086	981	1,658	1,478	849
Gain on investments, net				92	573	573	534	180	180
Interest income				60	67	67	45	59	59
Interest expense	(16)	(19)	(17)	(27)	(24)	(35)	(18)	(26)	(41)
Other income (expense)	(4)	4	(6)	(5)	51	51	32	21	21
Equity in losses of affiliates			(1)	(6)	(46)	(46)	(9)	(53)	(53)
Income before taxes*	1,053	1,360	1,759	2,146	2,707	1,591	2,242	1,659	1,015
Provision for taxes (1)	116	118	74	123	243	636	194	420	406
Income before minority interest and cumulative change in accounting*	937	1,242	1,685	2,023	2,464	955	2,048	1,239	609
Minority interest						573			365
Income before cumulative change in accounting*	937	1,242	1,685	2,023	2,464	$ 382	2,048	1,239	$ 244
Cumulative effect of accounting change								188	
Partnership income before partner distributions* (2)	$ 937	$1,242	$1,685	$ 2,023	$ 2,464		$2,048	$ 1,427	
Earnings Per Share Data:									
Earnings per share:									
basic						$ 0.97			$ 0.62
diluted						$ 0.96			$ 0.61
Weighted average shares:									
basic						394,981,895			396,320,913
diluted						991,108,740			992,280,381

* Historical information excludes payments for partner distributions.

(1) Provision for taxes is not the same as income taxes of a corporation. For the historical periods, we operated through partnerships in many countries. Therefore, we generally were not subject to income taxes in those countries. Taxes related to income earned by our partnerships were the responsibility of the individual partners. In other countries, we operated through corporations, and in these circumstances we were subject to income taxes.

(2) Partnership income before partner distributions is not comparable to net income of a corporation similarly determined. Partnership income in historical periods is not executive compensation in the customary sense because partnership income is comprised of distributions of current earnings. Accordingly, compensation and benefits for services rendered by partners have not been reflected as an expense in our historical financial statements.

	Historical					Historical		Pro forma as adjusted
	As of August 31,					As of May 31,		As of May 31, 2001
	1996	1997	1998	1999	2000	2000	2001	
					(in millions)			
Balance Sheet Data:								
Cash and cash equivalents	$ 438	$ 325	$ 736	$1,111	$1,271	$1,297	$ 724	$1,871
Working capital	280	175	531	913	1,015	1,023	(1,394)	98
Total assets	2,323	2,550	3,704	4,615	5,451	5,491	4,929	6,120
Long-term debt	226	192	157	127	99	127	31	31
Total partners capital	696	761	1,507	2,208	2,368	2,579		
Shareholders equity (deficit)							(1,255)	140

RISK FACTORS

You should carefully consider each of the risks described below and all of the other information in this prospectus before deciding to invest in our Class A common shares.

Risks That Relate to Our Business

A significant or prolonged economic downturn could have a material adverse effect on our results of operations.

Our results of operations are affected by the level of business activity of our clients, which in turn is affected by the level of economic activity in the industries and markets that they serve. In addition, our business tends to lag behind economic cycles in an industry. A decline in the level of business activity of our clients could have a material adverse effect on our revenues and profit margin. We are now seeing some evidence of an economic slowdown in some markets, including a reduction in capital expenditures and technology and associated discretionary spending by our clients, particularly in the United States. This has caused a reduction in our growth rate in the Americas and in our Communications & High Tech, Financial Services and Products global market units in the third quarter of this fiscal year as compared with the first half of this fiscal year. Revenues before reimbursements for the third quarter of 2001 for our Communications & High Tech, Financial Services and Products global market units increased by 8%, 15% and 16%, respectively, over the third quarter of 2000, while revenues before reimbursements for the first half of 2001 for these market units increased by 27%, 19% and 25%, respectively, over the first half of 2000. Revenues before reimbursements for the third quarter of 2001 for our Americas geographic area increased by 10% over the third quarter of 2000, while revenues before reimbursements for the first half of 2001 for this geographic area increased by 27% over the first half of 2000. We expect continued growth in revenues in the fourth quarter of this fiscal year, though at a slower rate of growth than in the third quarter. We will implement cost-savings initiatives to manage our expenses as a percentage of revenues. However, we may not be able to reduce the rate of growth in our costs on a timely basis or control our costs to maintain our margins.

Our business will be negatively affected if we are not able to anticipate and keep pace with rapid changes in technology or if growth in the use of technology in business is not as rapid as in the past.

Our success will depend, in part, on our ability to develop and implement management and technology solutions that anticipate and keep pace with rapid and continuing changes in technology, industry standards and client preferences. We may not be successful in anticipating or responding to these developments on a timely basis, and our ideas may not be successful in the marketplace. Also, products and technologies developed by our competitors may make our service or product offerings uncompetitive or obsolete. Any one of these circumstances could have a material adverse effect on our ability to obtain and successfully complete important client engagements.

Our business is also dependent, in part, upon continued growth in the use of technology in business by our clients and prospective clients and their customers and suppliers. If the growth in the use of technology does not continue, demand for our services may decrease. Use of new technology for commerce generally requires the understanding and acceptance of a new way of conducting business and exchanging information. Companies that have already invested substantial resources in traditional means of conducting commerce and exchanging information may be particularly reluctant or slow to adopt a new approach that may make some of their existing personnel and infrastructure obsolete.

We may face damage to our professional reputation or legal liability if our clients are not satisfied with our services.

As a professional services firm, we depend to a large extent on our relationships with our clients and our reputation for high-caliber professional services and integrity to attract and retain clients. As a result, if a client is not satisfied with our services or products, including those of subcontractors we employ, it may be more damaging in our business than in other businesses. Moreover, if we fail to meet our contractual obligations or fail to disclose our financial or other arrangements with our alliance partners, we could be subject to legal liability or loss of client relationships. Our contracts typically include provisions to limit our exposure to legal claims relating to our services and the applications we develop, but these provisions may not protect us or may not be enforceable in all cases.

Our services or products may infringe upon the intellectual property rights of others.

We cannot be sure that our services and products, or the products of others that we offer to our clients, do not infringe on the intellectual property rights of third parties, and we may have infringement claims asserted against us or against our clients. These claims may harm our reputation, cost us money and prevent us from offering some services or products. Historically in our contracts, we have generally agreed to indemnify our clients for any expenses or liabilities resulting from claimed infringements of the intellectual property rights of third parties. In some instances, the amount of these indemnities may be greater than the revenues we receive from the client. Any claims or litigation in this area, whether we ultimately win or lose, could be time-consuming and costly, injure our reputation or require us to enter into royalty or licensing arrangements. We may not be able to enter into these royalty or licensing arrangements on acceptable terms. Depending on the circumstances, we may be required to grant a specific client greater rights in intellectual property developed in connection with an engagement than we otherwise do, in which case we seek to cross license the use of the intellectual property. However, in very limited situations, we forego rights to the use of intellectual property we help create and in these cases, this limits our ability to reuse that intellectual property for other clients. Any limitation on our ability to provide a service or product could cause us to lose revenue-generating opportunities and require us to incur additional expenses to develop new or modified solutions for future projects.

Our engagements with clients may not be profitable.

Unexpected costs or delays could make our contracts unprofitable. When making proposals for engagements, we estimate the costs and timing for completing the projects. These estimates reflect our best judgment regarding the efficiencies of our methodologies and professionals as we plan to deploy them on projects. Any increased or unexpected costs or unanticipated delays in connection with the performance of these engagements, including delays caused by factors outside our control, could make these contracts less profitable or unprofitable, which would have an adverse effect on our profit margin. While we have many types of contracts, including time-and-materials contracts, fixed-price contracts and contracts with features of both of these contract types, the risks associated with all of these types of contracts are often similar. We estimate that a majority of our contracts have some fixed-price, incentive-based or other pricing terms that condition our fee on our ability to deliver defined goals. Our failure to meet a client s expectations in any type of contract may result in an unprofitable engagement.

Our contracts can be terminated by our clients with short notice. Our clients typically retain us on a non-exclusive, engagement-by-engagement basis, rather than under exclusive long-term contracts. Approximately 75% of our consulting engagements are less than twelve months in duration. While our accounting systems identify the duration of our engagements, these systems do not track whether contracts can be terminated upon short notice and without penalty. However, we estimate that the majority of our contracts can be terminated by our clients with short notice and without significant penalty. The advance notice of termination required for contracts of shorter duration and lower revenue is typically 30 days. Longer-term, larger and more complex contracts generally require a longer notice period for termination and may include an early termination charge to be paid to us. Additionally, large client projects involve multiple engagements or stages, and there is a risk that a client may choose not to retain us for additional stages of a project or that a client will cancel or delay additional planned engagements. These terminations, cancellations or delays could result from factors unrelated to our work product or the progress of the project, but could be related to business or financial conditions of the client or the economy generally. When contracts are terminated, we lose the associated revenues and we may not be able to eliminate associated costs in a timely manner.

We may fail to collect amounts extended to clients. In limited circumstances we extend financing to our clients. A client must meet established criteria to receive financing. In the rare event that these criteria are waived, approval by senior levels of our management is required. We have extended $168 million of financing as of May 31, 2001. We do not expect financing levels to exceed $250 million, which is in line with historical levels, over the next 12 months.

If our affiliates, alliances or venture capital portfolio companies do not succeed, we may not be successful in implementing our growth strategy.

We have invested a substantial amount of time and resources in our affiliates, alliances and venture capital portfolio companies, and we plan to make substantial additional investments in the future. We made investments of $287 million in the 12 months ended May 31, 2001. The value of affiliate and venture capital financial commitments at May 31, 2001 was $19 million and $48 million, respectively. We anticipate making additional investments of $300 million to $400 million in the 12 months ended May 31, 2002. In addition, we expect to spend over $125 million over the same period in payroll and other expenses in support of alliance agreements. The benefits we anticipate from these relationships are an important component of our growth strategy. If these relationships do not succeed, we may lose our investments or fail to obtain the benefits we hope to derive from them. Similarly, we may be adversely affected by the failure of one or more of our affiliates or alliances, which could lead to reduced marketing exposure, diminished sales and a decreased ability to develop and gain access to solutions. Moreover, because most of our alliance relationships are nonexclusive, our alliance partners are able to form closer or preferred arrangements with our competitors. In addition, our venture capital activities may suffer from the poor performance of the portfolio companies in which we invest or from our inability to obtain attractive returns on our investments or investments or to monetize these investments at all. These losses or failures could have a material and adverse impact on our growth strategy, which, in turn, could adversely affect our financial condition and results of operations.

Our global operations pose complex management, foreign currency, legal, tax and economic risks, which we may not adequately address.

We have offices in 46 countries around the world. In fiscal 2000, approximately 54% of our revenues were attributable to activities in the Americas, 38% of our revenues were attributable to our activities in Europe, the Middle East, Africa and India, and 8% of our revenues were attributable to our activities in the Asia/Pacific region. As a result, we are subject to a number of risks, including:

- the absence in some jurisdictions of effective laws to protect our intellectual property rights;
- multiple and possibly overlapping and conflicting tax laws;
- restrictions on the movement of cash;
- the burdens of complying with a wide variety of national and local laws;
- political instability;
- currency fluctuations;
- longer payment cycles;
- restrictions on the import and export of certain technologies;
- price controls or restrictions on exchange of foreign currencies; and
- trade barriers.

The consulting, information technology and outsourcing markets are highly competitive, and we may not be able to compete effectively.

The consulting, information technology and outsourcing markets in which we operate include a large number of participants and are highly competitive. Our primary competitors include:

- large accounting, consulting and other professional service firms, including some of the Big 5 accounting firms;
- information technology service providers;
- application service providers;
- packaged software vendors and resellers; and
- service groups of computer equipment companies.

In addition, a client may choose to use its own resources, rather than engage an outside firm for the types of services we provide.

Our marketplace is experiencing rapid changes in its competitive landscape. Some of our competitors have sought access to public and private capital and others have merged or consolidated with better-capitalized partners. These changes may create larger and better-capitalized competitors with enhanced abilities to compete for market share generally and our clients specifically, in some cases, through significant economic incentives to clients to secure contracts. These competitors may also be better able to compete for skilled professionals by offering them large compensation incentives. In addition, one or more of our competitors may develop and implement methodologies which result in superior productivity and price reductions without adversely affecting the competitors profit margins. Any of these circumstances may impose additional pricing pressure on us, which would have an adverse effect on our revenues and profit margin.

If we are unable to attract and retain employees in appropriate numbers, we will not be able to compete effectively and will not be able to grow our business.

Our success and ability to grow are dependent, in part, on our ability to hire and retain large numbers of talented people. We hired approximately 17,000 new employees in each of fiscal years 2000 and 2001. The cumulative rate of turnover among our employees was 19% for fiscal year 1999, 22% for fiscal year 2000 and, on an annualized basis, approximately 14% for the nine months ended May 31, 2001, excluding involuntary terminations. The inability to attract qualified employees in sufficient numbers to meet demand or the loss of a significant number of our employees could have a serious negative effect on us, including our ability to obtain and successfully complete important client engagements and thus maintain or increase our revenues. On June 7, 2001, we announced an initiative to reduce our staff in certain parts of the world, in certain skill groups and in some support positions. This initiative may adversely affect employee recruiting and retention.

We regularly benchmark our employee compensation to the marketplace in all countries in which we operate. We make annual adjustments to remain competitive based on the individual markets and the demand for top talent. We also adjust compensation levels within some of our larger countries, such as the United States and the United Kingdom, to reflect different labor pools. In some cases these increases are greater than the general rate of inflation due to other market forces, including the demand for technical talent. To attract and retain the number of employees we need to grow our business, we may have to increase our compensation levels in the future. This would adversely affect our operating margins.

Our transition to a corporate structure may adversely affect our ability to recruit, retain and motivate our partners and other key employees, which in turn could adversely affect our ability to compete effectively and to grow our business.

We face additional retention risk because of our transition to a corporate structure. Our partners received our equity in lieu of the interests in the partnerships and corporations that they previously held. Our partners, on average, received approximately 329,000 Accenture Ltd Class A common shares, Accenture SCA Class I common shares or Accenture Canada Holdings exchangeable shares (with a value at the time of the offering of approximately $4,770,500, at an assumed price per share of $14.50), and the median number of Accenture Ltd Class A common shares, Accenture SCA Class I common shares or Accenture Canada Holdings exchangeable shares received by our partners was approximately 355,000 (with a value at the time of the offering of approximately $5,147,500, at an assumed price per share of $14.50). Their ownership of this equity is not dependent upon their continued employment. While these equity interests are subject to transfer restrictions, the transfer restrictions lapse over time, may not be enforceable in all cases and can be waived. See Certain Relationships and Related Transactions Voting Agreement and Accenture SCA Transfer Rights Agreement. In addition, in connection with our transition to a corporate structure, our partners have accepted significant reductions in their cash compensation. The substitution of equity, equity-based incentives and other employee benefits in lieu of higher cash compensation may not be sufficient to retain these individuals in the near or long term. There is no guarantee that the non-competition agreements we have entered into with our partners are sufficiently broad to prevent them from leaving us for our competitors or other opportunities or that these agreements will be enforceable in all cases.

In connection with the offering and our transition to a corporate structure, our non-partner employees will also receive equity incentives. These incentives to attract, retain and motivate employees may not be as effective as the opportunity, which existed prior to our transition to a corporate structure, to hold a partnership interest in Accenture. If these incentives are not effective, our ability to hire, retain and motivate skilled professionals will suffer.

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

Our success depends, in part, upon our ability to protect our proprietary methodologies and other intellectual property. Existing laws of some countries in which we provide services or products may offer only limited protection of our intellectual property rights. We rely upon a combination of trade secrets, confidentiality policies, nondisclosure and other contractual arrangements, and patent, copyright and trademark laws to protect our intellectual property rights. The steps we take in this regard may not be adequate to prevent or deter infringement or other misappropriation of our intellectual property, and we may not be able to detect unauthorized use or take appropriate and timely steps to enforce our intellectual property rights.

Risks That Relate to Our Financial Results and Our Lack of Experience in Managing a Public Company

Our profitability will suffer if we are not able to maintain our prices and utilization rates and control our costs.

Our profit margin, and therefore our profitability, is largely a function of the rates we are able to charge for our services and the utilization rate, or chargeability, of our professionals. Accordingly, if we are not able to maintain the rates we charge for our services or an appropriate utilization rate for our professionals, we will not be able to sustain our profit margin and our profitability will suffer. The rates we are able to charge for our services are affected by a number of factors, including:

- our clients perception of our ability to add value through our services;
- competition;
- introduction of new services or products by us or our competitors;
- pricing policies of our competitors; and
- general economic conditions.

Our utilization rates are also affected by a number of factors, including:

- seasonal trends, primarily as a result of our hiring cycle and holiday and summer vacations;
- our ability to transition employees from completed projects to new engagements;
- our ability to forecast demand for our services and thereby maintain an appropriate headcount; and
- our ability to manage attrition.

Our profitability is also a function of our ability to control our costs and improve our efficiency. As we increase the number of our professionals and execute our strategy for growth, we may not be able to manage a significantly larger and more diverse workforce, control our costs or improve our efficiency.

Our quarterly revenues, operating results and profitability will vary from quarter to quarter, which may result in increased volatility of our share price.

Our quarterly revenues, operating results and profitability have varied in the past and are likely to vary significantly from quarter to quarter, making them difficult to predict. This may lead to volatility in our share price. The factors that are likely to cause these variations are:

- seasonality;
- the business decisions of our clients regarding the use of our services;
- the timing of projects and their termination;
- the timing and extent of gains and losses on our portfolio of investments;
- the timing of income or loss from affiliates;
- our ability to transition employees quickly from completed projects to new engagements;
- the introduction of new products or services by us or our competitors;
- changes in our pricing policies or those of our competitors;
- our ability to manage costs, including personnel costs and support services costs;
- costs related to possible acquisitions of other businesses; and
- global economic conditions.

The historical and pro forma financial information in this prospectus may not permit you to predict our costs of operations.

The historical financial information in this prospectus does not reflect the added costs we expect to incur as a public company or the resulting changes that have occurred in our capital structure and operations. Because we historically operated through partnerships in many countries prior to our transition to a corporate structure, we paid little or no taxes on profits and no salaries to our partners who are now our employees. In preparing our pro forma financial information we deducted and charged to earnings estimated income taxes based on an estimated tax rate, which may be different from our actual tax rate in the future, and estimated salaries, payroll taxes and benefits for our partners who became our employees after our transition to a corporate structure. The estimates we used in our pro forma financial information may not be similar to our actual experience as a public corporation. For more information on our historical financial statements and pro forma financial information, see Pro Forma Financial Information and our historical financial statements and related notes included elsewhere in this prospectus.

Our management has no experience in managing a public company.

Our management team has historically operated our business as a privately-owned series of partnerships and corporations. The individuals who now constitute our management have never had responsibility for managing a publicly-traded company.

We expect to record substantial net losses in the fiscal quarter ended August 31, 2001 due to the one-time grant of restricted share units in connection with the offering.

We expect to record a substantial loss in the quarter ended August 31, 2001 primarily as the result of net nonrecurring compensation cost of approximately $1,002 million resulting from the grant of restricted share units in connection with the offering.

Risks That Relate to Your Ownership of Our Class A Common Shares

We will continue to be controlled by our partners, whose interests may differ from those of our other shareholders.

Upon completion of the offering our partners will own or control shares representing, in the aggregate, an 82% voting interest in Accenture Ltd, or 80% if the underwriters exercise their overallotment option in full. These shares are subject to a voting agreement, which requires our partners to vote as a group with respect to all matters submitted to shareholders. Our partners voting interest in Accenture Ltd may increase to the extent additional employees we name as partners are required to become parties to the voting agreement. See Certain Relationships and Related Transactions Voting Agreement for a discussion of these voting arrangements.

As long as our partners continue to own or control a significant block of voting rights, they will control us. This will enable them, without the consent of the public shareholders, to:

elect the board of directors and remove directors;

control our management and policies;

determine the outcome of most corporate transactions or other matters submitted to the shareholders for approval, including mergers, amalgamations and the sale of all or substantially all of our assets; and

act in their own interest as partners, which may conflict with or not be the same as the interests of shareholders who are not partners.

Furthermore, as a result of a partner matters agreement, our partners will continue to have influence with respect to a wide variety of matters over which neither shareholders nor employees of a public company typically have input. The partner matters agreement will provide mechanisms for our partners to:

select, for three to five years after the offering, five partner nominees for election to membership on the board of directors of Accenture Ltd;

make a non-binding recommendation to the board of directors of Accenture Ltd through a committee of partners regarding the selection of a chief executive officer of Accenture Ltd in the event a new chief executive officer is appointed within the first four years after the offering;

vote on new partner admissions;

approve the partners income plan as described below; and

hold a non-binding vote with respect to any decision to eliminate or materially change the current practice of allocating partner compensation on a relative, or unit, basis.

Under the terms of the partner matters agreement, a partners income committee, consisting of the chief executive officer and partners he or she appoints, reviews evaluations and recommendations concerning the performance of partners and determines relative levels of income participation, or unit allocation. Based on its review, the committee will prepare a partners income plan, which then must be submitted to the partners in a partner matters vote. If the plan is approved by a $66^{2}/3$% partner matters vote, it is (1) subject to the impact on overall unit allocation of determinations by the board of directors or the compensation committee of the board of directors of the unit allocation for the executive officers, binding with respect to the income participation or unit allocation of all partners other than the principal executive officers of Accenture Ltd (including the chief executive officer), unless otherwise determined by the board of directors and (2) submitted to the compensation committee of the board of directors as a recommendation with respect to the income participation or unit allocation of the chief executive officer and the other principal executive officers of Accenture Ltd. See Certain Relationships and Related Transactions Partner Matters

Agreement.

In addition, immediately following the offering, Accenture Ltd will own shares representing a 58% voting interest in Accenture SCA and certain of our partners will own shares representing a 42% voting interest in Accenture SCA. Accenture SCA is organized under Luxembourg law, and a 66 ^{2} /3% shareholder vote is required to amend the articles of association of Accenture SCA, liquidate Accenture SCA, sell all or substantially all of the assets of Accenture SCA and to authorize the general partner to increase the issued share capital of Accenture SCA. Luxembourg law requires a unanimous shareholder vote for a migration of Accenture SCA to a different jurisdiction and for the levying of an assessment on the Accenture SCA shares. Accordingly, there is the possibility that our partners holding an equity interest in Accenture SCA could block Accenture Ltd from causing Accenture SCA to take any of these actions. See Accenture Organizational Structure for a discussion of our organizational structure.

Our share price may decline due to the large number of Class A common shares eligible for future sale.

Sales of substantial amounts of Accenture Ltd Class A common shares, or the perception of these sales, may adversely affect the price of the Class A common shares and impede our ability to raise capital through the issuance of equity securities in the future. The number of Class A common shares available for sale in the public market at any time is limited by United States federal securities laws and by contractual restrictions on transfer. Our partners have agreed with us to comply with the 180-day lock-up between us and the underwriters. We have agreed not to waive this lock-up with our partners prior to the expiration of the 180 days without the consent of Goldman, Sachs & Co. and Morgan Stanley & Co. Incorporated. In addition, our partners equity interests are subject to contractual transfer restrictions that generally restrict sales for one year and then permit sales in increasing amounts over the subsequent seven years. Although these transfer restrictions may be waived generally by us and our partners (for example, if Accenture Ltd would permit its partners to participate as selling shareholders in an underwritten public offering) and in particular cases by committees of our partners, we have not agreed to any waiver of these restrictions and do not expect to these restrictions will be waived except in limited circumstances. For a discussion of the terms of the transfer restrictions, see Certain Relationships and Related Transactions Voting Agreement and Accenture SCA Transfer Rights Agreement.

Upon consummation of the offering, there will be 394,981,895 Class A common shares outstanding, or 412,231,895 Class A common shares if the underwriters exercise their overallotment option in full. Of these Class A common shares, 115,000,000 Class A common shares sold in the offering, or 132,250,000 Class A common shares if the underwriters exercise their overallotment option in full, will be freely transferable without restriction or further registration under the Securities Act of 1933. The remaining 279,981,895 Class A common shares generally will be available for future sale upon the expiration or waiver of transfer restrictions or, in the case of restricted share units, following delivery of the underlying Class A common shares. Our partners will also hold 595,457,336 Accenture SCA Class I common shares or Accenture Canada Holdings exchangeable shares that may be redeemed or exchanged on a one-for-one basis for Accenture Ltd Class A common shares. We expect that these Class A common shares, subject to the expiration or waiver of transfer restrictions, generally will be available for future sale. In addition, options to purchase 97,270,000 Class A common shares will generally become exercisable over the four or five years following consummation of the offering. We expect that these underlying Class A common shares will be freely transferable without further restriction.

As reflected in the table below, on each of the first eight anniversaries of the consummation of the offering, Class A common shares held by our partners will become available for sale in significant numbers and Accenture SCA Class I common shares and Accenture Canada Holdings exchangeable shares held by our partners will become redeemable or exchangeable for freely transferable Class A common shares in significant numbers. Our partners may be more likely to sell all or a portion of their Class A common shares to provide liquidity in response to the reduction in partner compensation in connection with our transition to a corporate structure or to diversify their portfolios.

Anniversary of offering	Number of Class A common shares that become available for sale by our partners(1)	Percentage of Class A common shares outstanding immediately following the offering that become available for sale by our partners(1)
1	80,771,458	8%
2	121,157,186	12%
3	80,771,458	8%
4	80,771,458	8%
5	80,771,457	8%
6	80,771,457	8%
7	80,771,457	8%
8 or later	201,928,643	20%

(1) Assumes our partners holdings of Accenture SCA Class I common shares and Accenture Canada Holdings exchangeable shares are redeemed or exchanged on a one-for-one basis. Also assumes that all partners remain our employees until the eighth anniversary of the offering.

See Shares Eligible for Future Sale for a discussion of the Class A common shares that may be sold in the public market in the future.

There has been no prior market for the Class A common shares, and they may trade at prices below the initial public offering price.

The price of the Class A common shares after the offering may fluctuate widely, depending upon many factors, including our perceived prospects and those of the consulting and technology industries in general, differences between our actual financial and operating results and those expected by investors and analysts, changes in analysts recommendations or projections, changes in general economic or market conditions and broad market fluctuations.

You will experience immediate and substantial dilution in the book value of your Class A common shares.

The initial public offering price of the Class A common shares is substantially higher than the pro forma net tangible book value per share of our Class A common shares. Pro forma net tangible book value represents the amount of our tangible assets on a pro forma basis, less our pro forma total liabilities. As a result, you will incur immediate dilution of $14.20 per share. For more information, see Dilution.

We may need additional capital in the future, which may not be available to us. The raising of additional capital may dilute your ownership in us.

We may need to raise additional funds through public or private debt or equity financings in order to:

- take advantage of opportunities, including more rapid expansion;
- acquire complementary businesses or technologies;
- develop new services and products; or
- respond to competitive pressures.

Any additional capital raised through the sale of equity may dilute your ownership percentage in us. Furthermore, any additional financing we may need may not be available on terms favorable to us, or at all.

We are registered in Bermuda, and a significant portion of our assets are located outside the United States. As a result, it may not be possible for shareholders to enforce civil liability provisions of the federal or state securities laws of the United States.

We are organized under the laws of Bermuda, and a significant portion of our assets are located outside the United States. It may not be possible to enforce court judgments obtained in the United States against us in Bermuda or in countries, other than the United States, where we have assets based on the civil liability provisions of the federal or state securities laws of the United States. In addition, there is some doubt as to whether the courts of Bermuda and other countries would recognize or enforce judgments of United States courts obtained against us or our directors or officers based on the civil liabilities provisions of the federal or state securities laws of the United States or would hear actions against us or those persons based on those laws. We have been advised by our legal advisors in Bermuda that the United States and Bermuda do not currently have a treaty providing for the reciprocal recognition and enforcement of judgments in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any federal or state court in the United States based on civil liability, whether or not based solely on United States federal or state securities laws, would not automatically be enforceable in Bermuda. Similarly, those judgments may not be enforceable in countries, other than the United States, where we have assets.

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

Our shareholders may have more difficulty protecting their interests than would shareholders of a corporation incorporated in a jurisdiction of the United States. As a Bermuda company, we are governed by the Companies Act 1981 of Bermuda. The Companies Act differs in some material respects from laws generally applicable to United States corporations and shareholders, including the provisions relating to interested directors, mergers and acquisitions, takeovers, shareholder lawsuits and indemnification of directors. See Description of Share Capital.

Under Bermuda law, the duties of directors and officers of a company are generally owed to the company only. Shareholders of Bermuda companies do not generally have rights to take action against directors or officers of the company, and may only do so in limited circumstances. Officers of a Bermuda company must, in exercising their powers and performing their duties, act honestly and in good faith with a view to the best interests of the company and must exercise the care and skill that a reasonably prudent person would exercise in comparable circumstances. Directors have a duty not to put themselves in a position in which their duties to the company and their personal interests may conflict and also are under a duty to disclose any personal interest in any contract or arrangement with the company or any of its subsidiaries. If a director or officer of a Bermuda company is found to have breached his duties to that company, he may be held personally liable to the company in respect of that breach of duty. A director may be liable jointly and severally with other directors if it is shown that the director knowingly engaged in fraud or dishonesty. In cases not involving fraud or dishonesty, the liability of the director will be determined by the Bermuda courts on the basis of their estimation of the percentage of responsibility of the director for the matter in question, in light of the nature of the conduct of the director and the extent of the causal relationship between his conduct and the loss suffered.

DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements relating to our operations that are based on our current expectations, estimates and projections. Words such as 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. The reasons for this include changes in general economic and political conditions, including fluctuations in exchange rates, and the factors discussed under the section entitled Risk Factors.

ACCENTURE ORGANIZATIONAL STRUCTURE

Accenture Ltd is a Bermuda holding company with no material assets other than Class I and Class II common shares in our subsidiary, Accenture SCA, a Luxembourg partnership limited by shares. Accenture Ltd s only business is to hold these shares and to act as the sole general partner of Accenture SCA. As the general partner of Accenture SCA and as a result of Accenture Ltd s majority voting interest in Accenture SCA, Accenture Ltd controls Accenture SCA s management and operations and will consolidate Accenture SCA s results in its financial statements. We operate our business through subsidiaries of Accenture SCA. Accenture SCA will reimburse Accenture Ltd for its expenses but will not pay Accenture Ltd any fees.

Prior to our transition to a corporate structure, we operated as a series of related partnerships and corporations under the control of our partners. In connection with our transition to a corporate structure, our partners have generally exchanged all of their interests in these partnerships and corporations for Accenture Ltd Class A common shares or, in the case of partners resident in specified countries, Accenture SCA Class I common shares or exchangeable shares issued by Accenture Canada Holdings Inc., an indirect subsidiary of Accenture SCA. Generally, partners who received Accenture SCA Class I common shares or Accenture Canada Holdings exchangeable shares also received a corresponding number of Accenture Ltd Class X common shares which entitle their holders to vote at Accenture Ltd shareholders meetings but do not carry any economic rights.

Our transition to a corporate structure has been accounted for as a reorganization at carryover basis as there are no changes in the rights, obligations or economic interests of our partners upon the exchange of their interests for shares in Accenture Ltd, Accenture SCA or Accenture Canada Holdings except for those applied consistently among our partners or those resulting from our transition from a series of related partnerships and corporations to a corporate structure. The Accenture SCA Class I common shares and the Accenture Canada Holdings exchangeable shares held by our partners will be treated as a minority interest in the consolidated financial statements of Accenture Ltd. However, the future exchange and/or redemption of Accenture SCA Class I common shares or Accenture Canada Holdings exchangeable shares will be accounted for at carryover basis.

None of our partners will be selling shares in the offering, and, immediately following the offering, our partners will own approximately 82% of the equity in our business, or 80% if the underwriters exercise their overallotment option in full. We will continue to be controlled by our partners following the offering. Upon completion of the offering, our partners will own or control shares representing, in the aggregate, approximately 82% of the voting interest in Accenture Ltd, or approximately 80% if the underwriters exercise their overallotment option in full. Immediately following the offering, our public shareholders (including our non-partner employees) will own approximately 18% of the equity in our business, or approximately 20% if the underwriters exercise their overallotment option in full, and will own shares representing approximately 18% of the voting interest in Accenture Ltd, or approximately 20% if the underwriters exercise their overallotment option in full.

Evercore Partners Inc. has acted as our financial advisor in our review of capitalization strategies and options.

Our organizational structure immediately following the offering will be as shown in the diagram below. The diagram does not display the subsidiaries of Accenture SCA and does not reflect exercise of the underwriters overallotment option.

(1) Includes non-partner employees.

(2) Generally consists of our partners in countries other than Australia, Canada, Denmark, France, Italy, New Zealand, Norway, Spain, Sweden and the United States.

(3) Generally consists of our partners in Australia, Canada, Denmark, France, Italy, New Zealand, Norway, Spain, Sweden and the United States. Our partners in Canada and New Zealand do not hold Accenture Ltd Class A common shares or Accenture SCA Class I common shares but instead hold Accenture Canada Holdings exchangeable shares. Each of these exchangeable shares is exchangeable at the option of the holder for an Accenture Ltd Class A common share on a one-for-one basis and entitles its holder to receive distributions equal to any distributions to which an Accenture Ltd Class A common share entitles its holder.

We intend to make all distributions to all of our equity holders pro rata based on economic ownership. Based on the shares outstanding immediately after the offering and assuming no exercise of the underwriters overallotment option, our public shareholders would receive approximately 18% of any distribution.

Each Class A common share and each Class X common share of Accenture Ltd entitles its holder to one vote on all matters submitted to a vote of shareholders of Accenture Ltd. The holder of a Class X common share is not, however, entitled to receive dividends or to receive payments upon a liquidation of Accenture Ltd.

Each Class I common share and each Class II common share of Accenture SCA entitles its holder to one vote on all matters submitted to a vote of shareholders of Accenture SCA. Each Accenture SCA Class II common share entitles Accenture Ltd to receive a dividend or liquidation payment equal to 10% of any dividend or liquidation payment to which an Accenture SCA Class I common share entitles its holder. Accenture Ltd holds all of the Class II common shares of Accenture SCA.

In the opinion of our counsel, under Accenture SCA s articles of association, shares in Accenture SCA held by Accenture Ltd are *actions de commandité*, or general partnership interests, and shares in Accenture SCA held by our partners are *actions de commanditaires*, or limited partnership interests. Accenture Ltd, as general partner of Accenture SCA, has unlimited liability for the liabilities of Accenture SCA.

Subject to contractual transfer restrictions, Accenture SCA is obligated, at the option of the holder, to redeem any outstanding Accenture SCA Class I common share at any time at a redemption price per share generally equal to the market price of an Accenture Ltd Class A common share at the time of the redemption. Accenture SCA may, at its option, pay this redemption price with cash or by delivering Accenture Ltd Class A common shares on a one-for-one basis. In addition, each of our partners in the United States, Australia and Norway has agreed that we may cause that partner to exchange that partners Accenture SCA Class I common shares for Accenture Ltd Class A common shares on a one-for-one basis if Accenture Ltd holds more than 40% of the issued share capital of Accenture SCA and we receive a satisfactory opinion from counsel or a professional tax advisor that such exchange should be without tax cost to that partner. This one-for-one redemption price and exchange ratio will be adjusted if Accenture Ltd holds more than a *de minimis* amount of assets (other than its interest in Accenture SCA and assets it holds only transiently prior to contributing them to Accenture SCA) or incurs more than a *de minimis* amount of liabilities (other than liabilities for which Accenture SCA has a corresponding liability to Accenture Ltd). Accenture Ltd does not intend to hold any material assets other than its interest in Accenture SCA or to incur any material liabilities such that this one-for-one redemption price and exchange ratio would require adjustment. In order to maintain Accenture Ltd s economic interest in Accenture SCA, Accenture SCA will issue common shares to Accenture Ltd each time additional Accenture Ltd Class A common shares are issued.

Holders of Accenture Canada Holdings exchangeable shares may exchange their shares for Accenture Ltd Class A common shares at any time on a one-for-one basis. Accenture Canada Holdings may, at its option, satisfy this exchange with cash at a price per share generally equal to the market price of an Accenture Ltd Class A common share at the time of the exchange. Each exchangeable share of Accenture Canada Holdings entitles its holder to receive distributions equal to any distributions to which an Accenture Ltd Class A common share entitles its holder.

Accenture Ltd may, at its option, redeem any Class X common share for a redemption price equal to the par value of the Class X common share, or $0.0000225 per share. Accenture Ltd may not, however, redeem any Class X common share of a holder if such redemption would reduce the number of Class X common shares held by that holder to a number that is less than the number of Accenture SCA Class I common shares or Accenture Canada Holdings exchangeable shares held by that holder, as the case may be. Accenture Ltd will redeem Accenture Ltd Class X common shares upon redemption or exchange of Accenture SCA Class I common shares and Accenture Canada Holdings exchangeable shares so that the aggregate number of Class X common shares outstanding at any time does not exceed the aggregate number of Accenture SCA Class I common shares and Accenture Canada Holdings exchangeable shares outstanding.

You should read Risk Factors Risks That Relate to Your Ownership of Our Class A Common Shares We will continue to be controlled by our partners, whose interests may differ from those of our other shareholders, Certain Relationships and Related Transactions and Description of Share Capital for additional information about our corporate structure and the risks posed by the structure.

USE OF PROCEEDS

The net proceeds to Accenture Ltd from the offering, at the public offering price of $14.50 per Class A common share and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us, will be approximately $1,571 million, or $1,809 million if the underwriters exercise their overallotment option in full.

Accenture Ltd intends to use the net proceeds from the offering to subscribe for Accenture SCA Class I common shares.

Accenture SCA intends to use the proceeds it receives from the issuance of its Class I common shares as follows:

approximately $839 million for costs and expenses incurred in connection with our transition to a corporate structure;

approximately $338 million to repay amounts outstanding under our revolving credit facilities; and

the balance for working capital, which previously was funded by our partners, and for general corporate purposes.

The costs we anticipate incurring in connection with our transition to a corporate structure include indirect taxes, such as capital and stamp duty imposed on transfers of assets among our subsidiaries; income taxes imposed on transfers of assets and liabilities among our subsidiaries; and income taxes relating to mandatory changes in tax accounting methods.

We expect that loans under our revolving credit facilities will be provided at the prime rate, or at the London interbank offered rate plus a spread which will vary according to a pricing grid, and that these facilities will be subject to annual commitment fees. Please see Management s Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources for a description of the terms of these facilities.

Pending specific application of the net proceeds, we intend to invest them in short-term marketable securities.

DIVIDEND POLICY

We currently do not anticipate that Accenture Ltd or Accenture SCA will pay dividends.

We may from time to time enter into financing agreements that contain financial covenants and restrictions, some of which may limit the ability of Accenture Ltd and Accenture SCA to pay dividends. See Management s Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources.

Future dividends on the Class A common shares of Accenture Ltd, if any, will be at the discretion of its board of directors and will depend on, among other things, our results of operations, cash requirements and surplus, financial condition, contractual restrictions and other factors that the board of directors may deem relevant.

CAPITALIZATION

The following table sets forth our consolidated capitalization as of May 31, 2001:

on a historical consolidated basis; and

on a pro forma consolidated basis adjusted to reflect our sale in the offering of 115,000,000 Class A common shares at the public offering price of $14.50 per share, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

This table should be read in conjunction with our historical financial statements and related notes, Pro Forma Financial Information and Management s Discussion and Analysis of Financial Condition and Results of Operations, appearing elsewhere in this prospectus.

	As of May 31, 2001	
	(Unaudited)	
	Historical	Pro forma as adjusted
	(in millions)	
Cash and cash equivalents	$ 724	$ 1,871
Short-term bank borrowings	$ 528	$ 190
Current portion of long-term debt	3	3
Long-term debt	31	31
Minority interests		209
Shareholders equity (deficit):		
Preferred shares: 2,000,000,000 shares authorized, 0 shares issued and outstanding, 0 shares issued and outstanding pro forma as adjusted		
Class A common shares, par value $0.0000225 per share, 20,000,000,000 shares authorized, 212,335,318 shares issued and outstanding, 327,257,238 shares issued and outstanding pro forma as adjusted		
Class X common shares, par value $0.0000225 per share, 1,000,000,000 shares authorized, 591,161,472 shares issued and outstanding, 591,161,472 shares issued and outstanding pro forma as adjusted		
Restricted share units (related to Class A common shares), 0 units issued and outstanding, 74,419,748 units issued and outstanding pro forma as adjusted		1,079
Additional paid-in capital		1,362
Retained earnings (deficit)	(1,178)	(2,127)
Deferred compensation		(97)
Accumulated other comprehensive income (loss)	(77)	(77)
Total shareholders equity (deficit)	(1,255)	140
Total capitalization	$ (693)	$ 573

DILUTION

As of May 31, 2001, our net tangible book value was $(1,275 million), or approximately $(4.56) per Accenture Ltd Class A common share. Net tangible book value per Accenture Ltd Class A common share represents total consolidated tangible assets less total consolidated liabilities, divided by the aggregate number of Class A common shares outstanding, assuming the redemption or exchange of all our partners holdings of Accenture SCA Class I common shares and Accenture Canada Holdings exchangeable shares for newly issued Class A common shares on a one-for-one basis. Class A common shares outstanding does not include 6,695,091 shares underlying restricted share units that are not fully vested or scheduled to fully vest prior to the end of the current fiscal year or 97,270,000 shares issuable pursuant to options. After giving effect to our sale of 115,000,000 Class A common shares in the offering, at the initial public offering price of $14.50 per share and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us, our net tangible book value as of May 31, 2001 would have been approximately $120 million, or $0.30 per share. This represents an immediate increase in net tangible book value to existing shareholders of $4.86 per share and an immediate dilution to new investors of $14.20 per share.

The following table illustrates this per share dilution:

Initial public offering price per Class A common share		$14.50
Net tangible book value per share as of May 31, 2001	$(4.56)	
Increase in net tangible book value per share attributable to new investors	4.86	
Net tangible book value per share after giving effect to the offering (1)		0.30
Dilution in net tangible book value per share to new investors (2)		$14.20

(1) Intangible assets as of May 31, 2001 were $20 million, relating to intangible assets acquired in connection with the separation from Andersen Worldwide and Arthur Andersen, or $0.05 per share after giving effect to the adjustments for the offering described under Pro Forma Financial Information.

(2) Dilution is determined by subtracting net tangible book value per share after giving effect to the offering from the initial public offering price per share paid by a new investor.

If the underwriters overallotment option is exercised in full, the net tangible book value per share after giving effect to the offering would be $0.87 per share and the dilution in net tangible book value per share to new investors would be $13.63 per share.

PRO FORMA FINANCIAL INFORMATION

The following pro forma consolidated balance sheet as of May 31, 2001 and pro forma combined income statements for the nine months ended May 31, 2001 and for the year ended August 31, 2000 are based on our historical financial statements included elsewhere in this prospectus.

The pro forma income statements and balance sheet give effect to the following as if they occurred on September 1, 1999 in the case of the pro forma income statements and on May 31, 2001 in the case of the pro forma balance sheet:

- the transactions related to our transition to a corporate structure described under Certain Relationships and Related Transactions Reorganization and Related Transactions;
- compensation payments to employees who were partners prior to our transition to a corporate structure; and
- provision for corporate income taxes.

The pro forma as adjusted income statements and balance sheet also give effect to the offering as if it occurred on September 1, 1999 in the case of the pro forma income statements and on May 31, 2001 in the case of the pro forma balance sheet.

The pro forma and pro forma as adjusted combined income statements for the year ended August 31, 2000 and the nine months ended May 31, 2001 do not give effect to one-time events directly attributable to the offering, because of their nonrecurring nature. These one-time events include:

- net compensation cost of approximately $1,002 million resulting from the grant of restricted share units in connection with the offering; and
- recognition of a charitable contribution of $16 million.

In addition, the pro forma and pro forma as adjusted combined income statement for the year ended August 31, 2000 does not give effect to one-time events directly attributable to our transition to a corporate structure and related transactions, because of their nonrecurring nature. These one-time events, which are included in the historical combined income statement for the nine months ended May 31, 2001 and excluded from the pro forma and pro forma as adjusted combined income statement for such period, include:

approximately $839 million, including current taxes payable of $61 million and deferred tax liabilities of $333 million, for costs associated with our transition to a corporate structure; and

recognition of deferred tax assets, net of approximately $172 million.

The pro forma and pro forma as adjusted combined income statement for the nine months ended May 31, 2001 excludes the effect of a cumulative change in accounting principle to implement Statement of Financial Accounting Standards No. 133, Accounting for Derivative Instruments and Hedging Activities.

The pro forma adjustments and the adjustments for the offering are based upon available information and assumptions that management believes are reasonable.

This information and the accompanying notes should be read in conjunction with our historical financial statements and the related notes included elsewhere in this prospectus. The information presented is not necessarily indicative of the results of operations or financial position that might have occurred had the events described above actually taken place as of the dates specified or that may be expected to occur in the future.

PRO FORMA COMBINED INCOME STATEMENT

(unaudited)

	For the nine months ended May 31, 2001				
	Historical	**Pro forma adjustments**	**Pro forma**	**Adjustments for the offering**	**Pro forma as adjusted**
	(in millions, except share and per share data)				
Revenues:					
Revenues before reimbursements	$ 8,666	$	$ 8,666	$	$ 8,666
Reimbursements	1,475		1,475		1,475
Revenues	10,141		10,141		10,141
Operating expenses:*					
Cost of services:*					
Cost of services before reimbursable expenses*	4,509	725 (a)	5,234	9 (g)	5,243
Reimbursable expenses	1,475		1,475		1,475
Cost of services*	5,984	725	6,709	9	6,718
Sales and marketing*	771	290 (a)	1,061	4 (g)	1,065
General and administrative costs*	1,131	44 (a)	1,175	2 (g)	1,177
Reorganization and rebranding costs*	777	(445)(b)	332		332
Total operating expenses*	8,663	614	9,277	15	9,292
Operating income*	1,478	(614)	864	(15)	849
Gain on investments, net	180		180		180
Interest income	59		59		59
Interest expense	(26)	(15)(c) (18)(d)	(59)	18 (h)	(41)
Other income (expense)	21		21		21
Equity in losses of affiliates	(53)		(53)		(53)
Income before taxes*	1,659	(647)	1,012	3	1,015
Provision for taxes (1)	420	207 (e) (222)(b)	405	1 (e)	406
	1,239	(632)	607	2	609

	For the nine months ended May 31, 2001				
Income before minority interest and cumulative change in accounting*					
Minority interest		449 (f)	449	(84)(f)	365
Partnership income before partner distributions and cumulative change in accounting* (2)	$ 1,239				
Income (loss) before cumulative change in accounting		$(1,081)	$ 158	$ 86	244
Earnings per share:					
Income before cumulative change in accounting applicable to common shareholders:					
basic					$ 0.62
diluted					$ 0.61
Weighted average shares:					
basic					396,320,913(i)
diluted					992,280,381(i)

* Historical information excludes payments for partner distributions.

(1) Provision for taxes is not the same as income taxes of a corporation. For the historical periods, we operated through partnerships in many countries. Therefore, we generally were not subject to income taxes in those countries. Taxes related to income earned by our partnerships were the responsibility of the individual partners. In other countries, we operated through corporations, and in these circumstances we were subject to income taxes.

(2) Partnership income before partner distributions is not comparable to net income of a corporation similarly determined. Partnership income in historical periods is not executive compensation in the customary sense because partnership income is comprised of distributions of current earnings. Accordingly, compensation and benefits for services rendered by partners have not been reflected as an expense in our historical financial statements.

PRO FORMA COMBINED INCOME STATEMENT

(unaudited)

	For the year ended August 31, 2000				
	Historical	**Pro forma adjustments**	**Pro forma**	**Adjustments for the offering**	**Pro forma as adjusted**
	(in millions, except share and per share data)				
Revenues:					
Revenues before reimbursements	$ 9,752	$	$ 9,752	$	$ 9,752
Reimbursements	1,788		1,788		1,788
Revenues	11,540		11,540		11,540
Operating expenses:*					
Cost of services:*					
Cost of services before reimbursable expenses*	5,486	641 (a)	6,127	11 (g)	6,138
Reimbursable expenses	1,788		1,788		1,788
Cost of services*	7,274	641	7,915	11	7,926
Sales and marketing*	883	304 (a)	1,187	5(g)	1,192
General and administrative costs*	1,297	141 (a)	1,438	3(g)	1,441
Total operating expenses*	9,454	1,086	10,540	19	10,559
Operating income*	2,086	(1,086)	1,000	(19)	981
Gain on investments, net	573		573		573
Interest income	67		67		67

	For the year ended August 31, 2000				
Interest expense	(24)	(11)(c) (25)(d)	(60)	25(h)	(35)
Other income (expense)	51		51		51
Equity in losses of affiliates	(46)		(46)		(46)
Income before taxes	2,707	(1,122)	1,585	6	1,591
Provision for taxes (1)	243	391 (e)	634	2(e)	636
Income before minority interest*	2,464	(1,513)	951	4	955
Minority interest		704 (f)	704	(131)(f)	573
Partnership income before partner distributions* (2)	$ 2,464				
Net income (loss)		$(2,217)	$ 247	$ 135	$ 382
Earnings per share:					
Net income applicable to common shareholders:					
basic					$ 0.97
diluted					$ 0.96
Weighted average shares:					
basic					394,981,895(i)
diluted					991,108,740(i)

* Historical information excludes payments for partner distributions.

(1) Provision for taxes is not the same as income taxes of a corporation. For the historical periods, we operated through partnerships in many countries. Therefore, we generally were not subject to income taxes in those countries. Taxes related to income earned by our partnerships were the responsibility of the individual partners. In other countries, we operated through corporations, and in these circumstances we were subject to income taxes.

(2) Partnership income before partner distributions is not comparable to net income of a corporation similarly determined. Partnership income in historical periods is not executive compensation in the customary sense because partnership income is comprised of distributions of current earnings. Accordingly, compensation and benefits for services rendered by partners have not been reflected as an expense in our historical financial statements.

PRO FORMA CONSOLIDATED BALANCE SHEET
May 31, 2001

(unaudited)

	Historical	Pro forma adjustments	Pro forma	Adjustments for the offering	Pro forma as adjusted
			(in millions)		
Current assets:					
Cash and cash equivalents	$ 724	$	$ 724	$1,571 (j) (16)(k) (70)(l) (338)(m)	$1,871
Short-term investments					
Receivables from clients	1,588		1,588		1,588
Unbilled services	808		808		808
Due from related parties	3		3		3
Deferred tax assets	126		126	(14)(l)	112
Other current assets	227		227		227
Total current assets	3,476		3,476	1,133	4,609
Non-current assets:					
Due from related parties	31		31		31

	Historical	Pro forma adjustments	Pro forma	Adjustments for the offering	Pro forma as adjusted
Investments	382		382		382
Property and equipment, net	793		793		793
Deferred tax assets	145		145	79 (g)	203
				(21)(l)	
Other non-current assets	102		102		102
Total non-current assets	1,453		1,453	58	1,511
Total assets	$4,929	$	$4,929	$1,191	$6,120
Current liabilities:					
Short-term bank borrowings	$ 528	$	$ 528	$ (338)(m)	$ 190
Current portion of long-term debt	3		3		3
Accounts payable	158		158		158
Due to related parties	1,364		1,364		1,364
Deferred revenues	928		928		928
Accrued payroll and related benefits	1,014		1,014	(35)(l)	999
				20 (g)	
Taxes payable	233		233	(6)(k)	227
Deferred tax liabilities	310		310		310
Other accrued liabilities	332		332		332
Total current liabilities	4,870		4,870	(359)	4,511
Non-current liabilities:					
Long-term debt	31		31		31
Retirement benefits	345		345		345
Deferred tax liabilities	98		98		98
Other non-current liabilities	840		840	(54)(l)	786
Total non-current liabilities	1,314		1,314	(54)	1,260
Minority interest				209 (f)	209
Shareholders equity (deficit)					
Preferred shares: 2,000,000,000 shares authorized, 0 shares issued and outstanding, 0 shares issued and outstanding pro forma, 0 shares issued and outstanding pro forma as adjusted					
Class A common shares, par value $0.0000225 per share, 20,000,000,000 shares authorized, 212,335,318 shares issued and outstanding, 212,257,238 shares issued and outstanding pro forma, 327,257,239 shares issued and outstanding pro forma as adjusted					
Class X common shares, par value $0.0000225 per share, 1,000,000,000 shares authorized, 591,161,472 shares issued and outstanding, 591,161,472 shares issued and outstanding pro forma, 591,161,472 shares issued and outstanding pro forma as adjusted					
Restricted share units (related to Class A common shares), 0 units issued and outstanding, 0 units issued and outstanding pro forma, 74,419,748 units issued and outstanding pro forma as adjusted				982 (g)	1,079
				97 (g)	
Additional paid-in capital				1,571 (j)	1,362
				(209)(f)	
Retained earnings (deficit)	(1,178)		(1,178)	(10)(k)	(2,127)
				(16)(l)	
				79 (g)	
				(1,002)(g)	
Deferred compensation				(97)(g)	(97)
Accumulated other comprehensive income (loss)	(77)		(77)		(77)
Total shareholders equity (deficit)	(1,255)		(1,255)	1,395	140

	Historical	Pro forma adjustments	Pro forma	Adjustments for the offering	Pro forma as adjusted
Total liabilities and shareholders equity (deficit)	$4,929	$	$4,929	$1,191	$6,120

NOTES TO PRO FORMA FINANCIAL INFORMATION

(unaudited)
(in millions, except share and per share data)

Accenture Ltd s only business will be to hold shares in and act as the sole general partner of Accenture SCA. As the sole general partner of Accenture SCA and as a result of Accenture Ltd s majority voting interest in Accenture SCA, Accenture Ltd will control Accenture SCA s management and operations and will, accordingly, consolidate Accenture SCA s results in Accenture Ltd s financial statements. Further, our transition to a corporate structure has been accounted for on a carryover basis.

(a) Adjustments reflect compensation and benefit costs totaling $1,059 and $1,086 for the nine months ended May 31, 2001 and for the year ended August 31, 2000, respectively, that we would have paid to our partners had we been in a corporate structure during the historical periods. Since we have operated in historical periods as a series of related partnerships and corporations under the control of our partners, payments to our partners have generally been accounted for as distributions of partners income, rather than compensation expense. As a result, our net income and compensation and benefits expense have not reflected any payments for services rendered by partners. As a corporation, we will include payments for services rendered by our partners in compensation and benefits expense. The new compensation plan adopted by us is comprised of a fixed salary amount, benefits and performance-based bonuses. All elements of the new compensation plan, including bonus, have been reflected in these adjustments because our partners would have earned the bonus based on our results of operations for the historical periods. Compensation cost in the pro forma income statement does not include the fair value of restricted share units to be granted at the time of the offering to some former U.S. employees, some former partners and substantially all employees that vest upon grant or on August 31, 2001, discussed under note (g), because they are a one-time grant in connection with the offering.

Benefit costs are medical, dental and payroll taxes, all of which are based on estimated costs that would have been incurred had these benefits been in place during the historical periods.

Compensation and benefit costs of partners have been allocated 69% and 59% to cost of services, 27% and 28% to sales and marketing, and 4% and 13% to general and administrative costs for the nine months ended May 31, 2001 and for the year ended August 31, 2000, respectively, based upon an estimate of the time spent on each activity at the appropriate cost rates. The percentage allocation in the nine months ended May 31, 2001 varies from the allocation in the year ended August 31, 2000 due to the admission of a significant number of new partners on September 1, 2000.

(b) Reflects an adjustment to eliminate the effect of the transaction costs incurred in connection with our transition to a corporate structure. $445 relates to indirect taxes, such as capital and stamp duty imposed on transfers of assets among group members. $222 relates to the revaluation of deferred tax liabilities upon change in tax status, including income taxes relating to mandatory changes in tax accounting methods, from a partnership to a corporate structure. These amounts are excluded from the Pro Forma Combined Income Statement due to their nonrecurring nature.

(c) Reflects an adjustment of $15 and $11 for the nine months ended May 31, 2001 and for the year ended August 31, 2000, respectively, for the estimated interest expense on early-retirement benefits payable to partners.

(d) Reflects an adjustment of $18 and $25 for the nine months ended May 31, 2001 and the year ended August 31, 2000, respectively, for the estimated interest expense on borrowings of $338 at an incremental borrowing rate of 7.5% incurred to repay partners paid-in capital in connection with our transition to a corporate structure.

NOTES TO PRO FORMA FINANCIAL INFORMATION (Continued)

(unaudited)
(in millions, except share and per share data)

(e) Reflects an adjustment for an estimated income tax provision as if we had operated in a corporate structure at a pro forma tax rate of 40%. Pro forma as adjusted income taxes total $406 and $636 for the nine months ended May 31, 2001 and for the year ended August 31, 2000, respectively. As a series of related partnerships and corporations under the control of our partners, we generally were not subject to income taxes. However, some of the corporations were subject to income taxes in their local jurisdictions.

(f) Reflects an adjustment to record the 60% minority interest ownership of partners in Accenture SCA and Accenture Canada Holdings. The minority interest percentage declined from 74% at May 31, 2001 to 60% due to shares issued and restricted share units granted on the date of the offering. However, the recorded minority interest in the historical consolidated balance sheet at May 31, 2001 was $0 because of our shareholders deficit position. Also reflects the assumed issuance to Accenture Ltd of the 67,724,657 Accenture SCA Class I common shares that will be issued in connection with the delivery of the 67,724,657 Accenture Ltd Class A common shares underlying 67,724,657 restricted share units which generally are considered fully vested and will be issued for no consideration solely upon the passage of time for the purpose of the pro forma earnings per share and minority interest calculation.

Accenture Ltd owns a 26% economic interest and a 52% voting interest in Accenture SCA prior to the offering. The remaining economic interest and voting interest are owned by some of our partners. We operate our business through subsidiaries of Accenture SCA.

The transition of Accenture to a corporate structure was accounted for as a reorganization at carryover basis. Partners in Accenture received shares of Accenture Ltd, Accenture SCA or Accenture Canada Holdings depending on their member firm. The shares of Accenture SCA and Accenture Canada Holdings held by partners will be treated as a minority interest in the consolidated financial statements of Accenture Ltd. However, the future exchange and/or acquisition of Accenture SCA or Accenture Canada Holdings shares will be accounted for at carryover basis.

Upon receipt of the proceeds of the offering, Accenture Ltd will subscribe for shares in Accenture SCA, thereby increasing its percentage of economic interest in Accenture SCA from 26% to 40%.

Since Accenture Ltd is the sole general partner of Accenture SCA and owns the majority of the voting shares, Accenture Ltd consolidates Accenture SCA and its subsidiaries. Although the other shareholders of Accenture SCA hold more than 50% of the economic interest in Accenture SCA, they do not have voting control and therefore are considered to be a minority interest.

(g) Adjustment reflects the anticipated one-time grants of restricted share units to partners, former partners and employees. Each restricted share unit awarded will represent an unfunded, unsecured right, which is nontransferable except in the event of death, of a participant to receive a Class A common share on the date specified in the participant s award agreement. We intend to grant restricted share units on a one-time basis on the date of the offering as follows:

35,000,000 to employees who are current holders of eUnits under the eUnit Bonus Plan described on pages F-15 and F-16 in replacement of outstanding eUnits which are being cancelled as described in note (l) and to all employees in good standing.

NOTES TO PRO FORMA FINANCIAL INFORMATION (Continued)

(unaudited)
(in millions, except share and per share data)

15,042,077 to some of our former partners who retired or resigned prior to May 31, 2001, in respect of past services.

16,357,175 to some of our employees that will be promoted to partner on September 1, 2001. These restricted share units will vest on August 31, 2001.

8,020,496 to some of our recently admitted partners in respect of future services. These restricted share units will vest over five years and will be expensed over the vesting period as services are rendered, except for 1,325,405 restricted share units which will be fully vested.

We recognize compensation expense for share-based compensation awards in accordance with Accounting Principles Board Opinion No. 25, Accounting for Stock Issued to Employees. Under the measurement principles of APB No. 25 and Financial Interpretation Number 44, Accounting for Certain Transactions Involving Stock Compensation an Interpretation of APB 25, we will recognize compensation expense of $1,002 (51,367,482 restricted share units that vest upon grant and 16,357,175 restricted share units that vest on August 31, 2001 at the initial public offering price of $14.50 per share plus $20 of payroll taxes) in respect of the portion of restricted share units that are fully vested on the date of the grant and a deferred income tax benefit of $79. See Management Employee Awards. This includes $20 of payroll tax incurred on the grant of the restricted share units which has been recorded in current liabilities. In addition, we have recognized $15 and $19 for the nine months ended May 31, 2001 and for the year ended August 31, 2000, respectively, for the portion of restricted share units that will vest over a five-year period. The compensation cost of these restricted share units that will vest over a five-year period have been allocated 69% and 59% to cost of services, 27% and 28% to sales and marketing, and 4% and 13% to general and administrative costs for the nine months ended May 31, 2001 and for the year ended August 31, 2000, respectively. See note (a). The total cost of the restricted share units that vest over five years, $97 (6,695,091 restricted share units at the initial public offering price of $14.50 per share), has been recorded in the pro forma as adjusted balance sheet as deferred compensation.

(h) Reflects the elimination of the adjustment described in note (d) since the proceeds of the offering eliminate the need for such borrowing.

(i) For the purposes of the pro forma earnings per share calculation, the weighted average shares outstanding, basic and diluted, were calculated based on:

Common share issuances	Year ended August 31, 2000 Pro forma as adjusted		Nine months ended May 31, 2001 Pro forma as adjusted	
	Basic	Diluted	Basic	Diluted
Accenture Ltd Class A common shares	212,257,238	212,257,238	212,257,238	212,257,238
Accenture SCA Class I common shares		587,296,594		587,296,594
Accenture Canada Holdings exchangeable shares		8,160,742		8,160,742
Restricted share units vested	67,724,657	68,394,166	69,063,675	69,565,807
New shares from offering	115,000,000	115,000,000	115,000,000	115,000,000
Weighted average shares outstanding	394,981,895	991,108,740	396,320,913	992,280,381

NOTES TO PRO FORMA FINANCIAL INFORMATION (Continued)

(unaudited)
(in millions, except share and per share data)

Basic and diluted earnings per share are calculated as follows:

Basic earnings per share	Pro forma as adjusted	
	Year ended August 31, 2000	Nine months ended May 31, 2001
Net income (loss) available to common shareholders	$ 382	
Income (loss) before cumulative change in accounting		$ 244
Weighted average shares outstanding	394,981,895	396,320,913
Basic earnings per share	$ 0.97	$ 0.62

(j) Adjustment to record net proceeds from the sale of 115,000,000 Class A common shares in the offering, resulting in net proceeds of $1,571.

(k) Reflects the payment of $16 in cash to the Accenture Foundation, Inc., a New York not-for-profit corporation, or to comparable entities in other jurisdictions.

(l) In connection with the grant of restricted share units, discussed in note (g), we are terminating our deferred bonus plan (the eUnit Bonus Plan) for employees. Adjustment reflects an extinguishment of a liability of $89, of which $70 will be paid out in cash, and elimination of the related current and long-term deferred income tax assets of $14 and $21, respectively.

(m) Adjustment to reflect $338 repayment of borrowings from proceeds of the offering.

SELECTED FINANCIAL DATA

The following selected financial data have been presented on a historical cost basis for all periods presented. The data as of August 31, 1999 and 2000 and for the years ended August 31, 1998, 1999 and 2000 are derived from the audited historical financial statements and related notes which are included elsewhere in this prospectus. The data as of August 31, 1996, 1997 and 1998 and as of May 31, 2000 and for the years ended August 31, 1996 and 1997 are derived from unaudited historical financial statements and related notes which are not included in this prospectus. The data as of May 31, 2001 and for the nine months ended May 31, 2000 and 2001 are derived from the historical unaudited financial statements and related notes which are included elsewhere in this prospectus. The selected financial data should be read in conjunction with Management s Discussion and Analysis of Financial Condition and Results of Operations, Pro Forma Financial Information and our historical financial statements and related notes included elsewhere in this prospectus.

	Year ended August 31,					Nine months ended May 31,	
	1996	1997	1998	1999	2000	2000	2001
	(in millions)						
Income Statement Data:							
Revenues:							
Revenues before reimbursements	$4,942	$6,275	$8,215	$ 9,550	$ 9,752	$7,245	$ 8,666
Reimbursements	768	1,172	1,425	1,529	1,788	1,301	1,475
Revenues	5,710	7,447	9,640	11,079	11,540	8,546	10,141
Operating expenses:*							
Cost of services:*							
Cost of services before reimbursable expenses*	2,678	3,470	4,700	5,457	5,486	4,000	4,509
Reimbursable expenses	768	1,172	1,425	1,529	1,788	1,301	1,475
Cost of services*	3,446	4,642	6,125	6,986	7,274	5,301	5,984
Sales and marketing*	532	611	696	790	883	651	771
General and administrative costs*	659	819	1,036	1,271	1,297	936	1,131
Reorganization and rebranding costs							777
Total operating expenses*	4,637	6,072	7,857	9,047	9,454	6,888	8,663
Operating income*	1,073	1,375	1,783	2,032	2,086	1,658	1,478
Gain on investments, net				92	573	534	180
Interest income				60	67	45	59
Interest expense	(16)	(19)	(17)	(27)	(24)	(18)	(26)
Other income (expense)	(4)	4	(6)	(5)	51	32	21
Equity in losses of affiliates			(1)	(6)	(46)	(9)	(53)
Income before taxes*	1,053	1,360	1,759	2,146	2,707	2,242	1,659
Provision for taxes (1)	116	118	74	123	243	194	420
Income before cumulative change in accounting*	937	1,242	1,685	2,023	2,464	2,048	1,239
Cumulative effect of change in accounting							188
Partnership income before partner distributions* (2)	$ 937	$1,242	$1,685	$ 2,023	$ 2,464	$2,048	$ 1,427

	As of August 31,					As of May 31,	
	1996	1997	1998	1999	2000	2000	2001
	(in millions)						
Balance Sheet Data:							
Cash and cash equivalents	$ 438	$ 325	$ 736	$ 1,111	$ 1,271	$1,297	$ 724
Working capital	280	175	531	913	1,015	1,023	(1,394)
Total assets	2,323	2,550	3,704	4,615	5,451	5,491	4,929
Long-term debt	226	192	157	127	99	127	31
Total partners capital	696	761	1,507	2,208	2,368	2,579	
Shareholders equity (deficit)							(1,255)

* Excludes payments for partner distributions.

(1) Provision for taxes is not the same as income taxes of a corporation for historical periods. We operated through partnerships in many countries. Therefore, we generally were not subject to income taxes in those countries. Taxes related to income earned by our partnerships were the responsibility of the individual partners. In other countries, we operated through corporations, and in these circumstances we were subject to income taxes.

(2) Partnership income before partner distributions is not comparable to net income of a corporation similarly determined. Partnership income in historical periods is not executive compensation in the customary sense because partnership income is comprised of distributions of current earnings. Accordingly, compensation and benefits for services rendered by partners have not been reflected as an expense in our historical financial statements.

MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with our historical financial statements and related notes included elsewhere in this prospectus as well as our pro forma financial information contained in the section entitled Pro Forma Financial Information.

All references to years, unless otherwise noted, refer to our fiscal year, which ends on August 31. For example, a reference to 2000 or fiscal 2000 means the 12-month period that ended on August 31, 2000. All references to quarters, unless otherwise noted, refer to the quarters of our fiscal year.

Overview

Accenture is the world s leading provider of management and technology consulting services and solutions. We have more than 75,000 employees in more than 110 offices in 46 countries delivering to our clients a wide range of consulting, technology and outsourcing services. Our leading position in the management and technology consulting services and solutions markets results from the fact that we have more consulting professionals than any other consulting firm, with more than 57,000 professionals working within our global market units, complemented by more than 8,000 professionals dedicated full time to our service lines. In addition, we have deep industry knowledge in 18 distinct industry groups and broad service offering expertise through our eight service lines. In total, we have more than 75,000 employees who provide global scale and reach through more than 110 offices in 46 countries. Based on our knowledge of our business and the business of our competitors, we believe that no other consulting firm provides as broad a range of management and technology consulting services and solutions to as many industry groups in as many geographic markets as we do.

The results of our operations are affected by the level of economic activity and change in the industries we serve. Our business is also driven, in part, by the pace of technological change and the type and level of technology spending by our clients. The ability to identify and capitalize on these technological and market changes early in their cycles is a key driver of our performance. We are now seeing some evidence of an economic slowdown in some markets, including a reduction in capital expenditures and technology and associated discretionary spending by our clients, particularly in the United States. This has caused a reduction in our growth rate in the Americas and in our Communications & High Tech, Financial Services and Products global market units in the third quarter of this fiscal year as compared with the first half of this fiscal year. Revenues before reimbursements for the third quarter of 2001 for our Communications & High Tech, Financial Services and Products global market units increased by 8%, 15% and 16%, respectively, over the third quarter of 2000, while revenues before reimbursements for the first half of 2001 for these market units increased by 27%, 19% and 25%, respectively, over the first half of 2000. Revenues before reimbursements for the third quarter of 2001 for our Americas geographic area increased by 10% over the third quarter of 2000, while revenues before reimbursements for the first half of 2001 for this geographic area increased by 27% over the first half of 2000. We expect continued growth in revenues in the fourth quarter of this fiscal year, though at a slower rate of growth than in the third quarter. Our strategy is to anticipate changes in demand for our services and to identify cost-management initiatives in order to manage costs as a percentage of revenues. For example, on June 7, 2001, we announced an initiative to reduce our staff in certain parts of the world, in certain skill groups and in some support positions. We have generally been able to maintain our margins during past periods of volatility, such as the slowdown in technology spending that occurred in anticipation of the Year 2000 events, through similar proactive cost-management programs.

We have operated as a series of related partnerships and corporations under the control of our partners for all historical periods. We will operate in a corporate structure in future periods. As a business, whether in partnership form or in a corporate structure, our profitability is driven by the same factors. Revenues are driven by our partners and senior executives ability to secure contracts for new engagements and to deliver products and services that add value to our clients. Our ability to add value to clients and therefore drive revenues depends in part on our ability to offer market-leading service offerings and to deploy skilled teams of professionals quickly and on a global basis.

Cost of services is primarily driven by the cost of client service personnel, which consists primarily of compensation and training costs. Cost of services as a percentage of revenues is driven by the productivity of our client service workforce. Chargeability, or utilization, represents the percentage of our professionals time spent on billable work. We plan and manage our headcount to meet the anticipated demand for our services. Selling and marketing expense is driven primarily by development of new service offerings, the level of concentration of clients in a particular industry or market, client targeting, image development and brand-recognition activities. General and administrative costs generally correlate with changes in headcount and activity levels in our business.

Presentation

Until August 2000, we were associated with Andersen Worldwide. We and Arthur Andersen were two stand-alone business units linked through various agreements between us and Andersen Worldwide, a coordinating entity. Following arbitration proceedings between us, on the one hand, and Andersen Worldwide and Arthur Andersen, on the other, that were completed in August 2000, we ceased to be associated with these organizations. During our association with Andersen Worldwide and Arthur Andersen, we were controlled by our partners, and our historical financial statements have been presented on a consistent basis for all periods. On January 1, 2001, we changed our name to Accenture.

Since we have historically operated as a series of related partnerships and corporations under the control of our partners, our partners generally participated in profits, rather than receive salaries. Therefore, our historical financial statements do not reflect any compensation or benefit costs for services rendered by them. Upon the consummation of our transition to a corporate structure, partner compensation will consist of salary, bonuses and benefits. The pro forma financial statements, which appear elsewhere in this prospectus, include adjustments for compensation and benefits that we would have paid to partners under the compensation program we implemented when we consummated our transition to a corporate structure. Similarly, operating primarily in the form of partnerships has meant that our partners have paid income tax on their share of the partnerships income on their individual tax returns. Therefore, our historical financial statements do not reflect the income tax liability that we would have paid as a corporation. Following the consummation of our transition to a corporate structure, we are subject to corporate tax on our income.

Segments

Operating segments are defined as components of an enterprise for which separate financial information is regularly available and evaluated by the chief operating decision maker, or decision making group, in deciding how to allocate resources and in assessing performance. Our chief operating decision maker is the Chief Executive Officer.

Our five reportable operating segments are our global market units, or market units, which are Communications & High Tech, Financial Services, Government, Products and Resources. The operating segments are managed separately because each operating segment represents a strategic business unit that serves different markets. Revenues of the individual global market units vary based on the results of the industry groups that comprise each global market unit. Global market units are managed on the basis of revenues before reimbursements because management believes it is a better indicator of global market unit performance than revenues. Generally, operating expenses for each global market unit have similar characteristics and are subject to the same drivers, pressures and challenges. While most operating expenses apply to all segments, some sales and marketing expenses are lower as a percentage of revenues in industry groups whose client base is concentrated, such as those in Financial Services, and higher in industry groups whose client base is more fragmented, such as those in Products. The discussion and analysis related to each operational expense category applies to all segments, unless otherwise indicated.

Revenues

We derive substantially all of our revenues from contracts for management and technology service offerings and solutions that we develop, implement and manage for our clients. Depending on the terms of the contract, revenues are recognized on a time-and-materials basis or on a percentage-of-completion basis, as services are provided by our employees and, to a lesser extent, subcontractors. Revenues from time-and-materials service contracts are recognized as the services are provided. Revenues from long-term contracts are recognized over the contract term based on the percentage of services provided during the period compared to the total estimated services to be provided over the duration of the contract. Revenues include the cost and margin earned on computer hardware and software resale contracts, as well as revenues from alliance agreements, neither of which is material to us. Reimbursements, including those relating to travel and other out-of-pocket expenses, and other similar third-party costs, such as the cost of hardware and software resales, are included in revenues, and an equivalent amount of reimbursable expenses are included in cost of services.

Each contract has different terms based on the scope, deliverables and complexity of the engagement. While we have many types of contracts, including time-and-materials contracts, fixed-price contracts and contracts with features of both of these contract types, we have been moving away from contracts that are priced solely on a time-and-materials basis toward contracts that also include incentives related to costs incurred, benefits produced and our adherence to schedule. We estimate that a majority of our contracts have some fixed-price, incentive-based or other pricing terms that condition our fee on our ability to deliver defined goals. Generally, our contracts are terminable by the client on short notice and without penalty. Accordingly, we do not believe it is appropriate to characterize 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.

Operating Expenses

Operating expenses include variable and fixed direct and indirect costs that are incurred in the delivery of our solutions and services to clients. The primary categories of operating expenses include cost of services, sales and marketing, and general and administrative costs.

Cost of Services

Cost of services includes the direct costs to provide services to our clients. Such costs generally consist of compensation for client service personnel, the cost of subcontractors hired as part of client service teams, costs directly associated with the provision of client service, such as special-purpose facilities for outsourcing contracts, the recruiting, training, personnel development and scheduling costs of our client service personnel. Reimbursements, including those relating to travel and other out-of-pocket expenses, and other similar third-party costs, such as the cost of hardware and software resales, are included in revenues, and an equivalent amount of reimbursable expenses are included in cost of services.

Sales and Marketing

Sales and marketing expense consists of expenses related to promotional activities, market development, including costs to develop new service offerings, and image development, including advertising and market research.

General and Administrative Costs

General and administrative costs primarily include costs for non-client service personnel, information systems and office space. Through various cost-management initiatives, we seek to keep general and administrative costs proportionately in line with or below anticipated changes in revenues.

Reorganization and Rebranding Costs

Reorganization and rebranding costs include one-time costs, beginning in September 2000, to rename our organization Accenture and other costs to transition to a corporate structure.

Gain on Investments

Gain on investments represents primarily gains and losses on the sales of marketable securities and write-downs on investments in private securities. These fluctuate over time, are not predictable and may not recur. Beginning on September 1, 2000, they also include changes in the fair market value of equity holdings considered to be derivatives in accordance with SFAS 133.

Interest Income

Interest income represents