

Cognizant Technology 1Q profit climbs 17 pct.

The Associated Press

Cognizant Technology Solutions Corp.'s first-quarter earnings climbed 17 percent, as its financial services segment and North America sales boosted revenue, but the information-technology consultant lowered its 2012 forecast.

Shares fell about 8 percent in premarket trading.

The Teaneck, N.J., company said Monday that it now expects 2012 adjusted earnings of \$3.62 per share, down seven cents from a February outlook. The forecast excludes estimated stock-based compensation expenses. Cognizant also now expects revenue to be at least \$7.34 billion after estimating at least \$7.53 billion in February.

Analysts surveyed by FactSet expected, on average, earnings of \$3.46 per share on \$7.55 billion in revenue.

Cognizant CEO Francisco D'Souza said in a statement that the company is adopting a more conservative approach for the rest of this year after seeing a slower-than-anticipated acceleration in demand entering the second quarter.

In the first quarter, Cognizant earned \$243.7 million, or 79 cents per share. That compares to earnings of \$208.3 million, or 67 cents per share, in last year's quarter. Adjusted earnings, which exclude one-time items, were 86 cents per share. Revenue rose 25 percent to \$1.71 billion.

The results matched analysts' expectations.

The company's financial services revenue climbed 22 percent to \$694.7 million compared to last year's quarter. Healthcare revenue rose 34 percent to \$467.4 million. Sales from North America climbed 27 percent to \$1.36 billion, nearly 80 percent of the company's revenue.

Cognizant also said Monday that it will expand its share repurchase program by \$400 million, bringing the authorization under the current program to \$1 billion. A total of \$423 million in shares have been repurchased so far in the program, which expires Dec. 31, 2013.

Cognizant shares fell \$5.66, or 8.1 percent, to \$64 in premarket trading.

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