

<b>TIMELINESS</b> 3 Lowered 12/10/10	High: 6.0 4.5 6.4 12.4 21.5 26.2 41.2 47.8 37.1 46.6 74.8 83.5	Low: 2.0 1.5 2.7 4.3 9.8 17.8 24.3 29.4 14.4 17.3 42.1 59.7	Target Price Range 2014 2015 2016																																								
<b>SAFETY</b> 3 Raised 2/28/03	<b>LEGENDS</b> --- 16.5 x "Cash Flow" p sh .... Relative Price Strength 2-for-1 split 3/00 3-for-1 split 4/03 2-for-1 split 6/04 2-for-1 split 10/07 Options: Yes Shaded areas indicate recessions																																										
<b>TECHNICAL</b> 4 Lowered 8/12/11																																											
<b>BETA</b> 1.15 (1.00 = Market)																																											
<b>2014-16 PROJECTIONS</b>	<table border="1"> <tr> <th></th> <th>Price</th> <th>Gain</th> <th>Ann'l Total Return</th> </tr> <tr> <td>High</td> <td>145</td> <td>(+125%)</td> <td>22%</td> </tr> <tr> <td>Low</td> <td>95</td> <td>(+45%)</td> <td>10%</td> </tr> </table>				Price	Gain	Ann'l Total Return	High	145	(+125%)	22%	Low	95	(+45%)	10%																												
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Cognizant Technology was formed as an in-house information technology unit at Dun & Bradstreet and came public through an initial public offering of 35 million shares of Class A stock in June, 1998 at \$84 a share, of which 30 million were sold by Cognizant Technology and 5 million by the parent company. The stock trades on the NASDAQ under the symbol CTSH. (Share data are split-adjusted.)	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	© VALUE LINE PUB. LLC	14-16
	.77	.93	1.43	2.17	3.16	5.00	7.41	9.66	11.03	15.11	20.00	24.20	Sales per sh	41.00
	.13	.18	.28	.43	.63	.94	1.40	1.73	2.10	2.76	3.45	4.20	"Cash Flow" per sh	6.85
	.10	.14	.22	.35	.53	.78	1.16	1.44	1.78	2.37	2.80	3.50	Earnings per sh A	5.75
	--	--	--	--	--	--	--	--	--	--	Nil	Nil	Div'ds Decl'd per sh	Nil
	.06	.09	.12	.17	.26	.37	.63	.58	.26	.61	.60	.65	Cap'l Spending per sh	.65
	.43	.68	1.07	1.68	2.55	3.77	5.10	6.74	8.93	11.79	14.00	17.50	Book Value per sh	32.25
	232.26	245.04	257.35	269.86	280.25	285.03	288.01	291.67	297.23	303.94	304.00	305.00	Common Shs Outst'g B	310.00
	33.1	30.6	34.5	39.6	43.3	42.6	34.1	18.8	17.0	23.8	Bold figures are Value Line estimates	Avg Ann'l P/E Ratio	21.0	
	1.70	1.67	1.97	2.09	2.31	2.30	1.81	1.13	1.13	1.53	Relative P/E Ratio	1.40		
--	--	--	--	--	--	--	--	--	--	Avg Ann'l Div'd Yield	Nil			

<b>CAPITAL STRUCTURE as of 6/30/11</b>	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	Sales (\$mill)	12700
	177.8	229.1	368.2	586.7	885.8	1424.3	2135.6	2816.3	3278.7	4592.3	6080	7380	Operating Margin	22.5%
	23.6%	23.2%	22.9%	22.9%	22.5%	20.6%	20.4%	21.0%	21.6%	21.0%	22.0%	22.5%	Depreciation (\$mill)	260
	6.4	7.8	11.9	16.4	21.4	34.2	53.9	74.8	89.4	103.9	130	150	Net Profit (\$mill)	1825
	23.4	36.3	59.4	100.2	153.9	232.8	350.1	430.8	535.0	733.5	875	1090	Income Tax Rate	28.0%
	37.4%	22.5%	20.0%	17.9%	17.0%	16.2%	15.5%	16.4%	16.0%	16.0%	25.0%	25.0%	Net Profit Margin	14.4%
	13.2%	15.8%	16.1%	17.1%	17.4%	16.3%	16.4%	15.3%	16.3%	16.0%	14.4%	14.8%	Working Cap'l (\$mill)	7800
	95.6	134.3	215.9	338.9	507.6	790.9	901.5	1080.5	1661.0	2587.5	3000	3850	Long-Term Debt (\$mill)	Nil
	--	--	--	--	--	--	--	--	--	--	Nil	Nil	Shr. Equity (\$mill)	10000
	98.8	165.5	274.1	453.5	714.1	1073.5	1468.2	1965.6	2653.2	3584.4	4250	5340	Return on Total Cap'l	18.0%

**Cognizant Technology had a solid second quarter.** The ongoing recovery in spending on technology outsourcing services lifted the top and bottom lines by 34% and 20%, respectively. Indeed, demand was healthy across all business segments and geographies. **Even so, the stock is down over 20% since our May review.** The strong showing in the June period was not enough to insulate the company from the recent weakness in the broader market. Meanwhile, these shares have an average ranking for year-ahead price performance. **The company should continue to post record results in the coming years.** Share earnings will likely advance over 15% in 2011, and we expect greater gains next year. Specifically, we think that clients will increase their investments in information technology, consulting, and business processing outsourcing services. Over the coming 3 to 5 years, we anticipate a healthier rebound in spending from Europe and further strength in North America, particularly from the financial services sector. **There are some risks to consider.**

<b>ANNUAL RATES</b> Past 10 Yrs. of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '08-'10	
	Sales	39.5%	39.5%	22.0%
	"Cash Flow"	41.5%	37.5%	20.5%
	Earnings	43.5%	38.5%	20.5%
	Dividends	--	--	Nil
Book Value	45.5%	39.0%	24.5%	

Cal-endar	QUARTERLY SALES (\$ mill.)				Full Year		
	Mar.31	Jun.30	Sep.30	Dec.31			
	2008	643.1	685.4	734.7		753.1	2816.3
	2009	745.9	776.6	853.5		902.7	3278.7
	2010	959.7	1105.1	1216.9		1310.6	4592.3
2011	1371.3	1485.2	1580	1643.5	6080		
2012	1700	1800	1880	2000	7380		

Cal-endar	EARNINGS PER SHARE A				Full Year		
	Mar.31	Jun.30	Sep.30	Dec.31			
	2008	.34	.35	.38		.37	1.44
	2009	.38	.47	.45		.48	1.78
	2010	.49	.56	.66		.66	2.37
2011	.67	.67	.70	.76	2.80		
2012	.84	.86	.88	.92	3.50		

Cal-endar	QUARTERLY DIVIDENDS PAID				Full Year	
	Mar.31	Jun.30	Sep.30	Dec.31		
	2007	NO CASH DIVIDENDS BEING PAID				
	2008	NO CASH DIVIDENDS BEING PAID				
	2009	NO CASH DIVIDENDS BEING PAID				
2010	NO CASH DIVIDENDS BEING PAID					
2011	NO CASH DIVIDENDS BEING PAID					

(A) Diluted. Excludes nonrecurring impairment loss on investment: '01, \$0.02. Excludes non-recurring gain/(loss): '02, (\$0.08); '03, (\$0.03); '05 \$0.08. Next egs. report in early November. (B) In millions, adjusted for stock splits.

Company's Financial Strength	A++
Stock's Price Stability	60
Price Growth Persistence	95
Earnings Predictability	95

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August 19, 2011

Randy Shrikishun