Stock Report | March 17, 2012 | NNM Symbol: **CTSH** | **CTSH** is in the S&P 500

STANDARD &POOR'S

Cognizant Technology Solutions Corp

S&P Recommendation HOLD ★★★★★	**Price**	**12-Mo. Target Price**	**Investment Style**
	$76.91 (as of Mar 16, 2012)	$76.00	Large-Cap Growth

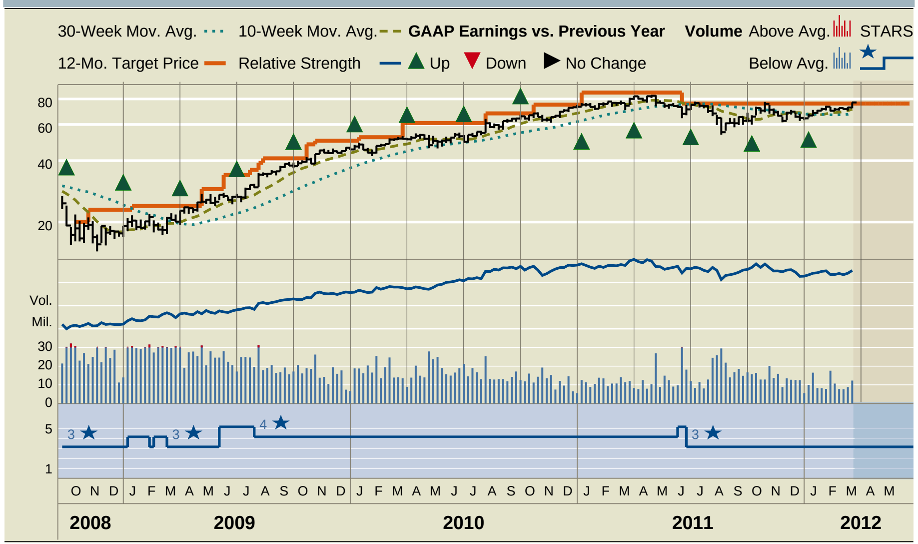
GICS Sector Information Technology
Sub-Industry IT Consulting & Other Services

Summary This company offers full life-cycle solutions to complex software development and maintenance problems.

Key Stock Statistics (Source S&P, Vickers, company reports)

52-Wk Range	**$83.48– 53.54**	S&P Oper. EPS 2012**E**	**3.44**	Market Capitalization(B)	**$23.333**	Beta	**1.11**
Trailing 12-Month EPS	**$2.85**	S&P Oper. EPS 2013**E**	**NA**	Yield (%)	**Nil**	S&P 3-Yr. Proj. EPS CAGR(%)	**25**
Trailing 12-Month P/E	**27.0**	P/E on S&P Oper. EPS 2012**E**	**22.4**	Dividend Rate/Share	**Nil**	S&P Credit Rating	**NA**
$10K Invested 5 Yrs Ago	**$17,316**	Common Shares Outstg. (M)	**303.4**	Institutional Ownership (%)	**93**		

Price Performance



Options: ASE, CBOE, P, Ph

Analysis prepared by Equity Analyst **Dylan Cathers** on Feb 29, 2012, when the stock traded at **$71.15**.

Highlights

- After another year of industry leading revenue growth in 2011, we look for a 23.5% advance in 2012. Still, there remain a number of uncertainties regarding the economy, particularly in Europe. There, clients are shifting away from discretionary projects toward cost-cutting ones. Still, we believe some companies are looking to initiate growth-oriented projects, but we do not expect notable gains. In North America, economic data has been more positive, and while we think growth of IT budgets will be weak, a greater proportion of budget spending appears to be going toward outsourcing.
- We expect operating margins, including stock option expense, to be down slightly in 2012. Compared to competitors, CTSH is doing a good job of managing margins, in our view. All of the outsourcers with significant labor pools in India are dealing with wage inflation and attrition, although the latter was a very low 10% for the company in the fourth quarter. We see additional expenses stemming from additional hires, though CTSH has had some success with selective price increases.
- We look for EPS of $3.44 in 2012, after EPS of $2.85 last year.

Investment Rationale/Risk

- Our hold recommendation is based on valuation. Nonetheless, we view the company positively, given what we see as its strong balance sheet, with about $8.00 per share in cash and short-term investments and no debt, and its U.S. incorporation. Also, we think CTSH's revenue growth will be faster than that of many peers, and we believe it has done a good job of moving into high-growth verticals. However, we think visibility is becoming a bit more cloudy, given the current economic backdrop.
- Risks to our recommendation and target price include increasing competition in offshore outsourcing, with consequent margin pressures; rising wages of Indian employees; appreciation of the rupee; and immigration restrictions that could affect personnel. Our corporate governance concerns center around a classified board of directors and a "poison pill" that is in place.
- We apply a slight peer-premium P/E of 22.1X to our 2012 EPS estimate to arrive at our 12-month target price of $76. At that level, the stock's P/E-to-growth ratio would be 0.88X, assuming an expected three-year growth rate of 25%.

Qualitative Risk Assessment

LOW	**MEDIUM**	HIGH

Our risk assessment reflects what we see as CTSH's strong balance sheet, steady cash inflows, and rapid revenue growth, offset by intense competition in the IT services peer group from companies domiciled in India as well as multinationals.

Quantitative Evaluations

S&P Quality Ranking **B+**

D	C	B-	B	**B+**	A-	A	A+

Relative Strength Rank **STRONG**

76

LOWEST = 1 HIGHEST = 99

Revenue/Earnings Data

Revenue (Million $)

	1Q	2Q	3Q	4Q	Year
2011	1,371	1,485	1,601	1,664	6,121
2010	959.7	1,105	1,217	1,311	4,592
2009	745.9	776.6	853.5	902.7	3,279
2008	643.1	685.4	734.7	753.0	2,816
2007	460.3	516.5	558.8	600.0	2,136
2006	285.5	336.8	377.5	424.4	1,424

Earnings Per Share ($)

2011	0.67	0.67	0.73	0.78	2.85
2010	0.49	0.56	0.66	0.66	2.37
2009	0.38	0.47	0.45	0.47	1.78
2008	0.34	0.35	0.38	0.38	1.44
2007	0.25	0.27	0.32	0.32	1.15
2006	0.16	0.19	0.20	0.23	0.78

Fiscal year ended Dec. 31. Next earnings report expected: Early May. EPS Estimates based on S&P Operating Earnings; historical GAAP earnings are as reported.

Dividend Data

No cash dividends have been paid.

Cognizant Technology Solutions Corp

Business Summary February 29, 2012

CORPORATE OVERVIEW. Cognizant Technology Solutions began operations in 1994 as an in-house technology development center for Dun & Bradstreet Corp. and its operating units. In its June 1998 IPO, 2,917,000 common shares were sold at $10 each.

The company's objective is to be a leading provider of full life-cycle e-business and application development projects, take full responsibility for ongoing management of a client's software systems, and help clients move legacy transformation projects through to completion. The company's solutions include application development and integration, application management, and re-engineering services.

Applications development services are provided using a full life-cycle application development approach in which the company assumes total start to finish responsibility and accountability for analysis, design, implementation, testing and integration of systems, or through cooperative development, in which CTSH employees work with the customer's in-house IT personnel. In either case, the company's on-site team members work closely with end users of the application to develop specifications and define requirements.

CTSH applications management services seeks to ensure that a customer's core operational systems are free of defects and responsive to end-users' changing needs. The company is often able to introduce product and process enhancements and improve service levels.

Through its re-engineering services, the company works with customers to migrate systems based on legacy computing environments to newer, open systems-based platforms and client/server architectures, often in response to the more stringent demands of e-business. CTSH's re-engineering tools automate many processes required to implement advanced client/server technologies.

CORPORATE STRATEGY. CTSH's business strategy includes developing long-term customer relationships and strategic alliances; extending service offerings and solutions; enhancing processes, methodologies and productivity toolsets; expanding its domestic and international geographic presence; and pursuing selective strategic acquisitions.

MARKET PROFILE. The global market for IT services is large, with many diverse services being offered. IDC estimates that the total market was over $799 billion in 2010, and it expects the market to increase at a compound annual growth rate (CAGR) of 4.9% through 2015. In our opinion, the companies in this sector face intense competition from IT services companies headquartered in all areas of the world, thanks to advances in technology, and communications, in particular.

We believe that the trend toward outsourcing work to areas of the world with low labor costs will become more common, and that the Indian outsourcers are in a position to continue to profit from this shift, due to the country's large supply of highly educated, low cost workers. We note, however, that labor costs have been rising in India, as demand for workers increases, not only from Indian employers, such as rival Infosys (INFY), but also from multinational corporations, which have opened bases of operation to take advantage of the labor force. In the near term, we believe that wage inflation will not limit the growth of companies operating in the area. Longer term, however, we think that rising wages will begin to erode operating margins.

COMPETITIVE LANDSCAPE. We believe that barriers to entry are relatively high in the IT services sector. In our opinion, a large infrastructure is needed to process what is typically a varied group of needs with worthwhile cost savings to a diverse customer base. Since companies in this sector tend to have steady, predictable cash flow and a large amount of cash on their balance sheets, we see an acquisition period ahead, where industry leaders will acquire smaller players. We think the purchases typically help the acquiring company in two ways. First, they allow the company to offer a more varied line of products, and second, they add to the company's labor force. We believe the latter issue is important, particularly in India, because as more companies begin operations there, the demand for labor is increasing dramatically.

FINANCIAL TRENDS. IT service providers tend to have steady cash inflows, a consequence of the long-term contracts that they generally enter into with their clients. Accordingly, these companies often have what we view as strong balance sheets. As of the end of 2011, CTSH had over $2.4 billion in cash, cash equivalents and short-term investments, and no debt. We believe the company will put this cash to work slowly, making acquisitions in an effort to increase its employee base and enhance the breadth of its service offerings. Over the past five years, CTSH had a CAGR in free cash flow of 40%, although we think this pace will decline somewhat over the coming five years, to about 30%.

Corporate Information

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Officers

Chrmn
J.E. Klein

CEO
F. D'Souza

Pres
G.J. Coburn

COO & CTO
R. Chandrasekaran

Vice Chrmn
L. Narayanan

Board Members
M. Breakiron-Evans
F. D'Souza
J. N. Fox, Jr.
R. W. Howe
J. E. Klein
L. Narayanan
R. E. Weissman
T. M. Wendel

Domicile
Delaware

Founded
1988

Employees
137,700

Stockholders
55,000

STANDARD &POOR'S

Cognizant Technology Solutions Corp

Quantitative Evaluations

S&P Fair Value Rank 5

1 2 3 4 5

LOWEST HIGHEST

Based on S&P's proprietary quantitative model, stocks are ranked from most overvalued (1) to most undervalued (5).

Fair Value Calculation $89.30

Analysis of the stock's current worth, based on S&P's proprietary quantitative model suggests that CTSH is slightly undervalued by $12.39 or 16.1%.

Investability Quotient Percentile

97

LOWEST = 1 HIGHEST = 100

CTSH scored higher than 97% of all companies for which an S&P Report is available.

Volatility

LOW AVERAGE HIGH

Technical Evaluation BULLISH

Since January, 2012, the technical indicators for CTSH have been BULLISH.

Insider Activity

UNFAVORABLE NEUTRAL FAVORABLE

Expanded Ratio Analysis

	2011	2010	2009	2008
Price/Sales	3.26	4.93	4.16	1.92
Price/EBITDA	15.89	23.38	19.28	9.13
Price/Pretax Income	17.07	25.79	21.43	10.48
P/E Ratio	22.59	30.89	25.52	12.53
Avg. Diluted Shares Outstg (M)	310.4	309.1	301.1	298.9

Figures based on calendar year-end price

Key Growth Rates and Averages

Past Growth Rate (%)	1 Year	3 Years	5 Years	9 Years
Sales	33.29	30.55	32.08	43.60
Net Income	20.46	28.02	29.71	42.68
Ratio Analysis (Annual Avg.)				
Net Margin (%)	14.44	15.57	15.68	16.24
Return on Equity (%)	23.45	23.38	24.55	25.66

Company Financials Fiscal Year Ended Dec. 31

Per Share Data ($)	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Tangible Book Value	11.77	10.78	8.02	6.05	4.42	3.60	2.44	1.61	0.98	0.62
Cash Flow	3.25	2.73	2.07	1.69	1.33	0.89	0.64	0.41	0.26	0.17
Earnings	2.85	2.37	1.78	1.44	1.15	0.78	0.57	0.35	0.21	0.14
S&P Core Earnings	2.85	2.37	1.78	1.44	1.15	0.78	0.51	0.30	0.16	0.09
Dividends	NA	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Payout Ratio	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Prices:High	83.48	74.79	46.61	37.10	47.78	41.25	26.24	21.47	12.40	6.38
Prices:Low	53.54	42.08	17.26	14.38	29.44	24.26	17.79	9.80	4.28	2.70
P/E Ratio:High	29	32	26	26	42	53	46	61	59	47
P/E Ratio:Low	19	18	10	10	26	31	31	28	20	20
Income Statement Analysis (Million $)										
Revenue	6,121	4,592	3,279	2,816	2,136	1,424	886	587	368	229
Operating Income	1,256	969	708	591	435	293	199	134	84.2	106
Depreciation	124	110	89.4	74.8	53.9	34.2	21.4	16.4	11.9	7.84
Interest Expense	NA	NA	NA	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Pretax Income	1,169	879	637	515	414	278	185	122	72.2	45.1
Effective Tax Rate	24.4%	16.5%	16.0%	16.4%	15.5%	16.2%	10.3%	17.9%	20.6%	23.4%
Net Income	884	734	535	431	350	233	166	100	57.4	34.6
S&P Core Earnings	882	733	534	431	350	233	148	85.1	42.4	23.0
Balance Sheet & Other Financial Data (Million $)										
Cash	2,432	2,226	1,399	763	670	266	197	293	194	126
Current Assets	4,086	3,518	2,308	1,468	1,242	1,040	663	454	278	176
Total Assets	5,508	4,583	3,338	2,375	1,838	1,326	870	573	361	231
Current Liabilities	1,210	931	647	388	341	250	156	115	62.6	41.5
Long Term Debt	NA	NA	NA	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Common Equity	3,953	3,584	2,653	1,966	1,468	1,073	714	454	274	165
Total Capital	3,953	3,584	2,653	1,973	1,483	1,073	714	458	298	190
Capital Expenditures	288	186	76.6	169	182	105	71.8	46.6	30.0	22.3
Cash Flow	1,008	844	624	506	404	267	188	117	69.3	42.4
Current Ratio	3.4	3.8	3.6	3.8	3.7	4.2	4.3	3.9	4.4	4.2
% Long Term Debt of Capitalization	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
% Net Income of Revenue	14.4	16.0	16.3	15.3	16.4	16.3	18.8	17.1	15.6	15.1
% Return on Assets	17.5	18.5	18.7	20.5	22.1	21.2	23.1	21.4	19.4	18.4
% Return on Equity	23.5	23.5	23.2	25.1	27.6	26.0	28.5	27.6	26.1	26.2

Data as orig reptd.; bef. results of disc opers/spec. items. Per share data adj. for stk. divs.; EPS diluted. E-Estimated. NA-Not Available. NM-Not Meaningful. NR-Not Ranked. UR-Under Review.

Cognizant Technology Solutions Corp

STANDARD &POOR'S

Sub-Industry Outlook

Our fundamental outlook for the IT Consulting & Other Services sub-industry is neutral. Spending on consulting and infrastructure-based services quickened in 2010. In 2011, there were comments from companies in the IT Consulting sub-industry indicating increased interest from clients on projects that are more discretionary in nature, including longer-term consulting and large scale systems integration. More recently, however, a level of caution has been seen among clients given a hazy outlook for the global economy, particularly in Europe.

According to a survey by IDC, a global industry provider of IT data, spending on IT and business services worldwide is expected to increase at a compound annual growth rate of 4.9% between 2010 and 2015. IDC expects there to be pockets of strength, including growth of 5.3% in business process outsourcing and 7.8% in hosting infrastructure services. IDC looks for IT consulting services spending to increase 3.8% annually between 2010 and 2015.

We see modest near-term growth prospects, and believe some IT service companies will look to supplement growth via acquisitions and partnerships. This trend has begun to quicken, given the acquisitions of Perot Systems by Dell Inc. (DELL 18, Buy) and Affiliated Computer Services by Xerox Corp. (XRX 8, Hold). Another strategy we think is gaining momentum involves focusing on smaller and shorter duration IT service contracts, which often involve reduced upfront costs and provide a faster return on investment. In the government marketplace, we view increased spending on IT-related defense and homeland security initiatives as positive factors, as well as interest in IT-related projects within the health care sector. Longer term, we think computer services concerns will continue to benefit from the effects of an increasingly global economy, deregulation, an IT labor shortage, e-business opportunities, and a constant need on the part of corporations and governments to use services and systems that can help boost productivity and cut costs. We think that cost-cutting initiatives will be a source of strength for the India-based outsourcing companies in the group.

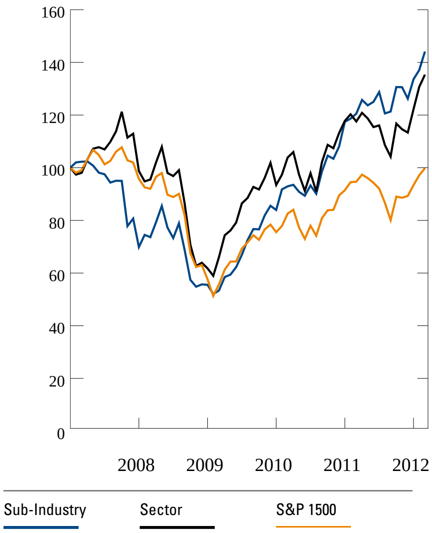
Year to date through February 10, the S&P IT Consulting & Other Services Index rose 5.9%, while the S&P 1500 increased 7.1%. In 2011, it gained 16.8%, versus a 0.3% decrease for the larger index. In general, we favor companies that have broad-based exposure to different verticals and are able to deliver services from locations around the world.

--Dylan Cathers

Stock Performance

GICS Sector: Information Technology
Sub-Industry: IT Consulting & Other Services

Based on S&P 1500 Indexes
Month-end Price Performance as of 02/29/12



NOTE: All Sector & Sub-Industry information is based on the Global Industry Classification Standard (GICS)

Sub-Industry : IT Consulting & Other Services Peer Group*: Information Technology Services: Mid-sized Cos.

Peer Group	Stock Symbol	Stk.Mkt. Cap. (Mil. $)	Recent Stock Price($)	52 Week High/Low($)	Beta	Yield (%)	P/E Ratio	Fair Value Calc.($)	Quality Ranking	S&P IQ %ile	Return on Revenue (%)	LTD to Cap (%)
Cognizant Tech Solutions'A'	**CTSH**	**23,333**	**76.91**	**83.48/53.54**	**1.11**	**Nil**	**27**	**89.30**	**B+**	**97**	**14.4**	**NA**
Hackett Group	HCKT	197	4.82	5.24/3.17	0.83	Nil	9	6.50	B-	43	10.9	NA
MAXIMUS Inc	MMS	1,437	42.60	46.79/31.23	0.78	0.8	19	38.50	B	90	8.8	0.4
ManTech International'A'	MANT	810	34.20	46.26/29.33	0.36	2.5	9	39.50	B+	50	4.6	15.5
Mattersight Corp	MATR	98	6.25	8.14/3.99	1.50	Nil	8	NA	C	1	NA	NA
Official Payments Hldgs	OPAY	88	5.31	6.00/3.26	0.97	Nil	NM	NA	C	2	NA	NA
iGate Corp	IGTE	1,009	17.82	19.58/9.32	1.67	0.8	47	20.80	B-	23	7.7	48.3

NA-Not Available NM-Not Meaningful NR-Not Rated. *For Peer Groups with more than 15 companies or stocks, selection of issues is based on market capitalization.

Source: S&P.

The McGraw-Hill Companies

S&P Analyst Research Notes and other Company News

February 13, 2012
CTSH announces that it has entered into a five-year, multimillion dollar engagement with Future Group, India's largest multi-format retail group, to provide end-to-end IT infrastructure services for all Future Group companies. Says co. will support more than 1,000 Future Group stores--including marquee names such as Pantaloons, Big Bazaar, Food Bazaar, Central, Home Town, and eZone--across 85 towns and cities in India, and the new stores it opens in the future.

February 8, 2012
CTSH posts $0.78 vs. $0.66 Q4 GAAP EPS on 27% higher revenue of $1.66B. Capital IQ consensus forecast was $0.77 EPS on $1.67B revenue. For Q1 CTSH sees $0.79 GAAP EPS and $0.85 non-GAAP EPS on revs of at least $1.70B. For full-year 2012 sees at least $3.43 GAAP EPS and $3.69 non-GAAP EPS on revenue of at least $7.53B.

February 8, 2012
09:38 am ET ... S&P MAINTAINS HOLD OPINION ON SHARES OF COGNIZANT TECHNOLOGY SOLUTIONS (CTSH 72.01***): EPS of $0.78, vs. $0.66, is $0.02 above our estimate. For 2012, we look for revenue growth of about 24%, as the company benefits from growth in the U.S. We are concerned about the pace of growth in Europe, however, given ongoing economic uncertainties. We do expect some growth there, as clients are shifting to more cost savings projects. We expect operating margins to narrow slightly this year, as CTSH continues to invest in new services, markets, and geographies. We are raising our 2012 EPS estimate $0.04 to $3.44, but reiterating our 12-month target price of $76. /D. Cathers

January 12, 2012
04:00 pm ET ... S&P MAINTAINS HOLD OPINION ON SHARES OF COGNIZANT TECHNOLOGY SOLUTIONS CORP. (CTSH 69.14***): IT services industry peer Infosys (INFY 52 Hold) recently reported what we consider underwhelming results and stated clients are delaying signing contracts due to economic uncertainty. About 19% of Cognizant's revenues come from troubled Europe, a similar level to INFY. The news makes us more cautious on the industry as a whole, but CTSH has consistently been able to grow faster than the overall market, even during downturns. For Q4 results, expected on February 8, we expect EPS of $0.76, versus $0.66, on revenues of $1.68 billion. We reiterate our 12-month target price of $76. /D. Cathers

November 2, 2011
09:39 am ET ... S&P MAINTAINS HOLD OPINION ON SHARES OF COGNIZANT TECHNOLOGY SOLUTIONS CORP. (CTSH 68.55***): EPS of $0.73, vs. $0.66, is $0.02 above our estimate. We expect revenue growth of 34% and 25% for 2011 and 2012, respectively, which would top its industry peers. Gains are coming from all verticals, and we see particular strength in Financial Services and Healthcare. Operating margins are holding steady, despite the addition of new technical staff, and we expect the weakening of the rupee relative to the US$ to be a tailwind. We are raising our 2011 EPS estimate $0.03 to $2.83. However, we are keeping our 2012 forecast of $3.40 and our 12-month target price of $76. /D. Cathers

October 19, 2011
11:16 am ET ... S&P MAINTAINS HOLD OPINION ON ADSS OF WIPRO LTD. (WIT 9.67***): We expect WIT to report Sep-Q results on October 31, and we look for earnings per ADS of $0.12, vs. $0.11, on year-over-year revenue growth of 13%. Rival Infosys (INFY 56, Hold) reported a 16.7% gain in the September period, and we anticipate 31% growth for Cognizant (CTSH 71, Hold). We will be watching to see if the company has been able to keep pace with its competitors and if it has been successful converting what we view as a large pipeline of opportunities. The recent strengthening of the US$ versus the Indian rupee should aid margins going forward. /D. Cathers

August 2, 2011
CTSH posts $0.72 vs. $0.59 Q2 EPS on 34% revenue rise. Capital IQ consensus forecast was $0.66. Sees $0.76 Q3 non-GAAP EPS on revenue of at least $1.57B, $2.98 '11 on revenue of at least $6.06B.

August 2, 2011
11:51 am ET ... S&P REITERATES HOLD OPINION ON SHARES OF COGNIZANT TECHNOLOGY SOLUTIONS (CTSH 73.01***): Q2 EPS of $0.67, vs. $0.56, is $0.01 above our estimate. We expect revenue to increase 33% in 2011, as CTSH's growth continues to outpace peers. We think the company will benefit from gains in the health care, and manufacturing and retail verticals. As is the case with other outsourcers with significant operations in India, we expect operating margins to narrow, given the stronger rupee and wage inflation. Still, we lift our 2011 EPS estimate by $0.04 to $2.80 and 2012's by $0.12 to $3.40. Given lower peer valuations, we keep our P/E-based 12-month target price of $76. /D. Cathers

June 30, 2011
01:39 pm ET ... S&P LOWERS OPINION ON SHARES OF COGNIZANT TECHNOLOGIES TO HOLD FROM STRONG BUY (CTSH 73.41***): Our downgrade is based on valuation, as the shares are trading close to our 12-month target price of $76. Our target is based on a slight peer-premium P/E of 27.5X our 2011 EPS estimate of $2.76. We expect the company to announce Q2 results in early August, and we look for EPS of $0.66 vs. $0.56, on revenues of $1.46B. We expect full-year revenue growth of 30%, as we believe demand for services like application development will remain robust. We do not see operating margins widening in 2011, as CTSH and its India-based competitors deal with numerous headwinds. /D. Cathers

June 17, 2011
12:13 pm ET ... S&P ADD SHARES OF COGNIZANT TECHNOLOGY SOLUTIONS TO TOP TEN PORTFOLIO (CTSH 67.47*****): In our view, this information technology outsourcing company has potential for rapid revenue growth of 22% in 2011, as it aims at providing e-business and application development services to enterprise customers. We expect operating margins to be steady near-term, as an improving pricing environment offsets wage inflation and a strong Indian rupee versus the dollar. CTSH has about $7 a share in cash and no long-term debt. We estimate EPS of $2.76 for 2011, and $3.28 for 2012. Our P/E-based 12-month target price is $76. The shares replace those of Domino's Pizza (DPZ 24****). /Stephen Biggar, /T. Smith, CFA

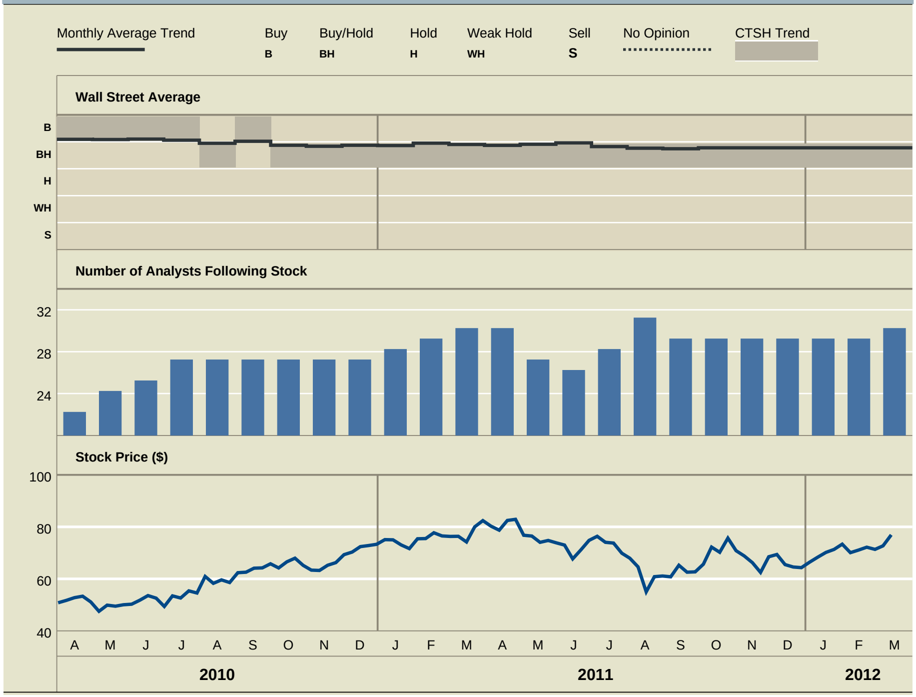
June 16, 2011
02:35 pm ET ... S&P RAISES OPINION ON SHARES OF COGNIZANT TECHNOLOGY TO STRONG BUY FROM BUY (CTSH 64.74*****): The shares of CTSH and its IT outsourcing peers have fallen in recent weeks. Due to lower peer valuations, we are cutting our 12-month target price to $76 from $86. At that level, the stock would trade at 27.5X our 2011 EPS estimate, which is a modest premium to peers. We apply a premium P/E based on our view of CTSH's superior revenue growth prospects, strong balance sheet, and expectation of steady margins. Given the shares' recent price decline, we see the stock as attractively valued. We reiterate our 2011 and 2012 EPS estimates of $2.76 and $3.28, respectively. /D. Cathers

May 3, 2011
CTSH posts $0.71 vs. $0.53 Q1 non-GAAP EPS (excl. item) on 43% revenue rise. Street was looking for $0.63. Sees Q2 non-GAAP EPS of at least $0.70 (excl. item) on revenue of at least $1.45B, '11 non-GAAP EPS of at least $2.91 (excl. item) on revenue of at least $5.925B.

Source: S&P.

Cognizant Technology Solutions Corp

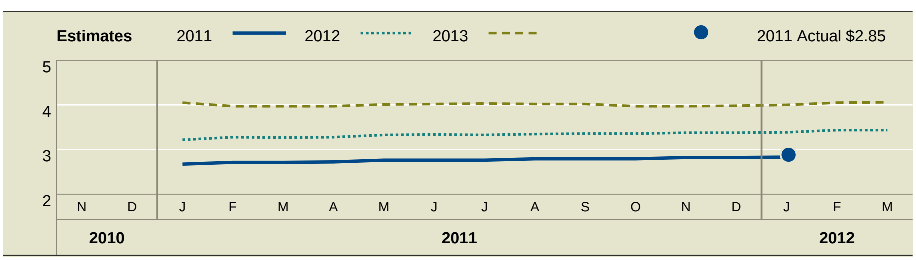
Analysts' Recommendations



Of the total 42 companies following CTSH, 30 analysts currently publish recommendations.

	No. of Ratings	% of Total	1 Mo. Prior	3 Mos. Prior
Buy	16	53	15	16
Buy/Hold	7	23	7	5
Hold	7	23	7	8
Weak Hold	0	0	0	0
Sell	0	0	0	0
No Opinion	0	0	0	0
Total	**30**	**100**	**29**	**29**

Wall Street Consensus Estimates



Fiscal Years	Avg Est.	High Est.	Low Est.	# of Est.	Est. P/E
2013	4.08	4.18	3.70	24	18.9
2012	3.45	3.49	3.40	25	22.3
2013 vs. 2012	▲ 18%	▲ 20%	▲ 9%	▼ -4%	▼ -15%
Q1'13	0.95	0.98	0.90	12	81.0
Q1'12	0.79	0.80	0.78	22	97.4
Q1'13 vs. Q1'12	▲ 20%	▲ 22%	▲ 15%	▼ -45%	▼ -17%

A company's earnings outlook plays a major part in any investment decision. Standard & Poor's organizes the earnings estimates of over 2,300 Wall Street analysts, and provides their consensus of earnings over the next two years. This graph shows the trend in analyst estimates over the past 15 months.

Wall Steet Consensus Opinion

BUY/HOLD

Companies Offering Coverage

Over 30 firms follow this stock; not all firms are displayed.
Atlantic Equities LLP
BB&T Capital Markets
BGB Securities, Inc.
BMO Capital Markets, U.S. Equity Research
Barclays Capital
Centrum Broking Private Limited
Citigroup Inc
Collins Stewart LLC
Cowen and Company, LLC
Credit Suisse
Deutsche Bank
Dolat Investments Ltd.
First Global Stockbroking (P) Ltd.
Gilford Securities
Global Equities Research
Goldman Sachs
IIFL Research
JM Financial Institutional Securities Pvt. Ltd.
JP Morgan
Janney Montgomery Scott LLC
Jefferies & Company, Inc.
Kaufman Bros., L.P.
Khandwala Securities Ltd.
Morgan Stanley
Morningstar Inc.
Needham & Company
Nomura Securities Co. Ltd.
Oppenheimer & Co. Inc.
Pacific Crest Securities
Pioneer Investcorp Limited

Wall Street Consensus vs. Performance

For fiscal year 2012, analysts estimate that CTSH will earn $3.45. For fiscal year 2013, analysts estimate that CTSH's earnings per share will grow by 18% to $4.08.

Cognizant Technology Solutions Corp

Glossary

S&P STARS
Since January 1, 1987, Standard and Poor's Equity Research Services has ranked a universe of common stocks based on a given stock's potential for future performance. Under proprietary STARS (STock Appreciation Ranking System), S&P equity analysts rank stocks according to their individual forecast of a stock's future total return potential versus the expected total return of a relevant benchmark (e.g., a regional index (S&P Asia 50 Index, S&P Europe 350 Index or S&P 500 Index)), based on a 12-month time horizon. STARS was designed to meet the needs of investors looking to put their investment decisions in perspective. Data used to assist in determining the STARS ranking may be the result of the analyst's own models as well as internal proprietary models resulting from dynamic data inputs.

S&P 12-Month Target Price
The S&P equity analyst's projection of the market price a given security will command 12 months hence, based on a combination of intrinsic, relative, and private market valuation metrics, including S&P Fair Value.

Investment Style Classification
Characterizes the stock as Growth or Value, and indicates its capitalization level. Growth is evaluated along three dimensions (earnings, sales and internal growth), while Value is evaluated along four dimensions (book-to-price, cash flow-to-price, dividend yield and sale-to-price). Growth stocks score higher than the market average on growth dimensions and lower on value dimensions. The reverse is true for Value stocks. Certain stocks are classified as Blend, indicating a mixture of growth and value characteristics and cannot be classified as purely growth or value.

S&P EPS Estimates
Standard & Poor's earnings per share (EPS) estimates reflect analyst projections of future EPS from continuing operations, and generally exclude various items that are viewed as special, non-recurring, or extraordinary. Also, S&P EPS estimates reflect either forecasts of S&P equity analysts; or, the consensus (average) EPS estimate, which are independently compiled by Capital IQ, a data provider to Standard & Poor's Equity Research. Among the items typically excluded from EPS estimates are asset sale gains; impairment, restructuring or merger-related charges; legal and insurance settlements; in process research and development expenses; gains or losses on the extinguishment of debt; the cumulative effect of accounting changes; and earnings related to operations that have been classified by the company as discontinued. The inclusion of some items, such as stock option expense and recurring types of other charges, may vary, and depend on such factors as industry practice, analyst judgment, and the extent to which some types of data is disclosed by companies.

S&P Core Earnings
Standard & Poor's Core Earnings is a uniform methodology for adjusting operating earnings by focusing on a company's after-tax earnings generated from its principal businesses. Included in the Standard & Poor's definition are employee stock option grant expenses, pension costs, restructuring charges from ongoing operations, write-downs of depreciable or amortizable operating assets, purchased research and development, M&A related expenses and unrealized gains/losses from hedging activities. Excluded from the definition are pension gains, impairment of goodwill charges, gains or losses from asset sales, reversal of prior-year charges and provision from litigation or insurance settlements.

Qualitative Risk Assessment
The S&P equity analyst's view of a given company's operational risk, or the risk of a firm's ability to continue as an ongoing concern. The Qualitative Risk Assessment is a relative ranking to the S&P U.S. STARS universe, and should be reflective of risk factors related to a company's operations, as opposed to risk and volatility measures associated with share prices.

Quantitative Evaluations
In contrast to our qualitative STARS recommendations, which are assigned by S&P analysts, the quantitative evaluations described below are derived from proprietary arithmetic models. These computer-driven evaluations may at times contradict an analyst's qualitative assessment of a stock. One primary reason for this is that different measures are used to determine each. For instance, when designating STARS, S&P analysts assess many factors that cannot be reflected in a model, such as risks and opportunities, management changes, recent competitive shifts, patent expiration, litigation risk, etc.

S&P Quality Ranking
Growth and stability of earnings and dividends are deemed key elements in establishing S&P's Quality Rankings for common stocks, which are designed to capsulize the nature of this record in a single symbol. It should be noted, however, that the process also takes into consideration certain adjustments and modifications deemed desirable in establishing such rankings. The final score for each stock is measured against a scoring matrix determined by analysis of the scores of a large and representative sample of stocks. The range of scores in the array of this sample has been aligned with the following ladder of rankings:

A+	Highest	B	Below Average
A	High	B-	Lower
A-	Above Average	C	Lowest
B+	Average	D	In Reorganization
NR	Not Ranked		

S&P Fair Value Rank
Using S&P's exclusive proprietary quantitative model, stocks are ranked in one of five groups, ranging from Group 5, listing the most undervalued stocks, to Group 1, the most overvalued issues. Group 5 stocks are expected to generally outperform all others. A positive (+) or negative (-) Timing Index is placed next to the Fair Value ranking to further aid the selection process. A stock with a (+) added to the Fair Value Rank simply means that this stock has a somewhat better chance to outperform other stocks with the same Fair Value Rank. A stock with a (-) has a somewhat lesser chance to outperform other stocks with the same Fair Value Rank. The Fair Value rankings imply the following: 5-Stock is significantly undervalued; 4-Stock is moderately undervalued; 3-Stock is fairly valued; 2-Stock is modestly overvalued; 1-Stock is significantly overvalued.

S&P Fair Value Calculation
The price at which a stock should trade at, according to S&P's proprietary quantitative model that incorporates both actual and estimated variables (as opposed to only actual variables in the case of S&P Quality Ranking). Relying heavily on a company's actual return on equity, the S&P Fair Value model places a value on a security based on placing a formula-derived price-to-book multiple on a company's consensus earnings per share estimate.

Insider Activity
Gives an insight as to insider sentiment by showing whether directors, officers and key employees who have proprietary information not available to the general public, are buying or selling the company's stock during the most recent six months.

Funds From Operations FFO
FFO is Funds from Operations and equal to a REIT's net income, excluding gains or losses from sales of property, plus real estate depreciation.

Investability Quotient (IQ)
The IQ is a measure of investment desirability. It serves as an indicator of potential medium-to-long term return and as a caution against downside risk. The measure takes into account variables such as technical indicators, earnings estimates, liquidity, financial ratios and selected S&P proprietary measures.

S&P's IQ Rationale:
Cognizant Tech Solutions'A'

	Raw Score	Max Value
Proprietary S&P Measures	20	115
Technical Indicators	30	40
Liquidity/Volatility Measures	18	20
Quantitative Measures	66	75
IQ Total	**134**	**250**

Volatility
Rates the volatility of the stock's price over the past year.

Technical Evaluation
In researching the past market history of prices and trading volume for each company, S&P's computer models apply special technical methods and formulas to identify and project price trends for the stock.

Relative Strength Rank
Shows, on a scale of 1 to 99, how the stock has performed versus all other companies in S&P's universe on a rolling 13-week basis.

Global Industry Classification Standard (GICS)
An industry classification standard, developed by Standard & Poor's in collaboration with Morgan Stanley Capital International (MSCI). GICS is currently comprised of 10 Sectors, 24 Industry Groups, 68 Industries, and 154 Sub-Industries.

S&P Issuer Credit Rating
A Standard & Poor's Issuer Credit Rating is a current opinion of an obligor's overall financial capacity (its creditworthiness) to pay its financial obligations. This opinion focuses on the obligor's capacity and willingness to meet its financial commitments as they come due. It does not apply to any specific financial obligation, as it does not take into account the nature of and provisions of the obligation, its standing in bankruptcy or liquidation, statutory preferences, or the legality and enforceability of the obligation. In addition, it does not take into account the creditworthiness of the guarantors, insurers, or other forms of credit enhancement on the obligation. The Issuer Credit Rating is not a recommendation to purchase, sell, or hold a financial obligation issued by an obligor, as it does not comment on market price or suitability for a particular investor. Issuer Credit Ratings are based on current information furnished by obligors or obtained by Standard & Poor's from other sources it considers reliable. Standard & Poor's does not perform an audit in connection with any Issuer Credit Rating and may, on occasion, rely on unaudited financial information. Issuer Credit Ratings may be changed, suspended, or withdrawn as a result of changes in, or unavailability of, such information, or based on other circumstances.

Exchange Type
ASE - American Stock Exchange; AU - Australia Stock Exchange; BB - Bulletin Board; NGM - Nasdaq Global Market; NNM - Nasdaq Global Select Market; NSC - Nasdaq Capital Market; NYS - New York Stock Exchange; OTN - Other OTC (Over the Counter); OTC - Over the Counter; QB - OTCQB; QX - OTCQX; TS - Toronto Stock Exchange; TXV - TSX Venture Exchange; NEX - NEX Exchange.

S&P Equity Research Services
Standard & Poor's Equity Research Services U.S. includes Standard & Poor's Investment Advisory Services LLC; Standard & Poor's Equity Research Services Europe includes McGraw-Hill Financial Research Europe Limited trading as Standard & Poor's; Standard & Poor's Equity Research Services Asia includes McGraw-Hill Financial Singapore Pte. Limited's

offices in Singapore, Standard & Poor's Investment Advisory Services (HK) Limited in Hong Kong, Standard & Poor's Malaysia Sdn Bhd, and Standard & Poor's Information Services (Australia) Pty Ltd.

Abbreviations Used in S&P Equity Research Reports
CAGR- Compound Annual Growth Rate; **CAPEX**- Capital Expenditures; **CY**- Calendar Year; **DCF**- Discounted Cash Flow; **EBIT**- Earnings Before Interest and Taxes; **EBITDA**- Earnings Before Interest, Taxes, Depreciation and Amortization; **EPS**- Earnings Per Share; **EV**- Enterprise Value; **FCF**- Free Cash Flow; **FFO**- Funds From Operations; **FY**- Fiscal Year; **P/E**- Price/Earnings ; **PEG Ratio**- P/E-to-Growth Ratio; **PV**- Present Value; **R&D**- Research & Development; **ROE**- Return on Equity; **ROI**- Return on Investment; **ROIC**- Return on Invested Capital; **ROA**- Return on Assets; **SG&A**- Selling, General & Administrative Expenses; **WACC**- Weighted Average Cost of Capital

Dividends on American Depository Receipts (ADRs) and American Depository Shares (ADSs) are net of taxes (paid in the country of origin).

Required Disclosures

In contrast to the qualitative STARS recommendations covered in this report, which are determined and assigned by S&P equity analysts, S&P's quantitative evaluations are derived from S&P's proprietary Fair Value quantitative model. In particular, the Fair Value Ranking methodology is a relative ranking methodology, whereas the STARS methodology is not. Because the Fair Value model and the STARS methodology reflect different criteria, assumptions and analytical methods, quantitative evaluations may at times differ from (or even contradict) an equity analyst's STARS recommendations. As a quantitative model, Fair Value relies on history and consensus estimates and does not introduce an element of subjectivity as can be the case with equity analysts in assigning STARS recommendations.

S&P Global STARS Distribution

In North America: As of December 31, 2011, research analysts at Standard & Poor's Equity Research Services North America recommended 39.1% of issuers with buy recommendations, 57.4% with hold recommendations and 3.5% with sell recommendations.

In Europe: As of December 31, 2011, research analysts at Standard & Poor's Equity Research Services Europe recommended 31.5% of issuers with buy recommendations, 50.6% with hold recommendations and 17.9% with sell recommendations.

In Asia: As of December 31, 2011, research analysts at Standard & Poor's Equity Research Services Asia recommended 43.8% of issuers with buy recommendations, 51.0% with hold recommendations and 5.2% with sell recommendations.

Globally: As of December 31, 2011, research analysts at Standard & Poor's Equity Research Services globally recommended 38.3% of issuers with buy recommendations, 55.7% with hold recommendations and 6.0% with sell recommendations.

★★★★★ **5-STARS (Strong Buy)**: Total return is expected to outperform the total return of a relevant benchmark, by a wide margin over the coming 12 months, with shares rising in price on an absolute basis.

★★★★☆ **4-STARS (Buy)**: Total return is expected to outperform the total return of a relevant benchmark over the coming 12 months, with shares rising in price on an absolute basis.

★★★☆☆ **3-STARS (Hold)**: Total return is expected to closely approximate the total return of a relevant benchmark over the coming 12 months, with shares generally rising in price on an absolute basis.

★★☆☆☆ **2-STARS (Sell)**: Total return is expected to underperform the total return of a relevant benchmark over the coming 12 months, and the share price not anticipated to show a gain.

★☆☆☆☆ **1-STARS (Strong Sell)**: Total return is expected to underperform the total return of a relevant benchmark by a wide margin over the coming 12 months, with shares falling in price on an absolute basis.

Relevant benchmarks: In North America the relevant benchmark is the S&P 500 Index, in Europe and in Asia, the relevant benchmarks are generally the S&P Europe 350 Index and the S&P Asia 50 Index.

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In Asia: As of December 31, 2011, Standard & Poor's Quantitative Services Asia recommended 43.8% of issuers with buy recommendations, 20.0% with hold recommendations and 33.0% with sell recommendations.

Globally: As of December 31, 2011, Standard & Poor's Quantitative Services globally recommended 45.0% of issuers with buy recommendations, 20.0% with hold recommendations and 34.0% with sell recommendations.

Additional information is available upon request.

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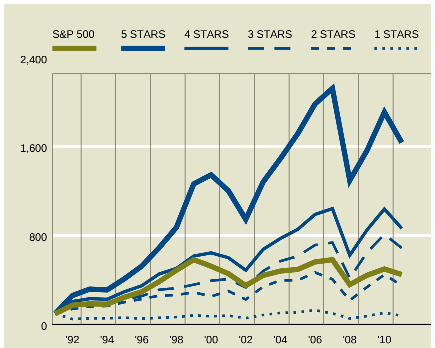
U.S. STARS Cumulative Model Performance

Hypothetical Growth Due to Price Appreciation of $100
For the Period 12/31/1986 through 02/29/2012



The performance above represents only the results of Standard & Poor's model portfolios. Model performance has inherent limitations. Standard & Poor's maintains the models and calculates the model performance shown, but does not manage actual assets. The U.S. STARS model performance chart is only an illustration of Standard & Poor's (S&P) research; it shows how U.S. common stocks, ADRs (American Depositary Receipts) and ADSs (American Depositary Shares), collectively "equities", that received particular STARS rankings performed. STARS categories are models only; they are not collective investment funds. The STARS performance does not show how any actual portfolio has performed. STARS model performance does not represent the results of actual trading of investor assets. Thus, the model performance shown does not reflect the impact that material economic and market factors might have had on decision-making if actual investor money had been managed. Performance is calculated using a time-weighted rate of return. While model performance for some or all STARS categories performed better than the S&P 500 for the period shown, the performance during any shorter period may not have, and there is no assurance that they will perform better than the S&P 500 in the future. STARS does not take into account any particular investment objective, financial situation or need and is not intended as an investment recommendation or strategy. Investments based on the STARS methodology may lose money. High returns are not necessarily the norm and there is no assurance that they can be sustained. Past model performance of STARS is no guarantee of future performance.

For model performance calculation purposes, the equities within each STARS category at December 31, 1986 were equally weighted. Thereafter, additions to the composition of the equities in each STARS category are made at the average value of the STARS category at the preceding month end with no rebalancing. Deletions are made at the closing price of the day that the deletion is made. Performance was calculated from inception through March 31, 2003 on a monthly basis. Thereafter, performance is calculated daily. Equities in each STARS category will change over time, and some or all of the equities that received STARS rankings during the time period shown may not have maintained their STARS ranking during the entire period.

The model performance does not consider taxes and brokerage commissions, nor does it reflect the deduction of any advisory or other fees charged by advisors or other parties that investors will incur when their accounts are managed in accordance with the models. The imposition of these fees and charges would cause actual performance to be lower than the performance shown. For example, if a model returned 10 percent on a $100,000 investment for a 12-month period (or $10,000) and an annual asset-based fee of 1.5 percent were imposed at the end of the period (or $1,650), the net return would be 8.35 percent (or $8,350) for the year. Over 3 years, an annual 1.5% fee taken at year end with an assumed 10% return per year would result in a cumulative gross return of 33.1%, a total fee of $5,375 and a cumulative net return of 27.2% (or $27,200). Fees deducted on a frequency other than annual would result in a different cumulative net return in the preceding example.

The Standard & Poor's 500 index is the benchmark for U.S. STARS. The S&P 500 index is calculated in U.S. dollars and does not take into account the reinvestment of dividends. Indexes are unmanaged, statistical composites and their returns do not include payment of any sales charges or fees an investor would pay to purchase the securities they represent. Such costs would lower performance. It is not possible to invest directly in an index. The S&P 500 index includes a different number of constituents and has different risk characteristics than the STARS equities. Some of the STARS equities may have been included in the S&P 500 index for some (but not necessarily all) of the period covered in the chart, and some such equities may not have been included at all. The S&P 500 excludes ADRs and ADSs. The methodology for calculating the return of the S&P 500 index differs from the methodology of calculating the return for STARS. Past performance of the S&P 500 index is no guarantee of future performance.

An investment based upon the models should only be made after consulting with a financial advisor and with an understanding of the risks associated with any investment in securities, including, but not limited to, market risk, currency risk, political and credit risks, the risk of economic recession and the risk that issuers of securities or general stock market conditions may worsen, over time. Foreign investing involves certain risks, including currency fluctuations and controls, restrictions on foreign investments, less governmental supervision and regulation, less liquidity and the potential for market volatility and political instability. As with any investment, investment returns and principal value will fluctuate, so that when redeemed, an investor's shares may be worth more or less than their original cost.

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