

COGNIZANT TECHNOLOGY SOLUTIONS CORPORATION  
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
(Unaudited)

(In thousands, except per share data)

	Three Months Ended December 31,		Years Ended December 31,	
	2007	2006	2007	2006
Revenues	\$599,956	\$424,430	\$2,135,577	\$1,424,267
Operating Expenses:				
Cost of revenues (exclusive of depreciation and amortization expense shown separately below)	341,514	232,588	1,206,035	787,923
Selling, general and administrative expenses	137,588	105,019	494,102	343,238
Depreciation and amortization expense	14,735	10,471	53,918	34,163
Income from operations	106,119	76,352	381,522	258,943
Other income (expense), net:				
Interest income	8,522	5,538	29,560	17,615
Other income / (expense)	118	397	3,274	1,253
Total other income / (expense), net	8,640	5,935	32,834	18,868
Income before provision for income taxes	114,759	82,287	414,356	277,811
Provision for income taxes	18,503	12,754	64,223	45,016
Net income	\$96,256	\$69,533	\$350,133	\$232,795
Basic earnings per share(1)	\$0.33	\$0.24	\$1.22	\$0.83
Diluted earnings per share(1)	\$0.32	\$0.23	\$1.15	\$0.77
Weighted average number of common shares outstanding (1)	289,153	284,042	288,155	281,715
Weighted average number of common and dilutive shares outstanding (1)	302,196	303,132	303,593	301,124

Note:

(1) Reflects a 2-for-1 stock split effected by a 100% stock dividend paid on October 16, 2007.

COGNIZANT TECHNOLOGY SOLUTIONS CORPORATION  
Reconciliation of Non-GAAP Financial Measures to Comparable GAAP Measures  
(In thousands, except per share data)

	Three Months Ended December 31,		
	2007	2007	2007
	GAAP	Adjustments	Non-GAAP
Income from operations	\$106,119	\$15,733 (b)	\$121,852
Operating margin	17.7%	2.6% (b)	20.3%
Diluted earnings per share (a)	\$0.32	\$0.04 (f)	\$0.36

	Three Months Ended December 31, 2006	2006	2006
	GAAP	Adjustments	Non-GAAP
Income from operations	\$76,352	\$8,093 (d)	\$84,445
Operating margin	18.0%	1.9% (d)	19.9%
Diluted earnings per share (a)	\$0.23	\$0.02 (g)	\$0.25

	Twelve Months Ended December 31, 2007	2007	2007
	GAAP	Adjustments	Non-GAAP
Income from operations	\$381,522	\$41,838 (c)	\$423,360
Operating margin	17.9%	1.9% (c)	19.8%
Diluted earnings per share (a)	\$1.15	\$0.12 (f)	\$1.27

	Twelve Months Ended December 31, 2006	2006	2006
	GAAP	Adjustments	Non-GAAP
Income from operations	\$258,943	\$29,934 (e)	\$288,877
Operating margin	18.2%	2.1% (e)	20.3%
Diluted earnings per share (a)	\$0.77	\$0.09 (g)	\$0.86

Notes:

- (a) Reflects a 2-for-1 stock split effected by a 100% stock dividend paid on October 16, 2007.
- (b) Adjustment to exclude stock-based compensation of \$9,811 and stock-based Indian fringe benefit tax expense of \$5,922 from income from operations of which \$6,774 was reported in cost of revenues and \$8,959 was reported in selling, general and administrative expenses in our unaudited condensed consolidated statements of operations.
- (c) Adjustment to exclude stock-based compensation of \$35,916 and stock-based Indian fringe benefit tax expense of \$5,922 from income from operations of which \$19,185 was reported in cost of revenues and \$22,653 was reported in selling, general and administrative expenses in our unaudited condensed consolidated statements of operations.
- (d) Adjustment to exclude stock-based compensation of \$8,093 from income from operations of which \$3,480 was reported in cost of revenues and \$4,613 was reported in selling, general and administrative expenses in our unaudited condensed consolidated statements of operations.
- (e) Adjustment to exclude stock-based compensation of \$29,934 from income from operations of which \$13,400 was reported in cost of revenues and \$16,534 was reported in selling, general and administrative expenses in our unaudited condensed consolidated statements of operations.
- (f) Adjustment to exclude the per share effect of stock-based compensation expense net of the related tax benefit and stock-based Indian fringe benefit tax expense. The stock-based Indian fringe benefit tax expense is a nondeductible expense since the cost is recovered from employees.
- (g) Adjustment to exclude the per share effect of stock-based compensation expense net of the related tax benefit.

COGNIZANT TECHNOLOGY SOLUTIONS CORPORATION  
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (Unaudited)  
(In thousands)

December 31,      December 31,

	2007	2006
Assets		
Current Assets		
Cash and cash equivalents	\$339,845	\$265,937
Short-term investments	330,580	382,222
Trade accounts receivable, net of allowances of \$6,339 and \$3,719, respectively	382,960	259,210
Unbilled accounts receivable	53,496	39,265
Deferred income tax assets, net	75,470	61,257
Other current assets	59,828	32,500
Total Current Assets	1,242,179	1,040,391
Property and equipment, net	356,047	220,154
Goodwill	148,789	27,190
Other intangible assets, net	45,565	20,463
Deferred income tax assets, net	11,949	1,024
Other assets	33,777	16,759
Total Assets	\$1,838,306	\$1,325,981
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts payable	\$36,176	\$27,839
Deferred revenue	29,020	19,401
Accrued expenses and other liabilities	275,488	202,263
Total Current Liabilities	340,684	249,503
Deferred income tax liabilities, net	15,145	-
Other noncurrent liabilities	14,267	2,979
Total Liabilities	370,096	252,482
Stockholders' Equity	1,468,210	1,073,499
Total Liabilities and Stockholders' Equity	\$1,838,306	\$1,325,981