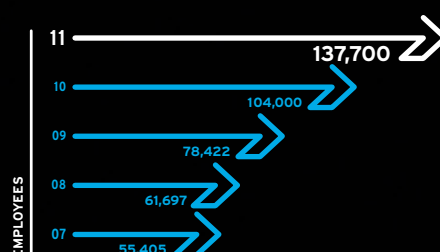
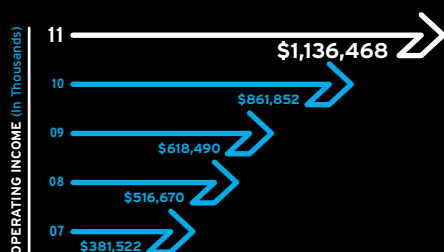
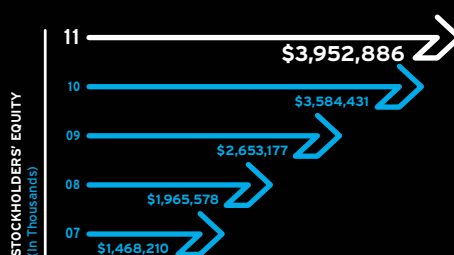
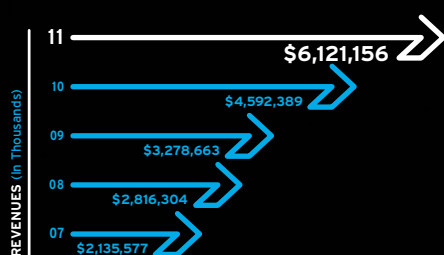


Helping companies
RETHINK, REINVENT & REWIRE
their businesses for the future

Companies cannot master 21st century challenges with 20th century strategies and methods. Organizations need to **rethink their business models** to change the ways they interact with consumers, employees, partners and others. We can help them rethink their value chain to increase productivity and gain competitive advantage. Businesses must also **reinvent the workforce** to reflect the millennial mindset and its flexible, open and inclusive way of working. We can help them adopt new tools to enable knowledge sharing and drive productivity and innovation. And companies must **rewire operations** that are being transformed by mobile devices, cloud computing, predictive analytics, social networks and global commerce. We can help them use these technologies to find new ways to increase flexibility, lower costs and decrease time to market. As we help companies reimagine their businesses for the future, the result will be greater value-creation for clients—and continued industry-leading growth for Cognizant.



Revenues have increased

33%

over 2010 & increased

187%

SINCE 2007

TO OUR STOCKHOLDERS:

In 2011, Cognizant once again delivered industry-leading growth while making solid progress in positioning our business for the future. I am especially proud of the way our team worked together to drive increased revenue and solid profitability in a tough economy. Among other achievements, we further strengthened our client relationships, while attracting and retaining the talented people we need to sustain our momentum. Most importantly, we continued our strategy of reinvesting in our services and global delivery network to ensure that we can lead our clients—and our own business—toward new horizons of productivity, growth and value.

Cognizant's success in the past year stems from the fact that we have positioned our business to help solve a critical problem facing our clients: the need to build agility into both the cost and revenue sides of their models. Companies are under intense pressure today to reduce costs in response to the continued volatility of the economy, rising input prices and global competition. In this context, they increasingly view the global sourcing model as a key to their efforts to operate more cost-effectively and productively. At the same time, they must invest in new technologies that hold the promise of innovation and the potential for top-line growth, such as cloud computing, social networks, mobile devices and advanced analytics. These technologies represent a new IT stack that will profoundly change the way companies relate to their customers, engage with employees, and bring innovative products and services to market.

Clients choose to partner with Cognizant because we can provide solutions to both critical mandates—cost-efficiency and technology-based innovation and growth—in a comprehensive, integrated manner. Our solutions are built on a global network of delivery centers, deep domain expertise and a robust portfolio of services. In addition to providing the means to help companies face these twin challenges, our people bring a passionate commitment to each client's success. As companies rethink, reinvent and rewire for a 21st century business environment, we are positioned to be the IT services partner of choice. We are prepared to help clients embrace changes brought on by new technologies, along with trends toward globalization, virtualization, and the emergence of millennials as customers and employees, which we view as the Future of Work.



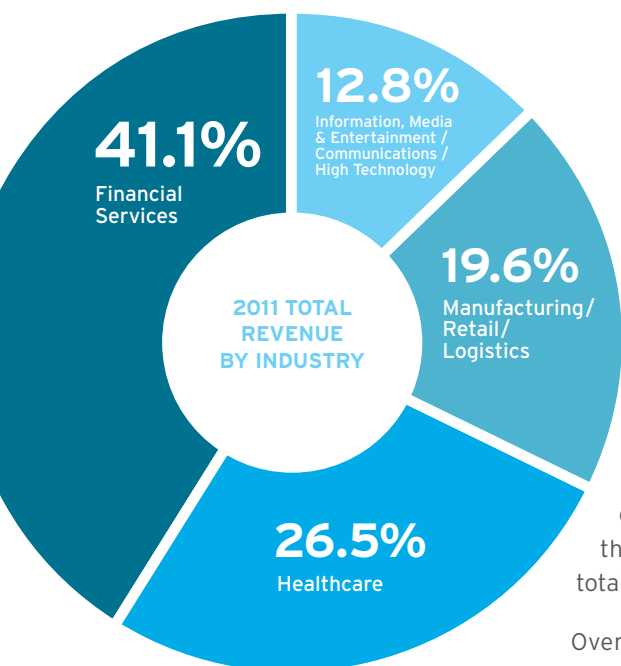
RETHINK



REINVENT



REWIRE



INDUSTRY-LEADING GROWTH

Our strong value proposition for clients translated into continued industry-leading revenue growth and rising profitability over the past year, despite a global economy that remained unsettled. Revenue for 2011 increased to \$6.1 billion, up 33% from 2010. GAAP net income increased to \$883.6 million, or \$2.85 per diluted share, compared to \$733.5 million, or \$2.37 per diluted share, for 2010. Diluted earnings per share on a non-GAAP basis, excluding stock-based compensation costs, rose to \$3.07, from \$2.51 in 2010. Non-GAAP operating margin was 20.0%, within our targeted range of 19-20%. We ended the year with a solid balance sheet, with cash and short-term investments totaling over \$2.4 billion.

Overall, we gained more than 73 new clients in 2011, including a record number of strategic accounts, which we define as clients that have the potential to spend at least \$5 million to well over \$50 million with us annually. More important than the quantity of new relationships, however, is the fact that clients continued to cite Cognizant's high quality of service in our most recent annual customer satisfaction survey.

We continued our strategy of reinvesting in our services and global delivery network to ensure that we can lead our clients—and our own business—toward new horizons of productivity, growth and value.

EXPANDING REGIONS, INDUSTRY SECTORS AND SERVICES

Our performance was strong across our geographic base. North American revenues rose 34% over the prior year. Despite macroeconomic issues in Europe, which restrained spending by some clients, European revenue grew 28% for the year and we increased our penetration in many of our service areas. The UK Financial Services Authority (FSA) chose Cognizant to help the financial regulator upgrade the IT systems and solutions that support its market surveillance, supervisory analysis and risk management functions. We also were tapped by Volvo Car Corporation to optimize a wide array of Finance and Accounting (F&A) services.

Emerging markets such as Asia-Pacific, Middle East and Latin America are a smaller but growing part of our business, with revenues up 43% over the prior year. In a recent engagement, we developed a merchandise planning platform for the REDTAG Group, a Dubai-based chain of value fashion and home stores, that will help REDTAG respond more quickly and efficiently to the dynamic fashion retailing market by making better-informed purchasing and pricing decisions.

More important than the quantity of new relationships, is the fact that clients continued to cite Cognizant's high quality of service.

Cognizant's domain expertise in a broad range of industries also contributed to our growth. Financial services revenues were up 29% versus the prior year. The Hanover Insurance Group, a major property and casualty insurer, expanded its relationship with us to include remote infrastructure management services that will support regional expansion, new and enhanced insurance products, and enhanced functionality for insurance agents. Healthcare revenues grew nearly 38%. AstraZeneca turned to Cognizant to develop a comprehensive biostatistics and medical reporting service to drive innovation and productivity in managing clinical studies. Revenues from manufacturing, retail and logistics clients rose by 41%. Other industries, including information, media & entertainment, communications and high technology, grew 26% over the prior year.

We continued to benefit from our investment in new services, leading to dynamic growth in areas such as Cognizant Business Consulting, IT Infrastructure Services (ITIS), Business Process Outsourcing (BPO), and Business Process as a Service (BPaaS). There are now over 2,900 members of our Consulting practice, who are increasingly working with members of the C-suite to deliver large-scale, end-to-end transformational programs. In BPO, we have executed on our strategy of focusing on vertical processes that require deep domain and functional knowledge and that benefit from the integration with Consulting and ITIS services. Within ITIS, we have continued to win and manage a growing pipeline of large engagements. We also have seen rapid growth in our Testing practice, which has reached significant scale.

REIMAGINING BUSINESS — INVESTING ACROSS NEW HORIZONS

Cognizant's ability to help clients rethink, reinvent and rewire their businesses will power the next cycle of opportunity in our business. To assist clients in reimagining their businesses for the future, while continuing to drive our own industry-leading growth, we must continually invest in our business. Our strategy calls for investing simultaneously across three "horizons of growth"—to deepen the penetration and increase the scale of our existing services, while introducing the new services that will be essential to clients in the future.

We continue to see great potential to expand our current core business, which we think of as our first growth horizon. This includes offerings such as application development and maintenance, testing and packaged application services, which are especially relevant to our clients' needs for greater cost-efficiency and effectiveness. Our emphasis in this category is driving ever-greater levels of productivity for clients through best-in-class methodologies and a more aggressive move to variable pricing models, or managed services. Cognizant's growth in Horizon 1 will come from driving acceptance of the global sourcing model by new clients, including clients in under-penetrated regions such as Europe, as well as deeper relationships with existing clients.

Fortune
WORLD'S MOST ADMIRABLE COMPANIES

For the fourth year running, Cognizant was named to Fortune Magazine's World's Most Admired Companies, and was #4 in Information Technology Services. This definitive report card on corporate reputation is based on a survey of global business executives.

Financial Times
FT GLOBAL 500

Making its first appearance on the Financial Times Global 500, an annual list of the world's largest companies based on market capitalization, Cognizant ranked #370.

Vault.com
25 BEST PLACES TO WORK

In October 2011, Vault.com ranked Cognizant #6 among the 25 Best Places to Work in IT Consulting, based on 16 quality of life indicators such as compensation, firm culture, training initiatives, promotion policies and hours spent in the office.

Our second growth horizon includes newer offerings in which we have achieved critical mass, but which still have enormous potential, such as Consulting, BPO and ITIS. These services help clients respond to economic and competitive pressures by re-examining which activities should remain core to their businesses, and which can be optimized by an external provider. We also see clients globally sourcing additional components of business process and IT infrastructure processes, previously performed internally. Our investment priority for Horizon 2 is to scale these services across additional industries and clients.

Emerging capabilities, such as mobile, cloud, enterprise analytics and social computing, represent our third growth horizon. These services will enable clients to address changes brought on by the Future of Work by adopting new distributed and virtualized business models, optimizing cloud and mobile technologies, and relating to an emerging generation of millennial workers and consumers. In short, clients are moving from business-driven technology to technology-driven business — viewing the new IT stack as a pathway to better performance and value. Although these practices remain in their infancy, we view our investments in Horizon 3 as being vital to our clients' future needs and our long-term growth.

Together, these three horizons illustrate the breadth and depth of market demand, and highlight the benefits of our diversified business mix and reinvestment strategy.

BUILDING OUR ORGANIZATION AND INFRASTRUCTURE

Our success—today and tomorrow—requires that we make investments, build capabilities and execute successfully across all three horizons simultaneously. For this reason, we named several key executives to expanded duties in early 2012. Gordon Coburn, our long-time Chief Financial and Operating Officer, has been promoted to President. Rajeev Mehta has been promoted to Group Chief Executive of Industries and Markets, responsible for our industry vertical teams. Chandra Sekaran has been promoted to Group Chief Executive of Technology and Operations, responsible for service lines that span industry groups. Gordon, Raj and Chandra will work together to oversee all aspects of our current business operations. Additionally, Karen McLoughlin has been promoted to Chief Financial Officer, where she will focus on ensuring our continued strong financial performance. Malcolm Frank has been promoted to Executive Vice President of Strategy and Marketing, where he will further the initiatives that have made Cognizant's brand a symbol of industry leadership. I retain the role of Chief Executive Officer and continue to lead Cognizant's strategic direction. These organizational changes will permit me to focus on our long-term growth agenda, and especially on our efforts to develop new Horizon 3 solutions that are profitable, sustainable and scalable.

Cognizant's great team of people remains the engine of our growth. We added over 33,000 people to our team in 2011. Our attrition rate was among the lowest in our industry, declining throughout the year to an annualized rate of 10% in the fourth quarter. The fact that employees see Cognizant as a great place to work and build their careers is also reflected in record high scores on our annual, independently conducted employee satisfaction survey. We are also pleased with the results of our efforts to recruit undergraduates and MBAs from top schools around the world. Our U.S. campus recruiting program began in 2010 and ramped up dramatically this year, including visits to 28 campuses. We have now launched similar programs in the UK and continental Europe.

As part of our strategy of investing in the people, processes, systems and infrastructure needed to support our long-term growth, we have planned to expand our campuses in India by an additional 10.5 million square feet. Our current India real estate development plan includes the expenditure of over \$700 million between 2011 and 2015. In the U.S., we have enlarged our Phoenix, AZ development center to a capacity of approximately 1,000 seats, and have also had significant growth in our delivery centers in Taguig City, Philippines, and Buenos Aires, Argentina.

ACQUISITIONS ENHANCE CAPABILITIES

We have continued to expand our services through selective acquisitions. In August 2011, we acquired the India-based operations of CoreLogic Incorporated ("CoreLogic India") to enhance our offering in the residential mortgage processing space. CoreLogic India, with approximately 4,000 associates, provides software product development, analytical modeling, back-office and technology support services that are crucial to the U.S. mortgage and real estate markets. This acquisition provides an opportunity to build out our capabilities in sophisticated analytics and next-generation business process solutions for an important component of our financial services client base.

In September 2011, we acquired Zaffera, LLC, a strategic SAP retail consulting and software development firm based in Princeton, NJ. Zaffera helps top retail brands navigate the rapid changes in the retail sector brought about by new technology and demographic shifts. The addition of Zaffera significantly expanded our ability to provide industry-focused SAP consulting and software solutions to help major retailers gain better insights into their business, streamline operations, enhance customer satisfaction and improve responsiveness to changing market conditions.

**Cognizant's
great team of
people remains
the engine of
our growth.**

**We are
extremely
proud to have
joined the
“Fortune 500”
only 17 years
after launching
the company.**

EDUCATION, ENVIRONMENT AND SUSTAINABILITY

As a responsible global citizen, Cognizant seeks to play a positive role in the communities where we live and work. Given our commitment to helping clients address the challenges and opportunities of emerging technologies, a major focus is ensuring a supply of talented and motivated IT professionals sufficient to meet future demand.

We actively support programs to encourage science, technology, engineering and mathematics (STEM) education. In the U.S., we launched a series of initiatives under the banner Making the Future. For example, we funded the Cognizant Maker Space at the New York Hall of Science, where children can experience the joy of imagining and making their own creations. We are partnering with programs such as Citizen Schools, to bring technology professionals to teach in low-income neighborhoods, and Engineering is Elementary, a program of the Museum of Science, Boston, that has developed a basic engineering curriculum for grades K-5. In 2012, we launched a community-based, after-school and summer program in which children will create projects ranging from electronic gadgets, robots and software programs to crafts, music and technology-enhanced clothing.

Our Outreach program provides a platform for associates to volunteer for causes dear to them. In 2011, some 20,000 associates volunteered in various schools and orphanages, registering over 100,000 volunteer hours. More than 66,000 children began their academic year with free school supplies donated by Outreach volunteers. Outreach supports afterschool study centers in 29 villages and works with hundreds of homeless children. Cognizant volunteers provided career guidance to 16,000 children in 130 schools in partnership with Junior Achievement.

Go Green is our company-wide effort to achieve measurable reductions in our environmental impact. We exceeded our 25% per capita emissions reduction target with energy efficiency programs using Six Sigma techniques. We completed the planting of 100,000 trees across the globe to mitigate carbon emissions. We improved our Newsweek Green Ranking, moving up to No. 16 from No. 138 in the U.S. 500 and achieving the No. 1 environmental impact score within the IT industry in the Global 500.

I encourage you to read our Sustainability Report for an in-depth discussion of our commitment to these and other efforts.

PERFORMANCE AND POTENTIAL

We are extremely proud that Cognizant joined the “Fortune 500,” Fortune Magazine’s ranking of America’s largest companies in May 2011, based on our revenue for the prior year. The fact that we reached this milestone only 17 years after launching the company, and just three years after joining the “Fortune 1000,” is a credit to the talent, commitment and hard work of our team. In addition, we were ranked among Fortune’s “World’s Most Admired Companies” for the fourth year in a row.

In May 2011, we appeared for the first time on the “Barron’s 500” list of companies with the strongest sales growth and cash flow return on investment.

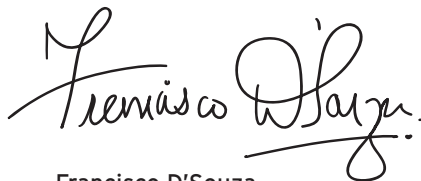
As I look ahead, I am very confident that Cognizant will continue delivering high-value service to our clients and industry-leading growth for our stockholders. Despite a clouded outlook for the global economy, and Europe in particular, the forces driving companies toward a global delivery model are more powerful than ever. Current and potential clients are intensely focused on cost-optimization and actively seeking opportunities to expand the scale and scope of global sourcing. In this regard, it is worth noting that economic downturns tend to increase our addressable market by prompting companies to examine how they can use global services both to manage costs and enhance their agility.

At the same time, the Future of Work is challenging businesses to move beyond 20th century structures, systems and processes and to embrace an environment that is being aggressively reshaped by globalization, virtualization, technology and the rise of millennials as customers and employees. Companies need to rethink their business models, reinvent their workforce and rewire their operations—or risk missing out on long-term prospects for innovation and growth.

Cognizant is well positioned to help clients navigate these dual challenges. Our global delivery network, broad portfolio of services and extensive domain expertise enable us to serve a wide range of clients and industries around the world. We have a strong investment discipline focused across our three horizons of opportunity, deepening today’s offerings while developing the services that will be relevant to clients tomorrow.

Most importantly, Cognizant’s culture is uniquely aligned with the opportunities ahead. The company was “born global,” values knowledge-sharing, and is populated by millennials who embrace new modes of collaboration and communication. Our people are motivated by a passion to help companies thrive. And we are committed to partnering with clients in reimagining their businesses for the future. These strengths will be the source of increasing value for our clients, employees, stockholders and communities in the years to come. Thank you.

Sincerely,

A handwritten signature in black ink, reading "Francisco D'Souza". The signature is fluid and cursive, with a long horizontal line extending from the end.

Francisco D'Souza
Chief Executive Officer



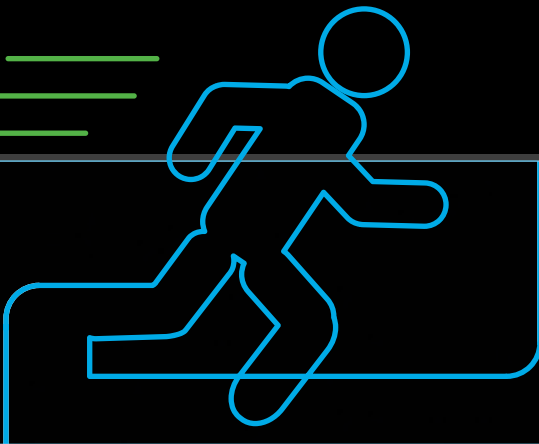
RETHINKING BUSINESS MODELS

Helping Lowe's Improve The Customer Experience



Lowe's is the second-largest home-improvement retailer in the world, operating over 1,700 stores throughout the U.S., Canada and Mexico. As consumers have changed the way they shop in a multi-channel world, Lowe's has rethought its business model to stay relevant to the customer's home improvement process and to deliver a simple and seamless experience across all channels.

To make it convenient and productive wherever and whenever the customer chooses to engage, Cognizant worked with Lowe's to integrate its order capture and fulfillment systems — and facilitate product installation and delivery as well as product repair — across all customer touch points. This allows Lowe's to ship items directly to customers from select stores and regional distribution centers, as well as its Internet warehouse. With an increase in the items available for parcel shipment, Lowe's can achieve a higher order fulfillment rate, faster customer delivery and reduced cost of order fulfillment.



REINVENTING CUSTOMER EXPERIENCE

Innovation calling: Telefónica UK

Telefonica

For Telefónica UK, a leading communications company serving consumers and businesses in the United Kingdom, online applications are vital to driving sales and enhancing customer service. In December 2011, Telefónica UK selected Cognizant as its strategic partner to develop and manage online applications, which perform a wide array of business-critical functions, from promoting and providing access to products and services, to delivering end-user functionality. The innovative multi-year managed services agreement with Cognizant will allow Telefónica UK to deliver the next generation of differentiated digital experience. The result will be more agile and flexible online systems that can evolve and scale to accommodate changing products, business objectives, and customer needs in an extremely competitive mobile market. Shifting its online applications to a managed services model also will enhance Telefónica UK's capacity to promote customer loyalty, expand its customer base, drive innovation and maximize returns on IT investments — while balancing cost, complexity and capacity.

