COGNIZANT TECHNOLOGY SOLUTIONS CORP
Form S-4/A
January 30, 2003

AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON JANUARY 30, 2003.

REGISTRATION NO. 333-101216

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

AMENDMENT NO. 4

TO

FORM S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

COGNIZANT TECHNOLOGY SOLUTIONS CORPORATION
(Exact Name of Registrant as Specified in Its Charter)

DELAWARE	7371	
(State or Other Jurisdiction of Incorporation or Organization)	(Primary Standard Industrial Classification Code Number)	(I. Identi

500 GLENPOINTE CENTRE WEST
TEANECK, NEW JERSEY 07666
(201) 801-0233
(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

STEVEN E. SCHWARTZ
VICE PRESIDENT AND CHIEF CORPORATE COUNSEL
500 GLENPOINTE CENTRE WEST
TEANECK, NEW JERSEY 07666
(201) 678-2758
(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent For Service)

COPIES TO:

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CAROLINE B. GOTTSCHALK	SENIOR VICE PRESIDENT AND GENERAL COUNSEL	SULLIVAN & CROMWELL
SIMPSON THACHER & BARTLETT	IMS HEALTH INCORPORATED	125 BROAD STREET
425 LEXINGTON AVENUE	1499 POST ROAD	NEW YORK, NY 10004
NEW YORK, NY 10017	FAIRFIELD, CONNECTICUT 06824	(212) 558-4000
(212) 455-2000	(203) 319-4700	

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: As soon as practicable after the filing of this registration statement and the other conditions to the commencement of the exchange offer described herein have been satisfied or waived.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. [ ]

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ] ____

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ] ____

CALCULATION OF REGISTRATION FEE

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	AMOUNT TO BE REGISTERED	PROPOSED MAXIMUM OFFERING PRICE PER UNIT	PROPOSED MAXI AGGREGATE OFFERIN
Class B Common Stock.........	Up to 11,290,900 shares	$68.38	$772,071,74
Class A Common Stock.........	Up to 11,290,900 shares(3)	(4)	(4)

(1) The registration fee has been calculated pursuant to Rule 457(f) under the Securities Act of 1933, as amended, based on the average of the high and low prices listed for quotation on the Nasdaq National Market as of November 11, 2002 of the Registrant's Class A Common Stock. Each share of Class B Common Stock will convert into a share of Class A Common Stock when it is transferred after the exchange offer and, accordingly, the Class A Common Stock is believed to be the most appropriate measure of value of the securities to be exchanged in the exchange offer.

(2) Previously paid on November 14, 2002.

(3) Represents shares of Class A common stock issuable upon conversion of the shares of the Class B common stock at the rate of one share of Class A common stock for each share of the Class B common stock. This registration statement is registering the offering and sale of the Class B common stock as well as the shares of Class A common stock into which the shares of Class B common stock are convertible. Shares of Class A common stock issued upon conversion of the Class B common stock will be issued for no additional consideration.

(4) Pursuant to Rule 457(i), there is no additional filing fee with respect to the shares of Class A common stock issuable upon conversion of the Class B common stock because no additional consideration will be received in connection with such conversion.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(a) OF THE SECURITIES ACT OF 1933, OR UNTIL THIS REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(a), MAY DETERMINE.

THIS PRELIMINARY OFFERING CIRCULAR-PROSPECTUS IS NOT COMPLETE AND MAY BE CHANGED. THESE SECURITIES MAY NOT BE EXCHANGED UNTIL THE REGISTRATION STATEMENT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION IS EFFECTIVE. THIS PRELIMINARY OFFERING CIRCULAR-PROSPECTUS IS NOT AN OFFER TO EXCHANGE NOR DOES IT SEEK AN OFFER TO EXCHANGE ANY SECURITIES IN ANY JURISDICTION WHERE THE OFFER OR EXCHANGE IS NOT PERMITTED.

Subject to completion, dated January 30, 2003

IMS HEALTH INCORPORATED

OFFER TO EXCHANGE 0.309 SHARES OF CLASS B COMMON STOCK OF

COGNIZANT TECHNOLOGY SOLUTIONS CORPORATION
FOR EACH SHARE OF COMMON STOCK OF

IMS HEALTH INCORPORATED

THE EXCHANGE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON FEBRUARY 6, 2003, UNLESS WE EXTEND THE OFFER.

IMS Health Incorporated will exchange 0.309 shares of Cognizant class B common stock for each share of IMS Health common stock that it accepts in the exchange offer. IMS Health will accept up to 36,540,129 IMS Health shares and will distribute up to 11,290,900 shares of Cognizant class B common stock in the exchange offer, representing all the Cognizant shares that IMS Health currently owns. If IMS Health stockholders tender more than 36,540,129 IMS Health shares, IMS Health will accept shares for exchange on a pro rata basis as described in this document. The exchange offer is subject to various conditions described later in this document, including that at least 27,400,000 IMS Health shares are validly tendered in the exchange offer.

The terms and conditions of the exchange offer are described in this document and the related Letter of Transmittal, which you should read carefully. None of IMS Health, Cognizant, any of their respective officers or directors or the joint dealer managers makes any recommendation as to whether or not you should tender your IMS Health shares. You must make your own decision after reading this document and consulting with your advisors.

The Cognizant class B common stock that IMS Health is offering in the exchange offer is identical to the Cognizant class A common stock in all respects, except that a holder of class B common stock is entitled to 10 votes per share while a holder of class A common stock is entitled to one vote per share. Each share of Cognizant class B common stock received in the exchange offer will convert automatically into one share of Cognizant class A common stock when it is first transferred after the exchange offer or in certain other circumstances described in this document. Cognizant class B common stock will not be separately listed or quoted on any exchange or in the Nasdaq National Market and will not trade separately.

IMS Health's common stock is listed on the New York Stock Exchange under the symbol "RX." Cognizant's class A common stock is listed for quotation on the Nasdaq National Market under the symbol "CTSH."

PARTICIPATING IN THE EXCHANGE OFFER INVOLVES RISKS. SEE "RISK FACTORS" BEGINNING ON PAGE 17.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES REGULATORS HAVE APPROVED OR DISAPPROVED OF THESE SECURITIES OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The Joint Dealer Managers for the exchange offer are:

GOLDMAN, SACHS & CO. BEAR, STEARNS & CO. INC.

Offering Circular-Prospectus dated , 2003.

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In this offering circular-prospectus, "IMS Health," "we," "us," and "our" each refers to IMS Health Incorporated or, where the context requires, IMS Health and its consolidated subsidiaries, and "IMS Health shares" refers to shares of common stock of IMS Health. "Cognizant" refers to Cognizant Technology Solutions Corporation or, where the context requires, Cognizant and its subsidiaries, and "Cognizant shares" refers to shares of Cognizant class B common stock or, where the context requires, Cognizant class A common stock. When we describe a specified number of IMS Health shares tendered into the exchange offer, we mean IMS Health shares that have been validly tendered into the exchange offer and not properly withdrawn.

You should rely only on the information contained in this document. None of IMS Health, Cognizant, the joint dealer managers, the information agent or the exchange agent has authorized anyone to provide you with information different from that contained in this document. We are not offering to exchange, or soliciting any offers to exchange, securities pursuant to the exchange offer in any jurisdiction in which those offers or exchanges would not be permitted. The information contained in this document is accurate only as of the date of this document regardless of the time of delivery of this document or the time of any exchange of securities in the exchange offer.

This document incorporates by reference important business, financial and other information about IMS Health and Cognizant that is not included in or delivered with this document. See "Where You Can Find More Information" on page 105 for a list of the documents that have been incorporated by reference into this document.

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Requests for these documents may be directed to us or Cognizant, as the case may be, at the following addresses and telephone numbers:

IMS Health Incorporated	Cognizant Technology Solutions Corporation
1499 Post Road	500 Glenpointe Center West
Fairfield, Connecticut 06824	Teaneck, New Jersey 07666
Attn: Investor Relations Department	Attn: Investor Relations Department
Telephone: (203) 319-4700	Telephone: (201) 801-0233

IF YOU WOULD LIKE TO REQUEST COPIES OF THESE DOCUMENTS, PLEASE DO SO BY JANUARY 30, 2003 IN ORDER TO RECEIVE THEM BEFORE THE EXPIRATION OF THE EXCHANGE OFFER. In the event that we extend the exchange offer, you must submit your request at least five business days before the expiration date, as extended.

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QUESTIONS AND ANSWERS ABOUT THE EXCHANGE OFFER

Q: WHY HAS IMS HEALTH DECIDED TO DISTRIBUTE ITS REMAINING INTEREST IN COGNIZANT?

A: IMS Health does not view its interest in Cognizant as strategically important to IMS Health. Among other benefits, we believe the separation of Cognizant from IMS Health will:

- enable the senior management personnel of both companies to focus more completely on the opportunities and needs of their own lines of business;

- improve the stock of IMS Health as an equity incentive tool for motivating key personnel;

- improve the ability of both companies to independently access the capital markets; and

- enable both companies to more freely use their stock for acquisitions and to raise capital.

Q: WHY DID IMS HEALTH CHOOSE THE EXCHANGE OFFER AS THE WAY TO SEPARATE COGNIZANT?

A: We believe that the exchange offer is a tax efficient way to achieve full separation of Cognizant from IMS Health. The exchange offer allows you to adjust your investment between IMS Health and Cognizant and depending on the relative prices of IMS Health and Cognizant shares, may provide an opportunity for you to receive a premium for your IMS Health shares. The exchange offer also allows us to acquire IMS Health shares in a manner that we believe will be neutral or accretive to our ongoing earnings per share and demonstrates our continuing confidence in the value of our shares.

Q: WHAT OTHER ALTERNATIVES DID IMS HEALTH CONSIDER BEFORE CHOOSING THE EXCHANGE OFFER?

A: We considered three principal alternatives for the separation of Cognizant from IMS Health: a sale of our Cognizant shares to a third party, a pro rata spin-off of the Cognizant shares to our stockholders and this exchange offer. We decided that a sale of our shares of Cognizant to a third party would not accomplish our objectives in a tax-efficient manner. A spin-off would require all our stockholders to become Cognizant stockholders and would be dilutive to our earnings per share. The exchange offer allows our stockholders to make an individual choice as to whether or not to participate. We expect the exchange offer to be neutral or accretive to our earnings per share depending on the final subscription level.

Q: DOES IMS HEALTH INTEND TO CONTINUE TO BE A CUSTOMER OF COGNIZANT?

A: Yes, we intend to continue our business relationship with Cognizant after the exchange offer. Cognizant has been a major source of application design, development and maintenance services for IMS Health for years. Cognizant is one of our key business partners today, and we expect our relationship to continue.

Q: WHAT IS THE "EXCHANGE RATIO"? HOW MANY COGNIZANT SHARES WILL I RECEIVE FOR EACH IMS HEALTH SHARE THAT I EXCHANGE?

A: You will receive 0.309 Cognizant shares for each IMS Health share that is accepted for exchange. We sometimes refer to this number as the "exchange ratio." You will receive cash in lieu of any fraction of a Cognizant share to which you would otherwise be entitled.

Q: IS THE EXCHANGE OFFER AT A PREMIUM?

A: Based on the closing prices of the IMS Health and Cognizant shares on the NYSE and Nasdaq National Market, respectively, on January 8, 2003, the exchange ratio represented an approximate 20% premium over the price of the IMS Health shares on that date.

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We calculated this premium using the exchange ratio and the market price per share for the Cognizant class A common stock and IMS common stock on January 8, 2003 as follows:

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(0.309) x (market price per share of Cognizant class A
common stock)                                                - 1) X 100
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market price per share of IMS Health common stock
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The market price of Cognizant class A common stock is not necessarily determinative of the value of the Cognizant class B common stock to be received in the exchange offer. In addition, we do not know what premium, if any, will apply at the closing of the exchange offer since the market prices for IMS Health shares and Cognizant shares fluctuate. At any time during the exchange offer you can use this formula to calculate the premium, if any, represented by the exchange ratio based on recent market prices for IMS Health and Cognizant class A shares.

Q: HOW DO I DECIDE WHETHER TO PARTICIPATE IN THE EXCHANGE OFFER?

A: Your decision to participate in the exchange offer will depend on many factors. You should examine carefully your specific financial position, plans and needs before you decide whether to participate in the exchange offer. We encourage you to consider, among other things:

- your view of the relative value of the IMS Health shares and Cognizant shares;

- your individual investment strategy with regard to the two companies; and

- your opportunity to receive the premium, if any.

You must make your own decision after carefully reading this document and consulting with your advisors based on your own financial position and requirements. In addition, you should consider all the factors described in the section of this document entitled "Risk Factors" starting on page 17.

Q: IS IT RECOMMENDED THAT I TENDER MY IMS HEALTH SHARES?

A: None of IMS Health, Cognizant, any of their respective officers or directors, the joint dealer managers, the exchange agent or the information agent makes any recommendation as to whether or not you should tender your IMS Health shares into the exchange offer. You must make your own decision after reading this document and consulting with your advisors. In addition, you should consider all the factors described in the section of this document entitled "Risk Factors" starting on page 17.

Q: HOW DO I TENDER INTO THE EXCHANGE OFFER?

A: We give you specific instructions in the section of this document entitled "The Exchange Offer -- Procedures for Tendering Shares of IMS Health Common Stock" beginning on page 37.

Q: CAN I TENDER ONLY A PORTION OF MY IMS HEALTH SHARES?

A: Yes. This is a voluntary exchange offer. You may tender all, some or none of your IMS Health shares.

Q: WHAT IF I WANT TO TENDER BUT I HOLD IMS HEALTH SHARES IN "STREET NAME"?

A: You will need to instruct your broker to tender your shares on your behalf.

Q: CAN I CHANGE MY MIND AFTER I TENDER?

A: Yes. You may withdraw your tender at any time before the exchange offer expires. We describe the procedures for withdrawing tendered IMS Health shares in the section of this document entitled "The Exchange Offer -- Withdrawal Rights" beginning on page 40.

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Q: WHAT HAPPENS IF MORE THAN 36,540,129 IMS HEALTH SHARES ARE TENDERED?

A: If more than 36,540,129 IMS Health shares are tendered, we will reduce the number of IMS Health shares that we will accept in the exchange offer on a pro rata basis in proportion to the number of shares tendered. We refer to this pro rata reduction as "proration." Stockholders who own an "odd-lot," which is a total of less than 100 IMS Health shares, and who tender all their shares will not be subject to proration.

Q: WHEN WILL THE EXCHANGE OFFER AND WITHDRAWAL RIGHTS EXPIRE?

A: The exchange offer and withdrawal rights will expire at 12:00 midnight, New York City time, on February 6, 2003, unless they are extended.

Q: CAN IMS HEALTH EXTEND THE EXCHANGE OFFER, AND UNDER WHAT CIRCUMSTANCES?

A: Yes. We can extend the exchange offer at any time, in our sole discretion, even if all the conditions to the exchange offer have been satisfied. If we extend the exchange offer, we will publicly announce the extension and the new expiration date by press release no later than 9:00 a.m., New York City time, on the next business day after the previously scheduled expiration date.

Q: ARE THERE ANY CONDITIONS TO IMS HEALTH'S OBLIGATION TO COMPLETE THE EXCHANGE OFFER?

A: Yes. We are not required to complete the exchange offer unless the conditions that we describe in the section of this document entitled "The Exchange Offer -- Conditions for Completion of the Exchange Offer" starting on page 42 are satisfied or waived. For example, we may choose not to complete the exchange offer unless at least 27,400,000 IMS Health shares are tendered into the exchange offer. We refer to this minimum number of IMS Health shares as the "minimum amount." We may waive any or all of the conditions to the exchange offer, including the requirement that the minimum number of IMS Health shares be tendered.

Q: DOES COGNIZANT HAVE THE RIGHT TO WAIVE ANY CONDITIONS OF THE EXCHANGE OFFER OR TO EXTEND THE EXCHANGE OFFER?

A: No. Any decision to waive any condition of the exchange offer or to extend the exchange offer or any other decision related to the terms of the exchange offer will be solely that of IMS Health.

Q: WHAT HAPPENS IF LESS THAN THE MINIMUM AMOUNT OF IMS HEALTH SHARES ARE TENDERED?

A: If fewer than the minimum number of IMS Health shares are tendered into the exchange offer, we may extend the exchange offer or we may choose not to complete the exchange offer or we may waive the condition and choose to accept the IMS Health shares tendered. If we choose not to complete the exchange offer, we will promptly return any IMS Health shares that have been tendered.

Q: WHAT WILL IMS HEALTH DO WITH ANY COGNIZANT CLASS B COMMON STOCK IT DOES NOT EXCHANGE?

A: If we otherwise would continue to own Cognizant class B shares after completion of the exchange offer, we currently plan to either distribute them to our stockholders or convert them into shares of Cognizant's class A common stock prior to completion of the exchange offer and distribute them to our stockholders or hold them for some period before we sell them in one or more transactions. The timing of those sales could depend on market conditions and other factors, but we expect that we would hold those shares for no more than three years. If only the minimum amount of IMS Health shares are exchanged and we do not otherwise distribute Cognizant shares to our stockholders, we will hold 2,824,300 shares of Cognizant class A common stock immediately following the completion of the exchange offer (representing 13.8%

of the outstanding Cognizant common stock). We will vote those shares in proportion to the votes cast by all other holders of Cognizant stock.

Q: WILL I BE TAXED ON SHARES I EXCHANGE IN THE EXCHANGE OFFER?

A: We have received an opinion from McDermott, Will & Emery to the effect that the exchange offer should be tax-free to IMS Health stockholders for U.S. federal income tax purposes, except with respect to any cash received in lieu of fractional Cognizant shares. This opinion does not address any state, local or foreign tax consequences of the exchange offer. You should consult your tax advisor as to the particular tax consequences to you of the exchange offer. In addition, you should read the risk factor "The IRS may treat the exchange offer as taxable to exchanging stockholders or IMS Health" in the section of this document entitled "Risk Factors" on page 17.

Q: WHAT ARE THE PRINCIPAL DIFFERENCES BETWEEN THE CLASSES OF COGNIZANT COMMON STOCK?

A: Cognizant has two classes of common stock: class A common stock and class B common stock. IMS Health is offering only Cognizant class B common stock in the exchange offer.

The Cognizant class A common stock is publicly held and listed for quotation on the Nasdaq National Market under the symbol "CTSH". The Cognizant class B common stock is identical to the Cognizant class A common stock in all respects, except that a holder of Cognizant class B common stock is entitled to 10 votes per share while a holder of Cognizant class A common stock is entitled to one vote per share. Each share of Cognizant class B common stock received in the exchange offer will convert automatically into one share of Cognizant class A common stock when it is first transferred after the exchange offer. As a result, Cognizant class B common stock will not be separately listed or quoted and will not trade separately. In addition, all the Cognizant class B common stock will automatically convert into Cognizant class A common stock on the fifth anniversary of the completion of the exchange offer or, if earlier, when the number of shares of Cognizant class B common stock represents less than 35% of the aggregate number of shares of Cognizant common stock then outstanding.

Q: CAN I TRANSFER THE COGNIZANT CLASS B COMMON STOCK I RECEIVE IN THE EXCHANGE OFFER?

A: Upon any transfer, the shares of Cognizant class B common stock you receive in the exchange offer will convert automatically into an equal number of shares of Cognizant class A common stock that will entitle the transferee to one vote per share. In addition, if you are an "affiliate" of Cognizant under the Securities Act of 1933, you may sell your Cognizant shares only under an effective registration statement or pursuant to an exemption from the registration requirements of the Securities Act.

Q: WILL I BE ABLE TO TAKE ADVANTAGE OF THE SPECIAL VOTING RIGHTS OF COGNIZANT CLASS B COMMON STOCK AT STOCKHOLDER MEETINGS?

A: Yes. While you continue to hold the Cognizant class B common stock you receive in the exchange offer, the Cognizant class B common stock will have 10 votes per share, subject to the class B common stock converting automatically into Cognizant class A common stock with one vote per share upon the occurrence of events beyond your control. Accordingly, you should not rely on having any special voting rights at stockholder meetings as a basis for your decision to participate in the exchange offer. Cognizant may implement procedures to ensure the proper voting by holders of class A and class B common stock at stockholder meetings.

Q: WHAT HAPPENS TO THE SPECIAL VOTING RIGHTS OF COGNIZANT CLASS B COMMON STOCK IF IT CONVERTS TO CLASS A COMMON STOCK?

A: The special voting rights of the Cognizant class B common stock will cease upon conversion into Cognizant class A common stock. Cognizant class A common stock has one vote per share.

Q: WHEN WILL TENDERING STOCKHOLDERS KNOW THE OUTCOME OF THE EXCHANGE OFFER?

A: On the first business day after the expiration date, we will announce by press release preliminary results of the exchange offer. Promptly after they are known, we will announce by press release the final results of the exchange offer, including the proration factor, if any.

Q: HAVE OTHER COMPANIES PURSUED SIMILAR TRANSACTIONS?

A: Yes. Examples of similar exchange offers include transactions involving Sara Lee (Coach), DuPont (Conoco), The Limited (Abercrombie & Fitch), Lockheed Martin Corporation (Martin Marietta Materials), Viacom International, Inc. (TCI Pacific) and Eli Lilly and Company (Guidant Corp.).

Q: WHO SHOULD I CALL IF I HAVE QUESTIONS OR WANT ADDITIONAL COPIES OF THE EXCHANGE OFFER DOCUMENTS?

A: If you have any questions about how to tender or you want additional copies of the exchange offer documents, you may call Georgeson Shareholder Communications Inc., the information agent, at one of its numbers listed on the last page of this document. You may also contact either joint dealer manager at its number listed on the last page of this document or your own broker for assistance concerning the exchange offer.

SUMMARY

This summary highlights only some of the information in this document and may not contain all the information that is important to you. To understand the exchange offer fully and for a more complete description of the legal terms of the exchange offer, you should read this entire document and the documents we have referred you to in the section entitled "Where You Can Find More Information." We have included page references to direct you to a more complete description of the topics discussed in this summary.

THE COMPANIES

IMS HEALTH INCORPORATED

IMS Health Incorporated is a leading global provider of market information, sales management and decision-support services to the pharmaceutical and healthcare industries. Our key products include sales management information to optimize sales force productivity, marketing effectiveness research for prescription and over-the-counter pharmaceutical products, consulting and other services. We are managed on a global business model with global leaders for the majority of our critical business processes. In addition, our business includes our venture capital unit, Enterprise Associates, LLC, which is focused on investments in emerging businesses, and our approximately 26% equity interest in The TriZetto Group, Inc. as of September 30, 2002.

We were organized under the laws of the State of Delaware on February 3, 1998. We began operating as an independent publicly-held company on July 1, 1998 as a result of the spin-off of our business from Cognizant Corporation (which was subsequently renamed Nielsen Media Research, Inc.).

Our principal executive office is located at 1499 Post Road, Fairfield, Connecticut 06824, and our telephone number is (203) 319-4700.

COGNIZANT TECHNOLOGY SOLUTIONS CORPORATION

Cognizant Technology Solutions Corporation is a leading provider of custom information technology, commonly referred to as IT, design, development, integration and maintenance services primarily for Fortune 1000 companies located in the United States and Europe. Cognizant's core competencies include web-centric applications, data warehousing, component-based development and legacy and client-server systems. Cognizant provides the IT services it offers using an integrated on-site/offshore business model. This seamless on-site/offshore model combines technical and account management teams located on-site at the customer location and offshore at dedicated Cognizant development centers located in India and Ireland. To support this business model, at December 31, 2002, Cognizant employed over 3,900 programmers in India and over 5,400 globally. Cognizant believes that this on-site/offshore model enables it to develop, deploy and maintain, on a cost-effective and timely basis, high quality, large-scale IT systems for use in a wide range of industries. The market's acceptance of the advantages to customers of Cognizant's integrated business model has been well demonstrated by Cognizant's growth and financial performance. Between 1999 and 2001, Cognizant's revenues and net income grew at a compound annual growth rate exceeding 40%. For the year ended December 31, 2001 and the nine months ended September 30, 2002, Cognizant had revenues of $177.8 million and $162.1 million, respectively, and net income of $22.2 million and $25.4 million, respectively.

For more details about Cognizant's business, see the section entitled "Business of Cognizant."

Cognizant was organized under the laws of the State of Delaware on April 6, 1988. Cognizant began its IT development and maintenance services business in early 1994, initially acting as an in-house technology development center for The Dun & Bradstreet Corporation and its operating units. In 1996, Cognizant was part of a group of companies that were spun-off from The Dun & Bradstreet Corporation to form a new company. In 1998, this new company spun-off IMS Health, including the controlling interest in Cognizant. Cognizant completed its initial public offering on June 24, 1998. At September 30, 2002, IMS Health owned approximately 56% of Cognizant's outstanding common stock and held approximately 93% of the combined voting power of Cognizant's common stock.

Cognizant's principal executive office is located at 500 Glenpointe Centre West, Teaneck, New Jersey 07666 and its telephone number is (201) 801-0233.

THE EXCHANGE OFFER

Terms of the exchange offer (see page 35)................. We are offering IMS Health stockholders the opportunity to exchange each of their IMS Health shares for 0.309 Cognizant class B shares. We sometimes refer to this number as the "exchange ratio." You may tender all, some or none of your IMS Health shares. The maximum number of IMS Health shares that we will accept from all IMS Health stockholders is 36,540,129 shares.

IMS Health shares accepted for exchange will be exchanged at the exchange ratio, on the terms and subject to the conditions of the exchange offer, including the proration provisions. We will promptly return to IMS Health stockholders any IMS Health shares that are not accepted for exchange following the expiration of the exchange offer and determination of the final proration factor, if any, as described below.

Expiration; extension; termination; amendment (see page 41)...................... The exchange offer, and your withdrawal rights, will expire at 12:00 midnight, New York City time, on February 6, 2003, unless we extend it. You must tender your IMS Health shares prior to this time if you want to participate in the exchange offer. We may extend, terminate or amend the exchange offer.

No fractional shares (see page 36).......................... You will not receive any fractional Cognizant shares in the exchange offer. The exchange agent, acting as the agent for tendering IMS Health stockholders, will aggregate any fractional shares and sell them. You will receive the proceeds, if any, net of commissions, from the sale of these shares in accordance with your fractional interest.

Proration; odd-lots (see page 36).......................... If more than 36,540,129 IMS Health shares are tendered into the exchange offer, we will accept all tendered IMS Health shares on a pro rata basis. We will announce the preliminary proration factor by the first business day after the exchange offer expires.

If you own fewer than 100 IMS Health shares and tender all your shares for exchange, you may request preferential treatment by completing Section II. C. on the letter of transmittal entitled "Odd-Lot Shares" and, if applicable, on the notice of guaranteed delivery. If your odd-lot shares are held by a broker for your account, you can contact the broker and request this preferential treatment. All your "odd-lot" shares will be accepted for exchange without proration if we complete the exchange offer.

Shares you own in the IMS Health Savings Plan are not eligible for this preferential treatment.

Withdrawal rights (see page 40)..........................	You may withdraw tendered IMS Health shares at any time before the exchange offer expires. If you change your mind again, you may re-tender your IMS Health shares by again following the exchange offer procedures prior to the expiration of the exchange offer.
Conditions for completion of the exchange offer (see page 42)..........................	The exchange offer is subject to various conditions, including that at least 27,400,000 IMS Health shares are tendered so that we may exchange at least 8,466,600 of the Cognizant shares held by us. All conditions must be satisfied or waived prior to the expiration of the exchange offer.
Procedures for tendering (see page 37).....................	If you hold certificates for IMS Health shares, you must complete and sign the letter of transmittal designating the number of IMS Health shares you wish to tender. Send the letter of transmittal, together with your IMS Health stock certificates and any other documents required by the letter of transmittal, by courier or registered mail, return receipt requested, so that it is RECEIVED by the exchange agent at one of the addresses listed on the back cover of this document before the expiration of the exchange offer. DO NOT SEND YOUR CERTIFICATES TO IMS HEALTH, COGNIZANT, THE JOINT DEALER MANAGERS OR THE INFORMATION AGENT.

If you hold shares of IMS Health common stock through a broker, you should receive instructions from your broker on how to participate. In this situation, do not complete the letter of transmittal. Please contact your broker directly if you have not yet received instructions. Some financial institutions may also effect tenders by book-entry transfer through The Depository Trust Company.

If you wish to tender your IMS Health shares but the shares are not immediately available, or time will not permit the shares or other required documentation to reach the exchange agent before the expiration date, or the procedure for book-entry transfer cannot be completed on a timely basis, you may still tender your IMS Health shares by following the procedures for guaranteed delivery set forth under "The Exchange Offer -- Guaranteed Delivery Procedure."

If you participate in the IMS Health Savings Plan, you will receive separate instructions on how to tender these shares and a form of election to tender your shares held under this plan from the trustee or administrator of the plan. Do not use the letter of transmittal to tender shares held under this plan.

Delivery of Cognizant stock certificates..................	We will deliver Cognizant stock certificates as soon as reasonably practicable after we accept IMS Health shares for exchange and, if necessary, determine the proration factor. If your IMS Health stock certificates are held by a broker, your broker should inform you of where and when your Cognizant stock certificates will be delivered.
Terms of Cognizant class B common stock delivered in the exchange offer (see page 86)..	The Cognizant class B common stock is identical to the Cognizant class A common stock in all respects, except that a holder of class B common stock is entitled to 10 votes per share while a holder of class A common stock is entitled to one vote per share.
Conversion of Cognizant class B common stock (see page 86)..........................	Each share of Cognizant class B common stock received in the exchange offer will convert automatically into one share of Cognizant class A common stock when it is first transferred after the exchange offer. In addition, all the Cognizant class B common stock will automatically convert into Cognizant class A common stock on the fifth anniversary of the

	completion of the exchange offer or, if earlier, when the number of shares of Cognizant class B common stock represents less than 35% of the aggregate number of shares of Cognizant common stock then outstanding.
Comparative per share market price information (see page 15)..........................	IMS Health common stock is currently listed and traded on the NYSE under the symbol "RX." Cognizant class A common stock is currently listed for quotation on the Nasdaq National Market under the symbol "CTSH." The Cognizant class B common stock will not be listed or quoted on any exchange and will not trade separately. You may transfer shares of Cognizant class B common stock you receive in the exchange offer, at which time they will convert automatically into an equal number of shares of Cognizant class A common stock that will entitle the transferee to one vote per share. On November 13, 2002, the last trading day before the announcement of the exchange offer, the closing sale price of the IMS Health common stock on the NYSE was $16.52 and the closing sale price of the Cognizant class A common stock on the Nasdaq National Market was $69.39. On January 8, 2003, the last trading day before commencement of the exchange offer, the closing sale price of the IMS Health common stock on the NYSE was $16.64 and the closing sale price of the Cognizant class A common stock on the Nasdaq National Market was $64.55.

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U.S. federal income tax consequences (see page 101)...	We have received a tax opinion from McDermott, Will & Emery to the effect that the exchange offer should be tax-free to IMS Health stockholders for U.S. federal income tax purposes, except with respect to any cash received in lieu of fractional shares of Cognizant class B common stock, and that the exchange offer should be tax-free to IMS Health. This opinion does not address any state, local or foreign tax consequences. You should consult your tax advisor as to the particular tax consequences to you of the exchange offer. In addition you should read the risk factor "The IRS may treat the exchange offer as taxable to exchanging stockholders or IMS Health" in the section of this document entitled "Risk Factors" on page 17.
No appraisal rights (see page 34).....................	No statutory appraisal rights are available to

	stockholders of IMS Health or Cognizant in connection with the exchange offer.
Exchange Agent................	American Stock Transfer & Trust Company
Information Agent.............	Georgeson Shareholder Communications Inc.
Joint Dealer Managers.........	Goldman, Sachs & Co. and Bear, Stearns & Co. Inc.
Risk factors (see page 17)....	You should consider carefully the matters described in the section entitled "Risk Factors," as well as the other information included in this document and the documents to which we have referred you.
Legal limitation..............	We are not making any offer to exchange, nor are we soliciting any offer to exchange, securities in any jurisdiction in which the offer or exchange is not permitted.

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IMS HEALTH SUMMARY FINANCIAL DATA

The following table presents summary financial data for IMS Health. This data is derived from and should be read together with the audited and unaudited consolidated financial statements of IMS Health and related notes thereto and "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained in IMS Health's Form 10-K for 2001 and Form 10-Q for the period ended September 30, 2002, all of which have been incorporated into this document by reference. To find out where you can obtain copies of IMS Health's documents that have been incorporated by reference, see "Where You Can Find More Information."

We have also prepared selected pro forma financial data to show the effect of the exchange offer on IMS Health. See "IMS Health Unaudited Pro Forma Condensed Consolidated Financial Information."

	YEAR ENDED DECEMBER 31,				
	1997	1998	1999	2000	2001
	(DOLLARS AND SHARES IN THOUSANDS, EXCEPT PER SHARE				
IMS HEALTH INCORPORATED RESULTS OF OPERATIONS:					
Revenue......................	$1,059,559	$1,186,513	$1,397,989	$1,424,359	$1,332,923
Costs and expenses(1).........	831,949	1,054,029	1,058,966	1,287,166	1,008,762
Operating income(1)...........	227,610	132,484	339,023	137,193	324,161
Non-operating income (loss), net(2).....................	13,955	52,360	9,419	124,120	(140,360)
Income from continuing operations, before provision for income taxes............	241,565	184,844	348,442	261,313	183,801

Provision for income taxes....	(55,614)	(58,780)	(98,076)	(140,412)	(38,415)
TriZetto equity loss, net of income taxes................	--	--	--	(4,777)	(6,985)
Income from continuing operations..................	185,951	126,064	250,366	116,124	138,401
Income from discontinued operations, net of income taxes(3)...................	126,399	94,494	25,695	4,692	47,025
Net income....................	$ 312,350	$ 220,558	$ 276,061	$ 120,816	$ 185,426
Net income per share --basic..	$ 0.95	$ 0.68	$ 0.88	$ 0.41	$ 0.63
Weighted average number of shares outstanding --basic..	330,326	324,584	311,976	296,077	295,162
Net income per share -- diluted.....................	$ 0.93	$ 0.66	$ 0.86	$ 0.40	$ 0.62
Weighted average number of shares outstanding -- diluted......	334,980	335,770	319,561	300,038	300,147
BALANCE SHEET DATA (AT THE END OF THE PERIOD):					
Total assets..................	$1,516,537	$1,789,205	$1,533,971	$1,308,161	$1,367,554
Post-retirement and post-employment benefits.........	38,082	27,577	27,429	43,471	44,305
Long-term debt and other liabilities.................	158,742	253,261	163,356	182,840	324,373
Shareholders' equity..........	$ 801,570	$ 825,270	$ 495,222	$ 103,540	$ 218,366

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(1) 2001 includes charges related to severance, impairment and other charges of $94,616, and terminated transaction costs of $6,457. 2000 includes charges related to the Synavant spin-off of $37,626, the Synavant related impairment charge of $115,453, the executive management transition charge of $31,133 and severance, impairment and other charges of $45,689. 1999 includes charges related to the

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Gartner spin-off of $9,500. 1998 includes charges related to the Cognizant spin-off of $35,025 and one-time charges and In-Process Research and Development write-offs related to the Walsh and PMSI acquisitions of $48,019 and $32,800, respectively.

(2) Non-operating Income, net in 2001 includes loss on Gartner shares of $84,880, gains/(losses) from dispositions -- net of $27,642 and the SAB No. 51 loss related to issuance of investees' stock of $1,490. Non-operating income, net in 2000 includes the gain on the sale of Erisco of $84,530, gains from dispositions -- net of $78,139, loss on Gartner shares of $6,896 and the SAB No. 51 gain related to the issue of stock by TriZetto of $9,029. Non-operating income, net in 1999 includes gains from dispositions-net of $25,264. Non-operating income, net in 1998 includes the gain related to the Cognizant's initial public offering of $12,777 and gains from dispositions -- net of $33,341. Results for 1997 include gains from dispositions -- net of $9,391 in non-operating income.

(3) Income from discontinued operations, net of income taxes, includes a tax provision of $25,320, $25,320, $2,526, $12,635, $49,303 and $62,271 for the

nine months ended September 30, 2001 and the years ended December 31, 2001, 2000, 1999, 1998 and 1997, respectively.

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COGNIZANT SUMMARY FINANCIAL DATA

The following table presents summary financial data for Cognizant. This data is derived from and should be read together with the audited and unaudited consolidated financial statements of Cognizant and related notes thereto and "Management's Discussion and Analysis of Results of Operations and Financial Condition of Cognizant" appearing elsewhere in this document. In the opinion of Cognizant's management, all adjustments considered necessary for a fair presentation of the interim financial information have been included, and all adjustments are of a normal and recurring nature. Operating results for the interim periods are not necessarily indicative of results that may be expected to occur for the entire year.

	YEAR ENDED DECEMBER 31,				
	1997	1998	1999	2000	2001
	(DOLLARS AND SHARES IN THOUSANDS, EXCEPT PER				
COGNIZANT TECHNOLOGY SOLUTIONS CORPORATION STATEMENT OF OPERATIONS:					
Revenues	$13,898	$45,031	$74,084	$122,758	$158,969
Revenues -- related party	10,846	13,575	14,820	14,273	18,809
Total revenues	24,744	58,606	88,904	137,031	177,778
Cost of revenues	14,359	31,919	46,161	70,437	90,848
Gross profit	10,385	26,687	42,743	66,594	86,930
Selling, general and administrative expenses	6,898	15,547	23,061	35,959	44,942
Depreciation and amortization expense	1,358	2,222	3,037	4,507	6,368
Income from operations	2,129	8,918	16,645	26,128	35,620
Other income (expense)	25	721	1,300	2,119	(221)
Income before provision for income taxes	2,154	9,639	17,945	28,247	35,399
Provision for income taxes	(581)	(3,606)	(6,711)	(10,564)	(13,239)
Minority interest	(545)	--	--	--	--
Net income	$ 1,028	$ 6,033	$11,234	$ 17,683	$ 22,160
Net income per share, basic	$ 0.08	$ 0.38	$ 0.61	$ 0.95	$ 1.17
Net income per share, diluted	$ 0.08	$ 0.36	$ 0.58	$ 0.87	$ 1.09
Weighted average number of common shares outstanding	13,094	15,886	18,342	18,565	19,017
Weighted average number of common shares and stock options outstanding	13,210	16,538	19,416	20,256	20,371
STATEMENT OF FINANCIAL POSITION DATA (AT THE END OF THE PERIOD):					
Cash and cash equivalents	$ 2,715	$28,418	$42,641	$ 61,976	$ 84,977
Working capital	5,694	29,416	43,507	61,501	95,637
Total assets	18,298	51,679	69,026	109,540	144,983

Due to related party	6,646	9	--	8	--
Stockholders' equity	$ 3,419	$32,616	$45,461	$ 66,116	$ 98,792

COMPARATIVE PER SHARE DATA

The following table compares certain historical, pro forma and equivalent per share data for IMS Health and Cognizant. The data has been derived from and should be read together with the audited and unaudited consolidated financial statements of IMS Health and related notes thereto contained in IMS Health's Form 10-K for 2001 and Form 10-Q for the period ended September 30, 2002 and the audited and unaudited consolidated financial statements of Cognizant and related notes thereto contained in Cognizant's Form 10-K for 2001 and Form 10-Q for the period ended September 30, 2002.

Pro forma net income per share is presented as if the exchange offer had occurred (and that 36,540,129 IMS Health shares had been exchanged for 11,290,900 Cognizant shares) as of January 1, 2001. Pro forma and equivalent pro forma book value per share is presented as if the exchange offer had occurred (and that 36,540,129 IMS Health shares had been exchanged for 11,290,900 Cognizant shares) as of September 30, 2002. You should not rely on the pro forma information as being indicative of the historical results that would have occurred or the future results that IMS Health or Cognizant will experience after the exchange offer. Cognizant's earnings per share and book value per share will be impacted only by Cognizant's share of the offering expenses, estimated to be approximately $2 to $3 million. Any conversion of Cognizant's class B common stock to class A common stock will not have an impact on Cognizant's earnings per share or book value per share.

	IMS HEALTH HISTORICAL	IMS HEALTH PRO FORMA FOR EXCHANGE OFFER(1)	COGNIZANT HISTORICAL	EXCHANGE OF EQUIVALENT(
EARNINGS PER SHARE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2001				
Basic	$0.63	$0.65	$1.17	$0.36
Diluted	0.62	0.64	1.09	0.34
EARNINGS PER SHARE FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2002				
Basic	0.71	0.72	1.30	0.40
Diluted	0.70	0.72	1.21	0.37
CASH DIVIDENDS PER SHARE DECLARED				
For the twelve months ended December 31, 2001	0.08	0.08	0.00	0.00
For the nine months ended September 30, 2002	0.06	0.06	0.00	0.00
BOOK VALUE PER SHARE				
As of September 30, 2002	$0.59	$0.33	$7.12	$2.20

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(1) The "IMS Health Pro Forma for Exchange Offer" amounts assume that 36,540,129 IMS Health shares are exchanged for 11,290,900 Cognizant shares. However, if we assumed that only 27,400,000 IMS Health shares -- the minimum amount that

IMS will accept in the exchange offer -- are exchanged for 8,466,600 Cognizant shares, then the "IMS Health Pro Forma for Exchange Offer" amounts would not differ from the amounts presented as IMS Health would have accounted for its investment in Cognizant on the cost method of accounting.

(2) The exchange offer equivalent amounts are calculated by multiplying the historical Cognizant amounts by the exchange ratio in the exchange offer.

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COMPARATIVE PER SHARE MARKET PRICE DATA

Set forth below are the closing sale prices of IMS Health common stock as reported by the NYSE, and Cognizant class A common stock as listed for quotation on the Nasdaq National Market on November 13, 2002 (the last full trading day prior to the public announcement that IMS Health was considering the exchange offer) and January 8, 2003 (the most recent practicable date prior to the date of this offering circular-prospectus). Also set forth below are the exchange offer equivalent sales prices of IMS Health common stock for each of these dates, as determined by multiplying the sale price of Cognizant class A common stock by the exchange ratio for the exchange offer.

	IMS HEALTH NYSE PRICE PER SHARE	COGNIZANT NASDAQ PRICE PER SHARE	EXCHANGE OFFER EQUIVALENT PRICE PER SHARE(1)
November 13, 2002	$16.52	$69.39	$21.44
January 8, 2003	16.64	64.55	19.95

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(1) The exchange offer equivalent per share sales prices are calculated by multiplying the Cognizant price per share by the exchange ratio for the exchange offer.

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RISK FACTORS

You should consider carefully all the information set forth or incorporated by reference in this document and, in particular, the following risk factors, in considering whether or not to tender your shares of IMS Health common stock. In addition, for an important discussion of additional uncertainties associated with the businesses of IMS Health and Cognizant and forward-looking information in this document, please see "Special Note on Forward-Looking Information" on page 30.

RISKS RELATED TO THE EXCHANGE OFFER

YOUR INVESTMENT IN SHARES OF IMS HEALTH COMMON STOCK WILL BE SUBJECT TO DIFFERENT RISKS AFTER THE EXCHANGE OFFER REGARDLESS OF WHETHER YOU ELECT TO PARTICIPATE IN THE OFFER.

Your investment will be subject to different risks as a result of the exchange offer, regardless of whether you tender all, some or none of your shares of IMS Health common stock.

- If you exchange all your IMS Health shares, you will no longer have an interest in IMS Health, but instead will have an interest in Cognizant. As a result, your investment will be subject to risks associated with Cognizant and not risks associated with IMS Health.

- If you exchange some, but not all, of your IMS Health shares, your interest in IMS Health will diminish, depending on the number of your shares that are accepted for exchange, while your direct interest in Cognizant may increase. As a result, your investment will be subject to risks associated with IMS Health and Cognizant.

- If you do not exchange any of your IMS Health shares your interest in IMS Health will increase, on a percentage basis, while your indirect interest in Cognizant will decrease or be eliminated. As a result, your investment will be subject to risks associated with IMS Health and not risks associated with Cognizant, except to the extent we do not distribute all our Cognizant shares.

YOU MAY NOT RECEIVE A PREMIUM FOR THE SHARES OF IMS HEALTH COMMON STOCK YOU TENDER IN THE EXCHANGE OFFER.

The amount of the premium, if any, that you will receive if you participate in the exchange offer will depend on the relative value of IMS Health shares and Cognizant shares on the completion of the exchange offer. A number of factors may influence the value of our and Cognizant's shares. We cannot predict what the amount of the actual premium will be at the time of the exchange or whether, in fact, there will be a premium at all. Changes in the prices of IMS Health shares or Cognizant shares over time may also affect your ability to realize any premium through sales in the market.

THE HISTORICAL FINANCIAL INFORMATION OF IMS HEALTH AND COGNIZANT MAY NOT BE INDICATIVE OF THEIR RESULTS AS SEPARATE COMPANIES.

The historical financial information of IMS Health and Cognizant presented in this document may not necessarily reflect what the results of operations, financial condition and cash flows of each would have been had the companies been separate, stand-alone entities pursuing independent strategies during the periods presented. As a result, historical financial information is not necessarily indicative of future results of operations, financial condition and cash flows of either IMS Health or Cognizant.

THE PRIOR PERFORMANCE OF IMS HEALTH AND COGNIZANT COMMON STOCK MAY NOT BE INDICATIVE OF THE PERFORMANCE OF THEIR COMMON STOCK AFTER THE EXCHANGE OFFER.

IMS Health and Cognizant common stock price history may not provide investors with a meaningful basis for evaluating an investment in either company's common stock. IMS has been a publicly traded company only since July 1, 1998 and Cognizant has been a publicly traded company only since June 24, 1998. The prior performance of IMS Health and Cognizant common stock may not be indicative of the performance of their common stock after the exchange offer.

THE DISTRIBUTION OF SHARES OF COGNIZANT CLASS B COMMON STOCK IN THE EXCHANGE OFFER MAY ADVERSELY AFFECT THE MARKET PRICE OF SHARES OF COGNIZANT CLASS A COMMON STOCK.

The exchange offer will substantially increase the number of publicly held shares of Cognizant common stock and the number of Cognizant stockholders. At September 30, 2002, Cognizant common stock held by IMS Health represented approximately 56% of the outstanding stock and approximately 93% of the combined voting power of Cognizant's common stock. The shares of Cognizant class B common stock to be distributed in the exchange offer will be immediately transferable by non-affiliates of Cognizant. Each share of Cognizant class B common stock will be automatically converted into one share of Cognizant class A common stock when it is first transferred after the exchange offer. If a significant number of persons who receive shares of Cognizant common stock in the exchange offer attempt to, or are perceived as likely to, sell their shares of Cognizant common stock after the exchange offer, the market price of shares of Cognizant class A common stock could be adversely affected or fluctuate significantly after the exchange offer.

MARKET PRICES FOR SHARES OF IMS HEALTH COMMON STOCK MAY DECLINE FOLLOWING THE COMPLETION OF THE EXCHANGE OFFER.

Investors may purchase shares of IMS Health common stock in order to participate in the exchange offer, which may have the effect of artificially raising market prices for shares of IMS Health common stock during the pendency of the exchange offer. Following the completion of the exchange offer, the market prices for shares of IMS Health common stock may decline because any exchange offer-related demand for shares of IMS Health common stock will cease. Furthermore, persons who were unable to exchange their shares of IMS Health common stock for any reason, including proration, may seek to sell these shares in the market, which may also affect the market price for IMS Health common stock. Market prices for shares of IMS Health common stock may also decline following the completion of the exchange offer because shares of IMS Health common stock will no longer include an investment, or will include a significantly diminished investment, in the Cognizant business.

THE IRS MAY TREAT THE EXCHANGE OFFER AS TAXABLE TO EXCHANGING STOCKHOLDERS OR TO IMS HEALTH.

We have received a tax opinion from McDermott, Will & Emery to the effect that, for U.S. federal income tax purposes, the exchange offer should be tax-free to IMS Health stockholders, except with respect to any cash received in lieu of fractional shares of Cognizant class B common stock, and that the exchange offer should be tax-free to IMS Health. Section 355 of the Internal Revenue Code is highly technical and complex, and many aspects of the statute have not yet been addressed by judicial decisions, Treasury regulations, or other administrative guidance. In particular, there is uncertainty with respect to the tax treatment of the exchange offer to IMS Health under Section 355(e) of the Internal Revenue Code due to the absence of controlling legal authorities addressing certain factual aspects of the exchange offer, including the potential for automatic conversion of Cognizant class B common stock into Cognizant class A common stock. The opinion of McDermott, Will & Emery is based on certain factual representations and assumptions. If these factual representations and assumptions are incorrect in any material respect, our ability to rely on the tax-free opinion would be jeopardized. No ruling from the

Internal Revenue Service has been or will be sought with respect to any of the tax matters relating to the exchange offer and the opinion is not binding on the IRS. Accordingly, we cannot assure you that the IRS will agree with the conclusions set forth in the opinion, and it is possible that the IRS or another tax authority could adopt a position contrary to one or all of those conclusions and that a court could sustain that contrary position. If we complete the exchange offer and the exchange offer is held to be taxable, we could be subject to tax as if the distribution were a taxable sale by us of our Cognizant shares at market value, resulting in a material amount of taxes for us because our tax basis in the Cognizant shares is not significant. Our stockholders who receive Cognizant shares could be subject to taxes that would vary with the individual circumstances of the stockholder and may be material for some of stockholders.

Neither IMS Health nor Cognizant will indemnify any individual stockholder for any taxes that may be incurred in connection with the exchange offer.

IMS HEALTH AND COGNIZANT MAY NOT HAVE ADEQUATE FUNDS TO PERFORM THEIR RESPECTIVE INDEMNITY OBLIGATIONS UNDER THE DISTRIBUTION AGREEMENT.

In connection with the exchange offer, IMS Health and Cognizant have made tax-related representations to each other and agreed to tax-related covenants. IMS Health and Cognizant also have agreed to indemnify each other for any liability resulting from a breach of these representations and covenants and liability resulting from the conduct of IMS Health's and Cognizant's businesses. The resulting liabilities could have a material adverse effect on each company. For a summary of IMS Health's and Cognizant's obligations in connection with the potential tax and business liabilities, see "Certain Relationships between IMS Health and Cognizant -- Distribution Agreement" on page 97.

SPECIAL VOTING RIGHTS ASSOCIATED WITH COGNIZANT CLASS B COMMON STOCK WILL NOT BE TRANSFERABLE.

If you receive shares of Cognizant class B common stock in the exchange offer, you will have ten votes for each share you receive only until such share is converted into Cognizant class A common stock. You will not be able to transfer to another person any value associated with these special voting rights because each share of Cognizant class B common stock will be automatically converted when it is first transferred after the exchange offer into one share of Cognizant class A common stock with one vote.

THE SPECIAL VOTING RIGHTS ASSOCIATED WITH COGNIZANT CLASS B COMMON STOCK MAY CEASE AT ANY TIME.

You may lose your special voting rights even if you do not transfer your class B common stock because each share of class B common stock will convert automatically into one share of class A common stock with one vote per share on the fifth anniversary of completion of the exchange offer or, if earlier, the date on which the number of shares of Cognizant class B common stock represents less than 35% of the aggregate number of shares of Cognizant common stock then outstanding. The number of shares of class B common stock may fall below the 35% level as the result of transfers by other holders of class B common stock or an increase in the number of shares of Cognizant class A common stock outstanding.

RISKS RELATED TO COGNIZANT

A SUBSTANTIAL PORTION OF COGNIZANT'S ASSETS AND OPERATIONS ARE LOCATED IN INDIA AND COGNIZANT IS SUBJECT TO REGULATORY, ECONOMIC AND POLITICAL UNCERTAINTIES IN INDIA.

Cognizant intends to continue to develop and expand its offshore facilities in India where, as of December 31, 2002, approximately 73% of its technical professionals were located. While wage costs are lower in India than in the United States and other developed countries for

comparably skilled professionals, wages in India are increasing at a faster rate than in the United States, which could result in Cognizant incurring increased costs for technical professionals and reduced operating margins. In addition, there is intense competition in India for skilled technical professionals and Cognizant expects that competition to increase.

India has also experienced civil unrest and terrorism and has been involved in conflicts with neighboring countries. In recent years there have been military confrontations between India and Pakistan that have occurred in the region of Kashmir and along the Indian-Pakistan border. The potential for hostilities between the two countries has been high in light of tensions related to recent terrorist incidents in India and the unsettled nature of the regional geopolitical environment including events in and related to Afghanistan. If India were to become engaged in armed hostilities, particularly if these hostilities were protracted or involved the threat of or use of weapons of mass destruction, Cognizant's operations would be materially adversely affected. In addition, U.S. companies may decline to contract with Cognizant for services in light of international terrorist incidents or armed hostilities even where India is not involved because of more generalized concerns about relying on a service provider utilizing international resources.

In the past, the Indian economy has experienced many of the problems confronting the economies of developing countries including high inflation, erratic gross domestic product growth and shortages of foreign exchange. The Indian government has exercised and continues to exercise significant influence over many aspects of the Indian economy, and Indian government actions concerning the economy could have a material adverse effect on private sector entities, including Cognizant. In the past, the Indian government has provided significant tax incentives and relaxed certain regulatory restrictions in order to encourage foreign investment in specified sectors of the economy, including the software development services industry. Programs that have benefited Cognizant include, among others, tax holidays, liberalized import and export duties and preferential rules on foreign investment and repatriation. Notwithstanding these benefits, India's central and state governments remain significantly involved in the Indian economy as regulators. The elimination of any of the benefits realized by Cognizant from its Indian operations could have a material adverse effect on Cognizant's business, results of operations and financial condition.

Since 1991, successive governments in India have pursued policies of economic reform, including significantly relaxing restrictions on the private sector. The current Indian government, formed in October 1999, is a coalition of several parties, including some small regional parties. The withdrawal of one or more of these parties from the current coalition could result in political instability. Political instability or further changes in the government in India could delay the reform of the Indian economy and adversely affect economic conditions in India generally, which could impact Cognizant's financial results and prospects. The current Indian government has generally pursued policies and taken initiatives that support the continued economic reform policies that have been pursued by previous governments. Cognizant cannot assure you, however, that these policies and initiatives will continue in the future. The rate of economic reform could change, and specific laws and policies affecting technology companies, foreign investment, currency exchange and other matters affecting Cognizant's business could change as well. A significant change in India's economic reform and deregulation policies could adversely affect business and economic conditions in India generally and Cognizant's business in particular.

No assurance can be given that Cognizant will not be adversely affected by changes in inflation, interest rates, taxation, social stability or other political, economic or diplomatic developments in or affecting India in the future.

HOSTILITIES BETWEEN THE UNITED STATES AND IRAQ COULD ADVERSELY AFFECT COGNIZANT'S BUSINESS, FINANCIAL CONDITION AND RESULTS OF OPERATIONS AND IMPAIR ITS ABILITY TO SERVICE ITS CUSTOMERS.

Tensions between the United States and Iraq have recently escalated as the United States has threatened to take military action against Iraq. Hostilities involving the United States, or military or travel disruptions and restrictions affecting Cognizant's employees, could materially adversely affect Cognizant's operations and its ability to service its customers. As of December 31, 2002, approximately 73% of Cognizant's technical professionals were located in India, and the vast majority of Cognizant's technical professionals in the United States and Europe are Indian nationals who are able to work in the United States only because they hold current visas. A military action by the United States against Iraq would likely further disrupt travel and the ability to obtain visas to enter into the United States. Travel restrictions could cause Cognizant to incur additional unexpected labor costs and expenses or could restrain Cognizant's ability to retain the skilled professionals it needs for its operations in the United States and Europe.

COGNIZANT'S INTERNATIONAL SALES AND OPERATIONS ARE SUBJECT TO MANY UNCERTAINTIES.

Revenues from customers outside North America represented 16%, 14% and 13% of Cognizant's revenues for 2000, 2001 and the nine months ended September 30, 2002, respectively. Cognizant anticipates that revenues from customers outside North America will continue to account for a material portion of its revenues in the foreseeable future and may increase as Cognizant expands its international presence, particularly in Europe. In addition, a substantial majority of Cognizant's employees and almost all of its IT development centers are located in India. As a result, Cognizant may be subject to risks associated with international operations, including risks associated with foreign currency exchange rate fluctuations and risks associated with the application and imposition of protective legislation and regulations relating to import or export or otherwise resulting from foreign policy or the variability of foreign economic conditions. To date, Cognizant has not engaged in any hedging transactions to mitigate its risks relating to exchange rate fluctuations. Additional risks associated with international operations include difficulties in enforcing intellectual property rights, the burdens of complying with a wide variety of foreign laws, potentially adverse tax consequences, tariffs, quotas and other barriers and potential difficulties in collecting accounts receivable. There can be no assurance that these and other factors will not have a material adverse effect on Cognizant's business, results of operations and financial condition.

COGNIZANT FACES INTENSE COMPETITION FROM OTHER IT SERVICE PROVIDERS.

The intensely competitive IT professional services market includes a large number of participants and is subject to rapid change. This market includes participants from a variety of market segments, including:

- systems integration firms;

- contract programming companies;

- application software companies;

- Internet solutions providers;

- the professional services groups of computer equipment companies; and

- facilities management and outsourcing companies.

The market also includes numerous smaller local competitors in the various geographic markets in which Cognizant operates. Cognizant's direct competitors who use the on-site/offshore business model include, among others, Infosys, Inc., Satyam Computer Services Limited, Tata Consultancy Services and WIPRO Ltd. In addition, many of Cognizant's competitors have significantly greater financial, technical and marketing resources and greater name recognition than does Cognizant. Some of these larger competitors, such as Accenture Ltd., Electronic Data Systems Corporation and IBM Global Services, have announced their intentions to develop their offshore operations in order to lower their cost structure. Cognizant cannot

assure you that it will be able to sustain its current levels of profitability or growth as competitive pressures, including competition for skilled IT development professionals and pricing pressure from competitors employing an on-site/offshore business model, increase.

COGNIZANT'S BUSINESS WILL SUFFER IF IT FAILS TO DEVELOP NEW SERVICES AND ENHANCE ITS EXISTING SERVICES IN ORDER TO KEEP PACE WITH THE RAPIDLY EVOLVING TECHNOLOGICAL ENVIRONMENT.

The IT services market is characterized by rapid technological change, evolving industry standards, changing customer preferences and new product and service introductions. Cognizant's future success will depend on its ability to develop solutions that keep pace with changes in the IT services market. There can be no assurance that Cognizant will be successful in developing new services addressing evolving technologies on a timely or cost-effective basis or, if these services are developed, that Cognizant will be successful in the marketplace. In addition, there can be no assurance that products, services or technologies developed by others will not render Cognizant's services non-competitive or obsolete. Cognizant's failure to address these developments could have a material adverse effect on its business, results of operations and financial condition.

Cognizant's ability to remain competitive will also depend on its ability to design and implement, in a timely and cost-effective manner, solutions for customers moving from the mainframe environment to client/server or other advanced architectures. Cognizant's failure to design and implement solutions in a timely and cost-effective manner could have a material adverse effect on Cognizant's business, results of operations and financial condition.

COMPETITION FOR HIGHLY SKILLED TECHNICAL PERSONNEL IS INTENSE AND THE SUCCESS OF COGNIZANT'S BUSINESS DEPENDS ON ITS ABILITY TO ATTRACT AND RETAIN HIGHLY SKILLED PROFESSIONALS.

Cognizant's future success will depend to a significant extent on its ability to attract, train and retain highly skilled IT development professionals. In particular, Cognizant needs to attract, train and retain project managers, IT engineers and other senior technical personnel. Cognizant believes there is a shortage of, and significant competition for, IT development professionals in the United States and India with the advanced technological skills necessary to perform the services Cognizant offers. Cognizant has subcontracted, to a limited extent in the past, and may do so in the future, with other service providers in order to meet its obligations to its customers. Cognizant's ability to maintain and renew existing engagements and obtain new business will depend, in large part, on its ability to attract, train and retain technical personnel with the skills that keep pace with continuing changes in information technology, evolving industry standards and changing customer preferences. Further, Cognizant must train and manage its growing work force, requiring an increase in the level of responsibility for both existing and new management personnel. There can be no assurance that the management skills and systems currently in place will be adequate or that Cognizant will be able to train and assimilate new employees successfully. Cognizant's failure to attract, train and retain current or future employees could have a material adverse effect on its business, results of operations and financial condition.

COGNIZANT'S GROWTH MAY BE HINDERED BY IMMIGRATION RESTRICTIONS.

Cognizant's future success will depend on its ability to attract and retain employees with technical and project management skills from developing countries, especially India. The vast majority of Cognizant's IT professionals in the United States and in Europe are Indian nationals. The ability of Indian nationals to work in the United States depends on their ability and the ability of Cognizant to obtain the necessary visas and work permits.

The H-1B visa classification enables U.S. employers to hire qualified foreign workers in positions which require an education at least equal to a U.S. Baccalaureate Degree in specialty occupations such as IT systems engineering and systems analysis. The H-1B visa usually

permits an individual to work and live in the United States for a period of up to six years. There is a limit on the number of new H-1B petitions that the U.S. Immigration and Naturalization Service may approve in any federal fiscal year, and in years in which this limit is reached, Cognizant may be unable to obtain H-1B visas necessary to bring foreign employees to the United States. In the current federal fiscal year, the limit is 195,000. This cap is currently not expected to be reached. However, in the fiscal year beginning October 1, 2003, because of changes in U.S. immigration law, the number of H-1B visas available to employers will be reduced to 65,000. In addition, there are strict labor regulations associated with the H-1B visa classification. Higher users of the H-1B visa program are often subject to investigations by the Wage and Hour Division of the U.S. Department of Labor. A finding by the U.S. Department of Labor of willful or substantial failure by Cognizant to comply with existing regulations on the H-1B classification may result in a bar on future work-authorized nonimmigrant or immigrant petitions.

Cognizant also regularly transfers employees of its subsidiaries in India to the United States to work on projects and at client sites, using the L-1 visa classification. The L-1 visa allows companies abroad to transfer certain managers, executives and employees with specialized company knowledge to related U.S. companies such as a parent, subsidiary, affiliate, joint venture or branch office. Cognizant has an approved "Blanket L Program," under which the corporate relationships of its transferring and receiving entities have been pre-approved by the INS, thus enabling individual L-1 applications to be presented directly to a U.S. consular post abroad rather than undergoing the pre-approval process in the United States. While there have been no major changes in the law or regulations governing the L-1 categories, both the U.S. consular posts that review initial L-1 applications and the INS office, which adjudicates extensions of L-1 status, have become more restrictive with respect to this category in the recent past. As a result, the rate of refusals of initial L-1 applications and of extension denials has increased. In addition, even where L-1 visas are ultimately granted and issued, security measures undertaken by U.S. consular posts around the world have caused major delays in visa issuances. Cognizant's inability to bring qualified technical personnel into the United States to staff on-site customer locations would have a material adverse effect on Cognizant's business, results of operations and financial condition.

Cognizant also processes immigrant visas for lawful permanent residence for employees to fill positions for which there are no able, willing and qualified U.S. workers available to fill the positions. Compliance with existing U.S. immigration and labor laws, or changes in those laws making it more difficult to hire foreign nationals or limiting Cognizant's ability to successfully obtain permanent residence for its foreign employees in the United States, could require Cognizant to incur additional unexpected labor costs and expenses or could restrain Cognizant's ability to retain the skilled professionals it needs for its operations in the United States. Any of these restrictions or limitations on Cognizant's hiring practices could have a material adverse effect on Cognizant's business, results of operations and financial condition.

In addition to immigration restrictions in the United States, there have recently been changes to work permit legislation in the United Kingdom, where Cognizant has experienced significant growth. Under the new regulations, in order for Cognizant to transfer its employees to the United Kingdom, either from the United States or from India, it must demonstrate that the employee had been employed by Cognizant for at least six months prior to the transfer. These restrictions restrain Cognizant's ability to retain the skilled professionals it needs for its operations in Europe, and could have an adverse affect on Cognizant's international strategy to expand its presence in Europe. As a result, the changes to work permit legislation in the United Kingdom could have a material adverse effect on Cognizant's business, results of operations and financial condition.

Immigration and work permit laws and regulations in the United States, the United Kingdom and other countries is subject to legislative and administrative changes as well as changes in the application of standards and enforcement. Immigration and work permit laws and regulation can

be significantly effected by political forces and levels of economic activity. Cognizant's international expansion strategy and its business, results of operations and financial condition may be materially adversely affected if changes in immigration and work permit laws and regulations or the administration or enforcement of such laws or regulations impairs Cognizant's ability to staff projects with IT professionals who are not citizens of the country where the work is to be performed.

COGNIZANT'S ABILITY TO OPERATE AND COMPETE EFFECTIVELY COULD BE IMPAIRED IF IT LOSES KEY PERSONNEL.

Cognizant's future performance depends to a significant degree upon the continued service of the key members of its management team, as well as marketing, sales and technical personnel, and its ability to attract and retain new management and other personnel. Cognizant does not maintain key man life insurance on any of its executive officers or significant employees. Competition for personnel is intense, and there can be no assurance that Cognizant will be able to retain its key employees or that it will be successful in attracting and retaining new personnel in the future. The loss of any one or more of Cognizant's key personnel or the failure to attract and retain key personnel could have a material adverse effect on Cognizant's business, results of operations and financial condition.

Cognizant has entered into non-competition agreements with its executive officers. There can be no assurance that the restrictions in these agreements prohibiting the executive officers from engaging in competitive activities are enforceable. Further, substantially all of Cognizant's professional non-executive staff are not covered by agreements that would prohibit them from working for Cognizant's competitors. If any of Cognizant's key professional personnel leaves Cognizant and joins a competitor of Cognizant, Cognizant's business could be adversely affected.

COGNIZANT'S EARNINGS MAY BE ADVERSELY AFFECTED IF IT CHANGES ITS INTENT NOT TO REPATRIATE EARNINGS IN INDIA.

During the first quarter of 2002, Cognizant made a strategic decision to pursue an international strategy that includes expanded infrastructure investments in India and geographic expansion in Europe and Asia. As a component of this strategy, Cognizant intends to use 2002 and future Indian earnings to expand its operations outside the United States instead of repatriating those earnings to the United States. Accordingly, effective January 1, 2002, pursuant to Accounting Principles Bulletin 23, Cognizant will no longer accrue taxes on the repatriation of earnings recognized in 2002 and subsequent periods as these earnings are now considered to be indefinitely reinvested outside the United States. This change in intent resulted in an estimated effective tax rate for the nine months ended September 30, 2002 of approximately 23%, compared to an effective tax rate for fiscal 2001 of approximately 37%. However, Cognizant's cash requirements could change over time, which could effectively force it to change its intent on repatriating Indian earnings. If Cognizant's earnings are intended to be repatriated in the future, or are no longer reinvested outside the United States, Cognizant will have to accrue the applicable amount of taxes associated with those earnings and pay taxes at a substantially higher tax rate than the effective rate in 2002. These increased taxes could have a material adverse effect on Cognizant's business, results of operations and financial condition, as well as cash flows to fund such taxes. In addition, Cognizant may need to accelerate the payment of significant deferred taxes, which would have a significant impact on its cash position.

COGNIZANT'S EARNINGS MAY BE ADVERSELY AFFECTED IF IT CHANGES ITS ACCOUNTING POLICY WITH RESPECT TO EMPLOYEE STOCK OPTIONS.

Stock options are an important component of compensation packages for most of Cognizant's mid- and senior-level employees. Cognizant currently does not deduct the expense of employee stock option grants from its income. Many companies, however, are considering a change to their accounting policies to record the value of stock options issued to employees as

an expense and changes in the accounting treatment of stock options are currently under consideration by the International Accounting Standards Board and other accounting standards-setting bodies. If Cognizant were to change its accounting policy with respect to the treatment of employee stock option grants, its earnings could be materially adversely affected.

A SIGNIFICANT PORTION OF COGNIZANT'S PROJECTS IS ON A FIXED-PRICE BASIS, SUBJECTING COGNIZANT TO THE RISKS ASSOCIATED WITH COST OVER-RUNS AND OPERATING COST INFLATION.

Cognizant contracts to provide services either on a time-and-materials basis or on a fixed-price basis, with fixed-price contracts accounting for approximately 24% and 26% of revenues for the year ended December 31, 2001 and the nine months ended September 30, 2002, respectively. Cognizant expects that an increasing number of its future projects will be contracted on a fixed-price basis. Cognizant bears the risk of cost over-runs and operating cost inflation in connection with projects covered by fixed-price contracts. Cognizant's failure to estimate accurately the resources and time required for a fixed-price project, or its failure to complete its contractual obligations within the time frame committed, could have a material adverse effect on Cognizant's business, results of operations and financial condition.

COGNIZANT'S BUSINESS MAY SUFFER IF IT IS UNABLE TO MANAGE ITS RAPID GROWTH.

Since Cognizant began providing software development and maintenance services in early 1994, Cognizant's professional and support staff has increased from approximately 25 to over 6,000 at December 31, 2002. Cognizant's anticipated growth will continue to place significant demands on its management and other resources. In particular, Cognizant will have to continue to increase the number of its personnel, particularly skilled technical, marketing and management personnel, and continue to develop and improve its operational, financial, communications and other internal systems. Cognizant's inability to manage its anticipated growth effectively could have a material adverse effect on Cognizant's business, results of operations and financial condition.

As part of its growth strategy, Cognizant is expanding its operations in Europe and Asia. Cognizant may not be able to compete effectively in these markets and the cost of entering these markets may be substantially greater than it expects. If it fails to compete effectively in the new markets it enters, or if the cost of entering those markets is substantially greater than it expects, Cognizant's business, results of operations and financial condition could be adversely affected. In addition, if Cognizant cannot compete effectively, it may be required to reconsider its strategy to invest in its international expansion plans and change its intent on the repatriation of its earnings.

COGNIZANT RELIES ON A FEW CUSTOMERS FOR A LARGE PORTION OF ITS REVENUES.

Approximately 40%, 35% and 39% of Cognizant's revenues in years ended December 31, 2000 and 2001 and the nine months ended September 30, 2002, respectively, were generated from its top five customers, including IMS Health. Approximately 10%, 11% and 10% of Cognizant's revenues in years ended December 31, 2000 and 2001 and the nine months ended September 30, 2002 were generated from IMS Health and its subsidiaries. The volume of work performed for specific customers is likely to vary from year to year, and a major customer in one year may not use Cognizant's services in a subsequent year. The loss of one of Cognizant's large customers could have a material adverse effect on its business, results of operations and financial condition.

COGNIZANT GENERALLY DOES NOT HAVE LONG-TERM CONTRACTS WITH ITS CUSTOMERS.

Consistent with industry practice, Cognizant generally does not enter into long-term contracts with its customers. As a result, Cognizant is substantially exposed to volatility in the market for its services, and may not be able to maintain its level of profitability. If Cognizant is unable to market its services on terms it finds acceptable, its financial condition and results of operations could suffer materially.

COGNIZANT'S OPERATING RESULTS EXPERIENCE SIGNIFICANT QUARTERLY FLUCTUATIONS.

Cognizant historically has experienced significant quarterly fluctuations in its revenues and results of operations and expects these fluctuations to continue. Among the factors causing these variations have been:

- the number, timing, scope and contractual terms of IT development and maintenance projects in which Cognizant is engaged;

- delays incurred in the performance of those projects;

- the accuracy of estimates of resources and time required to complete ongoing projects; and

- general economic conditions.

In addition, Cognizant's future revenues, operating results and margins may fluctuate as a result of:

- changes in pricing in response to customer demand and competitive pressures;

- the mix of on-site and offshore staffing;

- the ratio of fixed-price contracts versus time-and-materials contracts;

- employee wage levels and utilization rates;

- the timing of collection of accounts receivable; and

- the breakdown of revenues by distribution channel.

A high percentage of Cognizant's operating expenses, particularly personnel and rent, are relatively fixed in advance of any particular quarter. As a result, unanticipated variations in the number and timing of Cognizant's projects or in employee wage levels and utilization rates may cause significant variations in operating results in any particular quarter, and could result in losses to Cognizant. Any significant shortfall of revenues in relation to Cognizant's expectations, any material reduction in utilization rates for Cognizant's professional staff or variance in the on-site, offshore staffing mix, an unanticipated termination of a major project, a customer's decision not to pursue a new project or proceed to succeeding stages of a current project or the completion during a quarter of several major customer projects could require Cognizant to pay underutilized employees and could therefore have a material adverse effect on Cognizant's business, results of operations and financial condition.

As a result of these factors, it is possible that in some future periods Cognizant's revenues and operating results may be significantly below the expectations of public market analysts and investors. In such an event, the price of Cognizant's common stock would likely be materially and adversely affected.

COGNIZANT MAY NOT BE ABLE TO SUSTAIN ITS CURRENT LEVEL OF PROFITABILITY.

Cognizant's gross margin of 49% and 47% for the year ended December 31, 2001 and the nine months ended September 30, 2002, respectively, may decline if it experiences declines in demand and pricing for its services. In addition, wages in India are increasing at a faster rate than in the United States, which could result in Cognizant incurring increased costs for technical professionals. Although Cognizant has been able to partially offset pricing pressures and wage increases through its low-cost operating structure, it cannot assure you that it will be able to continue to do so in the future.

LIABILITY CLAIMS COULD HAVE A MATERIAL ADVERSE EFFECT ON COGNIZANT'S BUSINESS.

Many of Cognizant's engagements involve projects that are critical to the operations of its customers' businesses and provide benefits that are difficult to quantify. Any failure in a

customer's computer system could result in a claim for substantial damages against Cognizant, regardless of Cognizant's responsibility for the failure. Although Cognizant attempts to limit by contract its liability for damages arising from negligent acts, errors, mistakes or omissions in rendering its IT development and maintenance services, there can be no assurance that any contractual limitations on liability will be enforceable in all instances or will otherwise protect Cognizant from liability for damages. Although Cognizant has general liability insurance coverage, including coverage for errors or omissions, there can be no assurance that coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim. The successful assertion of one or more large claims against Cognizant that exceed available insurance coverage or changes in Cognizant's insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could have a material adverse effect on Cognizant's business, results of operations and financial condition.

COGNIZANT MAY BE SUBJECT TO LEGACY DUN & BRADSTREET LIABILITIES THAT COULD HAVE AN ADVERSE EFFECT ON COGNIZANT'S RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

In 1996, The Dun & Bradstreet Corporation, now known as R.H. Donnelly Corporation, split itself into three separate companies: The Dun & Bradstreet Corporation, Cognizant Corporation and ACNielsen Corporation. In connection with the split-up transaction, The Dun & Bradstreet Corporation, Cognizant Corporation (renamed Nielsen Media Research), of which Cognizant Technology Solutions Corporation was once a part, and ACNielsen Corporation (now a subsidiary of the Dutch company VNU N.A.) entered into a distribution agreement. In the 1996 distribution agreement, each party assumed the liabilities relating to the businesses allocated to it and agreed to indemnify the other parties and their subsidiaries against those liabilities and certain other matters. The 1996 distribution agreement also prohibited each party thereto from distributing to its stockholders any business allocated to it unless the distributed business delivered undertakings agreeing to be jointly and severally liable to the other parties under the 1996 distribution agreement for the liabilities of the distributing parent company under the 1996 distribution agreement. IMS Health made such undertaking when it was spun off by Nielsen Media Research in 1998 and, accordingly, IMS Health and Nielsen Media Research are jointly and severally liable to R.H. Donnelly and ACNielsen for Cognizant Corporation obligations under the terms of the 1996 distribution agreement. IMS Health has requested similar undertakings from Cognizant Technology Solutions Corporation as a condition to the distribution of Cognizant shares in the exchange offer. IMS Health is obligated to procure similar undertakings from Cognizant Technology Solutions Corporation to Nielsen Media Research and Synavant Inc. with respect to liabilities allocated to IMS Health in connection with Nielsen Media Research's spin-off of IMS Health and IMS Health's spin-off of Synavant Inc. In connection with the exchange offer, Cognizant Technology Solutions Corporation has given these undertakings and, as a result, Cognizant Technology Solutions Corporation may be subject to claims in the future in relation to legacy liabilities.

One possible legacy liability arises from a pending antitrust action filed by Information Resources Inc. in 1996, which names as joint defendants all parties to the 1996 distribution agreement. Information Resources' complaint alleges damages in excess of $350 million, which amount it has asked to be trebled, plus punitive damages. ACNielsen Corporation agreed in connection with the 1996 distribution agreement to assume any and all liabilities resulting from the Information Resources claim to the extent that ACNielsen remains financially viable. In connection with VNU's acquisition of ACNielsen in 2001, VNU was required to assume this liability and to be included with ACNielsen for purposes of determining the amount that can be paid by ACNielsen in respect of any claim. IMS Health and Nielsen Media Research, Inc., successors to Cognizant Corporation, have agreed to share liabilities in excess of the amount ACNielsen is required to pay under the 1996 distribution agreement in respect of this claim on a 50-50 basis with The Dun & Bradstreet Corporation (subsequently separated into The Dun &

Bradstreet Corporation and Moody's Corporation). IMS Health and Nielsen Media Research, Inc. further agreed to share their portion of the liabilities in relation to the Information Resources action on a 75-25 basis, subject to Nielsen Media Research, Inc.'s liability in respect of the Information Resources action and certain other contingent liabilities being capped at $125 million. Pursuant to its undertaking, Cognizant Technology Solutions Corporation could be held liable for those amounts that VNU, IMS Health, Nielsen Media Research, Inc., and The Dun & Bradstreet Corporation and their successors are unable or unwilling to pay.

Other claims have arisen in the past and may arise in the future under the 1996 distribution agreement or the distribution agreements relating to Nielsen Media Research's spin-off of IMS Health and IMS Health's spin-off of Synavant Inc., in which case Cognizant Technology Solutions Corporation may be jointly and severally liable for any losses suffered by the parties entitled to indemnification.

IMS Health has agreed to indemnify Cognizant Technology Solutions Corporation for any and all liabilities that arise out of its undertakings to be jointly and severally liable for these liabilities, but if for any reason IMS Health does not perform on its indemnification obligation, these liabilities could have a material adverse effect on Cognizant's financial condition and results of operations.

COGNIZANT EXPECTS THAT THE COST OF INSURANCE WILL INCREASE, AND THE SCOPE OF ITS COVERAGE WILL DECREASE, FOLLOWING COMPLETION OF THE EXCHANGE OFFER.

Historically, Cognizant has benefited from insurance coverage provided under policies obtained by IMS Health for itself and its subsidiaries. Following completion of the exchange offer, Cognizant will be required to obtain its own separate insurance policies for director and officer liability and general liability. Cognizant expects the costs associated with the new insurance policies will be substantially higher than the cost of the shared policy due to reduced leverage in negotiating terms and general increases in insurance premiums. In addition, Cognizant expects that the scope of its coverage will also be reduced under the new policies.

COGNIZANT MAY BE UNABLE TO PROTECT ITS INTELLECTUAL PROPERTY RIGHTS.

Cognizant's future success will depend in part on its ability to protect its intellectual property rights. Cognizant presently holds no patents or registered copyrights, and relies upon a combination of copyright and trade secret laws, non-disclosure and other contractual arrangements and various security measures to protect its intellectual property rights. India is a member of the Berne Convention, and has agreed to recognize protections on copyrights conferred under the laws of foreign countries, including the laws of the United States. Cognizant believes that laws, rules, regulations and treaties in effect in the United States and India are adequate to protect it from misappropriation or unauthorized use of its copyrights. However, there can be no assurance that these laws will not change and, in particular, that the laws of India will not change in ways that may prevent or restrict the transfer of software components, libraries and toolsets from India to the United States. There can be no assurance that the steps taken by Cognizant to protect its intellectual property rights will be adequate to deter misappropriation of any of its intellectual property, or that Cognizant will be able to detect unauthorized use and take appropriate steps to enforce its rights. Unauthorized use of Cognizant's intellectual property may result in development of technology, products or services which compete with Cognizant's products and unauthorized parties may infringe upon or misappropriate Cognizant's products, services or proprietary information.

Although Cognizant believes that its intellectual property rights do not infringe on the intellectual property rights of any of its competitors or others, there can be no assurance that infringement claims will not be asserted against Cognizant in the future, that assertion of infringement claims will not result in litigation or that Cognizant would prevail in that litigation or be able to obtain a license for the use of any infringed intellectual property from a third party on

commercially reasonable terms, if at all. Cognizant expects that the risk of infringement claims against Cognizant will increase if Cognizant's competitors are able to obtain patents for software products and processes. Any infringement claims, regardless of their outcome, could result in substantial cost to Cognizant and divert management's attention from Cognizant's operations. Any infringement claim or litigation against Cognizant could, therefore, have a material adverse effect on Cognizant's business, results of operations and financial condition.

COGNIZANT MAY BE UNABLE TO INTEGRATE ACQUIRED COMPANIES OR TECHNOLOGIES SUCCESSFULLY.

Cognizant believes that opportunities exist in the fragmented IT services market to expand its business through selective strategic acquisitions and joint ventures. Cognizant believes that acquisition and joint venture candidates may enable it to expand its geographic presence, especially in the European market, enter new technology areas or expand its capacity. There can be no assurance that Cognizant will identify suitable acquisition candidates available for sale at reasonable prices, consummate any acquisition or joint venture or successfully integrate any acquired business or joint venture into its operations. Further, acquisitions and joint ventures involve a number of special risks, including diversion of management's attention, failure to retain key personnel, unanticipated events or circumstances and legal liabilities, some or all of which could have a material adverse effect on Cognizant's business, results of operations and financial condition. Cognizant may finance any future acquisitions with debt financing, the issuance of equity securities or a combination of the foregoing. There can be no assurance that Cognizant will be able to arrange adequate financing on acceptable terms. In addition, acquisitions financed with the issuance of Cognizant's equity securities could be dilutive.

PROVISIONS IN COGNIZANT'S CHARTER AND BY-LAWS, THE PROPOSED ADOPTION OF A STOCKHOLDERS' RIGHTS PLAN AND PROVISIONS UNDER DELAWARE LAW MAY DISCOURAGE UNSOLICITED TAKEOVER PROPOSALS.

Provisions in Cognizant's charter and by-laws, each as to be amended following the completion of the exchange offer, the proposed stockholders' rights plan expected to be adopted in connection with the completion of the exchange offer and Delaware General Corporate Law may have the effect of deterring unsolicited takeover proposals or delaying or preventing changes in control or management of Cognizant, including transactions in which stockholders might otherwise receive a premium for their shares over then current market prices. In addition, these documents and provisions may limit the ability of stockholders to approve transactions that they may deem to be in their best interests. Cognizant's board of directors has the authority, without further action by the stockholders, to fix the rights and preferences, and issue shares, of preferred stock. Cognizant's charter, as it will be amended following completion of the exchange offer, will provide for a classified board of directors, which once implemented, will prevent a change of control of Cognizant's board of directors at a single meeting of stockholders. The elimination of Cognizant's stockholders' ability to act by written consent and to call a special meeting will delay stockholder actions until annual meetings or until a special meeting is called by Cognizant's chairman or chief executive officer or its board of directors. The supermajority voting requirement for specified amendments to Cognizant's charter and by-laws allows a minority of Cognizant's stockholders to block those amendments. The DGCL also contains provisions preventing stockholders from engaging in business combinations with Cognizant, subject to certain exceptions. These provisions could also discourage bids for Cognizant's common stock at a premium as well as create a depressive effect on the market price of the shares of Cognizant's common stock.

SPECIAL NOTE ON FORWARD-LOOKING INFORMATION

This document, as well as information included in oral statements or other written statements made or to be made by IMS Health and Cognizant, contain forward-looking statements. The words such as "believe," "expect," "anticipate," "intend," "plan," "foresee," "likely," "project," "estimate," "will," "may," "should," "future," "predicts," "potential," "continue" and similar expressions identify these forward-looking statements which appear in a number of places in this document and include, but are not limited to, all statements relating to the exchange offer, plans for future growth and other business development activities as well as capital expenditures, financing sources, dividends and the effects of regulation and competition, foreign currency conversion and all other statements regarding the intent, plans, beliefs or expectations of IMS Health, Cognizant or their directors or officers.

You are cautioned that such forward-looking statements are not assurances for future performance or events and involve risks and uncertainties that could cause actual results and developments to differ materially from those covered in such forward-looking statements due to a number of factors, including those discussed in the sections of this document entitled "Risk Factors" and "Management's Discussion and Analysis of Results of Operations and Financial Condition of Cognizant" in this document and those discussed in our Form 10-K for 2001, Form 10-Q for the period ended September 30, 2002 and in Cognizant's Form 10-K for 2001 and Form 10-Q for the period ended September 30, 2002, each of which have been incorporated into this document by reference. To find out where you can obtain copies of our and Cognizant's incorporated documents, see "Where You Can Find More Information." These factors are not necessarily all of the important factors that could cause actual results to differ materially from those expressed in any of the forward-looking statements contained in this document.

With respect to IMS Health, these factors include, but are not limited to, the following:

- operating on a global basis, including fluctuations in the value of foreign currencies relative to the U.S. dollar, and the ability to successfully hedge such risks -- IMS Health derived 54% of its revenue in 2001 from non-U.S. operations, including from Cognizant;

- to the extent IMS Health seeks growth through acquisitions, alliances or joint ventures, the ability to identify, consummate and integrate acquisitions, alliances and ventures on satisfactory terms;

- the ability to develop, update and replace new or advanced technologies, including sophisticated information systems, software and other technology used to deliver its products and services and the exposure to the risk of obsolescence or incompatibility of these technologies with those of its customers or suppliers;

- the ability of the Company to maintain and defend its intellectual property rights in jurisdictions around the world;

- regulations to which the Company is or may become subject relating to patient privacy and the collection and dissemination of data and, specifically, the use of anonymized patient-specific information, which the Company anticipates to be an increasingly important tool in the design, development and marketing of pharmaceuticals;

- regulations to which customers of the Company in the pharmaceutical industry are or may become subject restricting the prices that may be charged for subscription or other pharmaceutical products or the manner in which such products may be marketed or sold;

- increased restrictions on the use of data by, or the refusal to license data to IMS Health by distributors of pharmaceutical products and other suppliers of such information;

- deterioration in economic conditions, particularly in the pharmaceutical, healthcare, or other industries in which IMS Health's customers may operate;

- consolidation in the pharmaceutical industry and the other industries in which IMS Health's customers operate;

- conditions in the securities markets which may affect the value or liquidity of portfolio investments, including the investment in TriZetto, and management's estimates of lives of assets, recoverability of assets, fair market value, estimates and liabilities and accrued income tax benefits and liabilities;

- to the extent unforeseen cash needs arise, the ability to obtain financing on favorable terms;

- the ability to identify and implement cost-containment measures;

- the ability to successfully maintain historic effective tax rates and to achieve estimated corporate overhead levels;

- competition, particularly in the markets for pharmaceutical information;

- terrorist activity, the threat of terrorist activity, and responses to and results of terrorist activity and threats, including but not limited to effects, domestically and/or internationally, on IMS Health, its personnel and facilities, its customers and suppliers, financial markets and general economic conditions; and

- general economic conditions.

With respect to Cognizant, these factors include, but are not limited to, the following:

- the significant fluctuations of Cognizant's quarterly operating results caused by a variety of factors, many of which are not within Cognizant's control, including

  - the number, timing, scope and contractual terms of application design, development and maintenance projects,

  - delays in the performance of projects,

  - the accuracy of estimates of costs, resources and time to complete projects,

- seasonal patterns of Cognizant's services required by customers,
- potential adverse impact of new tax legislation,
- levels of market acceptance for Cognizant's services, and
- the hiring of additional staff;

- changes in Cognizant's billing and employee utilization rates;
- Cognizant's ability to manage its growth effectively, which will require Cognizant
  - to increase the number of its personnel, particularly skilled technical, marketing and management personnel,
  - to find suitable acquisition and joint venture candidates to support geographic expansion, and
  - to continue to develop and improve its operational, financial, communications and other internal systems, in the United States, Europe and India;
- Cognizant's limited operating history with unaffiliated customers;
- Cognizant's reliance on key customers and large projects;
- the highly competitive nature of the markets for Cognizant's services;

- Cognizant's ability to successfully address the continuing changes in information technology, evolving industry standards and changing customer objectives and preferences;
- Cognizant's reliance on the continued services of its key executive officers and leading technical personnel;
- Cognizant's ability to attract and retain a sufficient number of highly skilled employees in the future;
- Cognizant's ability to protect its intellectual property rights;
- the concentration of Cognizant's operations in India and the related geo-political risks of local and cross-border conflicts;
- terrorist activity, the threat of terrorist activity, and responses to and results of terrorist activity and threats, including but not limited to effects, domestically and/or internationally, on Cognizant, its personnel and facilities, its customers and suppliers, financial markets and general economic conditions;
- the effects, domestically and/or internationally, on Cognizant, its personnel and facilities, its customers and suppliers, financial markets and general economic conditions arising from hostilities involving the United States in Iraq or elsewhere;
- general economic conditions; and

- uncertainties regarding the satisfaction or waiver of the conditions to the exchange offer, and the effects on the exchange offer (as well as the effects on the two companies and on tendering stockholders) of market conditions, economic conditions, tax treatment, regulatory and legal requirements and the results of negotiations between Cognizant and IMS Health.

In addition, the exchange offer is also subject to risks and uncertainties, including, but not limited to, risks associated with the tax consequences of the exchange offer for IMS Health or persons participating in the exchange offer and risks relating to the number of Cognizant shares owned by us that are not distributed in the exchange offer and the manner and timing of any conversion, disposition or other action by us in respect of these Cognizant shares.

THE TRANSACTION

BACKGROUND AND PURPOSE

In 1996, IMS Health and Cognizant, along with a group of other companies, were spun-off from The Dun & Bradstreet Corporation (which was subsequently renamed "R.H. Donnelley Corporation") to form a new company, Cognizant Corporation.

When Cognizant completed its initial public offering on June 24, 1998, it was a subsidiary of Cognizant Corporation. Shortly thereafter, the shares of Cognizant held by Cognizant Corporation were contributed to IMS Health and on July 1, 1998 IMS Health began operating as an independent company after having been spun-off from Cognizant Corporation. Immediately following the spin-off of IMS Health, Cognizant Corporation changed its name to Nielsen Media Research, Inc. At the time of the spin-off, IMS Health held approximately 67% of the outstanding stock of Cognizant representing approximately 95% of the combined voting power of Cognizant's common stock. IMS Health was deemed the "accounting successor" to Cognizant Corporation in connection with the spin-off.

IMS Health has owned Cognizant class B common stock since July, 1998. IMS Health does not view its interest in Cognizant as strategically important to IMS Health. Among other benefits, we believe the separation of Cognizant from IMS Health will:

- enable the senior management personnel of both companies to focus more completely on the opportunities and needs of their own lines of business;

- improve the stock of both companies as equity incentive tools for motivating key personnel;

- improve the ability of both companies to independently access the capital markets; and

- enable both companies to more freely use their stock for acquisitions and to raise capital.

EFFECTS

If we complete the exchange offer and distribute all our Cognizant shares, our financial statements will no longer reflect the assets, liabilities, revenues, earnings or cash flows attributable to Cognizant.

Assuming the exchange offer is completed successfully, persons who remain IMS Health stockholders after the exchange offer will own shares in a company that no longer controls Cognizant. As a result, Cognizant's results will no longer be consolidated with those of IMS Health for financial reporting purposes. Revenues and operating income attributable to Cognizant's operations represented approximately 14% and 10%, respectively, of our consolidated revenues and operating income for the nine months ended September 30, 2002.

Shares of IMS Health common stock acquired by us in the exchange offer will become authorized shares of IMS Health common stock held in treasury. We may sell or distribute our authorized shares held in treasury without stockholder action for general or other corporate purposes, including stock splits or dividends, acquisitions, raising additional capital and pursuant to our stock option and other employee benefit plans, except as may be required by applicable law or the rules of the NYSE.

If we would otherwise continue to own shares of Cognizant class B common stock after completion of the exchange offer, we currently plan to either distribute them to our stockholders or to convert them into shares of Cognizant class A common stock prior to completion of the exchange offer and distribute them to our stockholders or hold them for some period before we sell them in one or more transactions. The timing of those sales could depend on market conditions and other factors, but we expect that we would hold any such shares for no more than three years. We will vote those shares in the same proportion as the votes cast by the other Cognizant stockholders. If the minimum amount of IMS shares are exchanged and we do not otherwise distribute Cognizant shares to our stockholders, we will hold 2,824,300 shares of

Cognizant class A common stock immediately following the completion of the exchange offer (representing 13.8% of the outstanding common stock of Cognizant).

PARTICIPATION BY IMS HEALTH DIRECTORS AND EXECUTIVE OFFICERS

The directors and executive officers of IMS Health who hold IMS Health shares have informed IMS Health that they do not intend to participate in the exchange offer.

NO APPRAISAL RIGHTS

No statutory appraisal rights are available to IMS Health or Cognizant stockholders in connection with the exchange offer.

REGULATORY APPROVAL

No filings under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, are required in connection with the exchange offer generally. However, if an IMS Health stockholder decides to participate in the exchange offer and acquires enough shares of Cognizant class B common stock to exceed any threshold stated in the regulations under the Hart-Scott-Rodino Act and if an exemption under those regulations does not apply, that stockholder and IMS Health would be required to make filings under the Hart-Scott-Rodino Act, and the waiting period under the Hart-Scott-Rodino Act would have to expire or be terminated before any exchanges of shares with that stockholder could be effected. A filing requirement could delay exchanges with that stockholder for several months.

Apart from the registration of the shares of Cognizant class B common stock offered in the exchange offer under federal and state securities laws and the filing of a Schedule TO with the SEC by us, we do not believe that any other material U.S. federal or state regulatory filings or approvals will be necessary to consummate the exchange offer.

ACCOUNTING TREATMENT

The shares of IMS Health common stock received by us pursuant to the exchange offer will be recorded as an acquisition of treasury stock at a cost equal to the market value at expiration of the exchange offer of the IMS Health shares accepted in the exchange offer. Any excess of the market value of the shares of IMS Health common stock acquired over the net book value of our investment in Cognizant class B common stock at that date will be recognized by us as a gain on the disposal of the Cognizant class B common stock after deducting direct and incremental expenses of the exchange offer. Depending on the market value and the number of the shares of IMS Health common stock acquired in the exchange offer, the gain on the disposal may be significant. For example, if the IMS Health shares have a market value on the date of expiration of the exchange offer equal to the closing price of the IMS Health shares on January 8, 2003, -- i.e. $16.64 per share -- and 36,540,129 IMS Health shares are exchanged for 11,290,900 Cognizant shares, IMS Health estimates that it would realize a gain of approximately $522,000,000. Assuming that 36,540,129 IMS Health shares are exchanged for 11,290,900 Cognizant shares, the actual gain will vary by approximately $36.5 million for each $1.00 change in the per share market value of the IMS Health shares on the date of expiration of the exchange offer. The disposal of substantially all of our investment in Cognizant would result in discontinued operations treatment for accounting purposes.

The disposal of our investment in Cognizant will be accounted for as a tax-free transaction for U.S. federal income tax purposes. If the tax-free treatment of the exchange offer is challenged by the IRS and such challenge is ultimately upheld by the courts, we could be subject to a material amount of taxes because of our tax basis in Cognizant is not significant.

The disposition of our shares of Cognizant class B common stock will not affect Cognizant's reported financial position or results of operations, except for Cognizant's share of the offering expenses, which will be expensed as incurred.

THE EXCHANGE OFFER

TERMS OF THE EXCHANGE OFFER

We are offering to exchange 0.309 shares of Cognizant class B common stock for each share of IMS Health common stock that is validly tendered and not properly withdrawn, on the terms and subject to the conditions described below and in the related letter of transmittal, by 12:00 midnight, New York City time, on February 6, 2003. We may extend this deadline for any reason in our sole discretion. We refer to the last day on which tenders will be accepted, whether on February 6, 2003 or any later date to which the exchange offer may be extended, as the "expiration date." You may tender all, some or none of your shares of IMS Health common stock.

Subject to the satisfaction or waiver of the conditions to the exchange offer, we will accept up to an aggregate of 36,540,129 shares of IMS Health common stock for exchange. This number of shares multiplied by the exchange ratio equals the 11,290,900 shares of Cognizant class B common stock held by us, which is the total number of shares of Cognizant class B common stock that we own and that we are offering to exchange. If more than 36,540,129 shares of IMS Health common stock are validly tendered and not properly withdrawn, the tendered shares will be subject to proration when the exchange offer expires. Our obligation to complete the exchange offer is subject to important conditions that are described under the heading "Conditions for Completion of the Exchange Offer" beginning on page 42.

In determining the exchange ratio, we considered, among other things:

- recent market prices on the NYSE and Nasdaq National Market for shares of IMS Health common stock and Cognizant class A common stock, respectively; and

- discussions with the joint dealer managers as to what exchange ratio might result in enough shares of IMS Health common stock being tendered in the exchange offer to enable us to distribute all (or the greatest percentage) of our 11,290,900 shares of Cognizant class B common stock.

IMS Health common stock is currently listed and traded on the NYSE under the symbol "RX." Cognizant class A common stock is currently listed and listed for quotation on the Nasdaq National Market under the symbol "CTSH." Cognizant class B common stock will not be separately listed or traded on any exchange or on the Nasdaq National Market. Based on the closing trading prices for IMS Health common stock and Cognizant class A common stock on January 8, 2003, the exchange ratio would result in an IMS Health stockholder who participates in the exchange offer receiving a premium of approximately 20% for each exchanged share of IMS common stock. The market price for Cognizant class A common stock is not necessarily determinative of the value of the Cognizant class B common stock to be received in the exchange offer. In addition, because market prices for IMS Health common stock and Cognizant class A common stock will fluctuate over the course of the exchange offer, we cannot predict what the amount of the premium, if any, will be at the closing of the exchange offer or the prices at which IMS Health or Cognizant shares will trade over time.

You should obtain current market prices for shares of IMS Health common stock and Cognizant class A common stock because we cannot assure you what the market prices of these shares will be before, on or after the date the exchange offer expires.

We are sending this document and related documents to IMS Health stockholders of record on January 6, 2003. As of January 6, 2003, there were 281,085,182 shares of IMS Health common stock outstanding, which were held of record by approximately 6,400 stockholders. We will also furnish this document and related documents to brokers, banks and similar persons whose names or the names of whose nominees appear on our stockholder list or, if applicable, who are listed as participants in a clearing agency's security position listing for subsequent

transmittal to beneficial owners of shares of IMS Health common stock. All persons holding shares of IMS Health common stock are eligible to participate in the exchange offer so long as they tender their shares in a jurisdiction where the exchange offer is permitted under local law.

PRORATION; TENDERS FOR EXCHANGE BY HOLDERS OF FEWER THAN 100 SHARES OF IMS HEALTH COMMON STOCK

On the expiration date, if IMS Health stockholders have validly tendered more than 36,540,129 shares of IMS Health common stock, we will accept, on a pro rata basis, up to 36,540,129 shares validly tendered and not properly withdrawn, except as described in this section.

Except as otherwise provided below, beneficial holders of less than 100 shares of IMS Health common stock who validly tender all their shares will not be subject to proration if more than 36,540,129 shares of IMS Health are validly tendered and not properly withdrawn. Beneficial holders of 100 or more shares of IMS Health common stock are not eligible for this preference, even if those holders have separate stock certificates or accounts representing fewer than 100 shares of IMS Health common stock.

Holders of less than 100 shares of IMS Health common stock who wish to tender all their shares must complete the section captioned "Odd-Lot Shares" on the letter of transmittal and, if applicable, on the notice of guaranteed delivery. If your odd-lot shares are held by a broker for your account, you can contact your broker and request this preferential treatment. Shares held in the IMS Health Savings Plan are not eligible for this preferential treatment.

We will announce preliminary results of the exchange offer by press release on the first business day after the expiration date. Because of the difficulty in determining the number of IMS Health shares validly tendered for exchange and not properly withdrawn, IMS Health expects that the final results, including proration, if any, will not be determined until approximately 5 business days after the expiration date. We will announce by press release the final results of the exchange offer promptly after they are known.

NO FRACTIONAL SHARES

You will not receive fractional shares of Cognizant class B common stock in the exchange offer. The exchange agent, acting as agent for IMS Health stockholders otherwise entitled to receive fractional shares of Cognizant class B common stock, will aggregate all fractional shares of Cognizant class B common stock and sell them for the accounts of these stockholders as shares of class A common stock. The proceeds, if any, received by the exchange agent from the sale of these shares will be distributed, net of commissions, to stockholders entitled thereto in accordance with their fractional interests in the shares of Cognizant class B common stock. These cash payments will be made through the exchange agent. None of us, Cognizant, the joint dealer managers, the exchange agent or the information agent guarantees any minimum proceeds from these sales, nor will pay any interest on the proceeds.

EXCHANGE OF SHARES OF IMS HEALTH COMMON STOCK

If all the conditions of the exchange offer are satisfied or waived, we will exchange shares of Cognizant class B common stock for each validly tendered share of IMS Health common stock that was not properly withdrawn or deemed withdrawn prior to the expiration date, except as described in the sections entitled "Proration; Tenders for Exchange by Holders of Fewer than 100 Shares of IMS Health Common Stock" on page 36 and "Extension of Tender Period; Termination; Amendment" on page 41. We may, subject to the rules under the Securities Exchange Act of 1934, as amended, delay accepting or exchanging any shares of IMS Health common stock pending receipt of any governmental regulatory approvals necessary to complete the exchange offer. For a more detailed description of our right to delay, terminate or amend the

exchange offer, see the section entitled "Extension of Tender Period; Termination; Amendment" on page 41.

If we notify the exchange agent either orally or in writing that we have accepted the tenders of shares of IMS Health common stock for exchange, the acceptance of these shares for exchange will be complete. Promptly following our announcement of any final proration factor, the exchange agent will deliver the tendered shares of IMS Health common stock to us. Simultaneously, the exchange agent, as agent for the tendering stockholders, will receive from us the shares of Cognizant class B common stock that, according to the exchange ratio, correspond to the number of shares of IMS Health common stock accepted for exchange. The exchange agent will notify Cognizant of the whole number of shares of Cognizant class B common stock to be delivered as a result of the exchange offer. Cognizant shall direct its transfer agent to issue, upon surrender for cancellation of certificates of Cognizant class B common stock held by IMS Health, certificates of Cognizant class B common stock duly executed in the name of the person entitled to receive them and the books of Cognizant shall be adjusted to reflect such transfers.

If any tendered shares of IMS Health common stock are not exchanged for any reason, or if fewer shares are exchanged due to proration, the unexchanged shares of IMS Health common stock will be returned to you by:

- mailing you a stock certificate, if you tendered your shares by delivering a stock certificate to the exchange agent; or

- mailing a stock certificate to your broker or crediting your broker's account in accordance with The Depository Trust Company's procedures, if you tendered shares held by your broker.

Holders who tender their shares of IMS Health common stock for exchange will generally not be obligated to pay any transfer tax in connection with the exchange offer, except in the circumstances described under the instructions to the letter of transmittal. We will not pay interest under the exchange offer, regardless of any delay in making the exchange or crediting or delivering shares.

PROCEDURES FOR TENDERING SHARES OF IMS HEALTH COMMON STOCK

To tender your shares of IMS Health common stock, you must complete the following procedures before the expiration date:

SHARES OF IMS HEALTH COMMON STOCK YOU HOLD IN CERTIFICATED FORM

If you have stock certificates for your shares of IMS Health common stock, you should send to the exchange agent by courier or registered mail, return receipt requested, the following documents:

- a completed and executed letter of transmittal indicating the number of shares of IMS Health common stock to be tendered and any other documents required by the letter of transmittal; and

- the actual certificates representing the shares of IMS Health common stock.

The exchange agent's address is listed on the back cover of this document. The certificates must be endorsed by all registered holders of the shares or accompanied by an appropriate stock power if, pursuant to the terms of the letter of transmittal:

- a certificate representing shares of IMS Health common stock is registered in the name of a person other than the signer of a letter of transmittal; or

- delivery of shares of Cognizant class B common stock is to be made to a person other than the registered owner of the shares of IMS Health common stock tendered.

The signature on the letter of transmittal must be guaranteed by an eligible institution unless the shares of IMS Health common stock tendered under the letter of transmittal are tendered (a) by the registered holder of the shares of IMS Health common stock tendered and such holder has not completed Section IV. entitled "Special Transfer Instructions" on the letter of transmittal or (b) for the account of an eligible institution. An eligible institution is a member of the S.T.A.M.P. Medallion program, and generally includes a member of a registered national securities exchange or a member of the National Association of Securities Dealers, Inc., a commercial bank, or a trust company having an office or a correspondent in the United States. Most banks, brokerage firms and financial institutions are eligible institutions.

SHARES OF IMS HEALTH COMMON STOCK YOU HOLD THROUGH A BROKER

If you hold your shares of IMS Health common stock through a broker, you should follow the instructions sent to you separately by your broker. Do not use the letter of transmittal to direct the tender of your shares of IMS Health common stock. Your broker must notify The Depository Trust Company and cause it to transfer the shares into the exchange agent's account in accordance with The Depository Trust Company's procedures. The broker must also ensure that the exchange agent receives an agent's message from The Depository Trust Company confirming the book-entry transfer of your shares of IMS Health common stock. An agent's message is a message, transmitted by The Depository Trust Company and received by the exchange agent, that forms a part of a book-entry confirmation, which states that The Depository Trust Company has received an express acknowledgment from the participant in The Depository Trust Company tendering the shares that such participant has received and agrees to be bound by the terms of the letter of transmittal.

SHARES OF IMS HEALTH COMMON STOCK YOU HOLD IN A BOOK-ENTRY FACILITY

If you are an institution that is a participant in The Depository Trust Company's book-entry transfer facility, you should follow the same procedures that are applicable to persons holding shares through a broker as described above.

SHARES OF IMS HEALTH COMMON STOCK YOU HOLD THROUGH THE IMS HEALTH SAVINGS PLAN

If you hold your shares of IMS Health common stock as a participant in the IMS Health Savings Plan, you should follow the instructions sent to you separately by the plan trustee or the administrator of the plan or the exchange agent. Do not use the letter of transmittal to tender of your shares of IMS Health common stock held under the plan. Only those shares that have been credited to your account before the expiration of the exchange offer are eligible to be tendered.

Cigna Bank & Trust Company, FSB is the plan trustee and is the registered holder of the shares of IMS Health common stock that is held in the IMS Health Savings Plan. Under the terms of the plan, the trustee is required to permit IMS Health employees to instruct the trustee to tender in the exchange offer shares of IMS Health common stock held in the plan on their behalf. The trustee will not tender shares of IMS Health without instructions from participants in the IMS Health Savings Plan.

SHARES OF IMS HEALTH COMMON STOCK YOU HOLD IN THE IMS HEALTH EMPLOYEE STOCK PURCHASE PLAN

Participants in the IMS Health Employee Stock Purchase Plan may tender the shares of IMS Health common stock purchased through the plan prior to expiration of the exchange offer under the general instructions for tendering shares discussed above.

YOUR VESTED OPTIONS

Holders of vested but unexercised options to purchase shares of IMS Health common stock may exercise these options in accordance with the terms of IMS Health's stock option plans and tender the shares of IMS Health common stock received upon such exercise prior to the expiration of the exchange offer under the general instructions for tendering shares discussed above.

GENERAL CONSIDERATIONS

Trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity who sign the letter of transmittal, notice of guaranteed delivery or any certificates or stock powers must indicate the capacity in which they are signing, and must submit evidence of their power to act in that capacity unless waived by us.

If you validly tender your shares of IMS Health common stock and the shares are accepted by us, there will be a binding agreement between you and us on the terms and subject to the conditions described in this document and in the accompanying letter of transmittal. A person who tenders shares of IMS Health common stock for his or her own account violates federal securities law unless the person owns:

- the shares of IMS Health common stock being tendered; or

- securities convertible into or exchangeable for shares of IMS Health common stock or options, warrants or rights to purchase shares of IMS Health common stock and intends to acquire the shares of IMS Health common stock being tendered by conversion or exchange of these securities or by exercise of these options, warrants or rights on or prior to the record date established for stockholders to participate in the exchange offer.

Federal securities law provides a similar restriction applicable to the tender or guarantee of a tender on behalf of another person.

Do not send a letter of transmittal and certificates for shares of IMS Health common stock to us, Cognizant, the joint dealer managers or the information agent. These documents should be sent only to the exchange agent.

IT IS UP TO YOU TO DECIDE HOW TO DELIVER YOUR SHARES OF IMS HEALTH COMMON STOCK AND ALL OTHER REQUIRED DOCUMENTS. IT IS YOUR RESPONSIBILITY TO ENSURE THAT ALL NECESSARY MATERIALS ARE PROPERLY COMPLETED AND RECEIVED BY THE EXCHANGE AGENT PRIOR TO THE EXPIRATION DATE. IF THE EXCHANGE AGENT DOES NOT RECEIVE ALL THE REQUIRED MATERIALS BEFORE THE EXPIRATION DATE, YOUR SHARES WILL NOT BE VALIDLY TENDERED.

GUARANTEED DELIVERY PROCEDURE

If you wish to tender your shares of IMS Health common stock but the shares are not immediately available, or time will not permit the shares or other required documentation to reach the exchange agent before the expiration date, or the procedure for book-entry transfer cannot be completed on a timely basis, you may still tender your shares of IMS Health common stock if:

- the tender is made through an eligible institution;

- the exchange agent receives from the eligible institution, before the expiration of the exchange offer, a properly completed and duly executed notice of guaranteed delivery, substantially in the form provided by us; and

- the exchange agent receives the certificates for all physically tendered shares of IMS Health common stock, in proper form for transfer, or a book-entry confirmation, as the case may be, and a properly completed letter of transmittal and all other documents

required by the letter of transmittal, within three NYSE trading days after the date of execution of the notice of guaranteed delivery.

You may deliver the notice of guaranteed delivery by hand, facsimile (receipt confirmed), courier or mail to the exchange agent and you must include a guarantee by an eligible institution in the form set forth in the notice.

IMS HEALTH'S INTERPRETATIONS ARE BINDING

We will determine in our sole discretion all questions as to the form of documents, including notices of withdrawal, and the validity, form, eligibility (including time of receipt) and acceptance for exchange of any tender or withdrawal of shares of IMS Health common stock. Our determination will be final and binding on all tendering stockholders. We reserve the absolute right to:

- reject any and all tenders of shares of IMS Health common stock not validly tendered;

- waive any conditions of the exchange offer before the expiration of the exchange offer;

- waive any defects or irregularities in the tender of shares of IMS Health common stock either before or after the expiration date; and

- request any additional information from any record or beneficial owner of shares of IMS Health common stock that we deem necessary.

None of us, Cognizant, the joint dealer managers, the information agent, the exchange agent or any other person will be under any duty to notify tendering stockholders of any defect or irregularity in tenders or notices of withdrawal.

LOST OR DESTROYED CERTIFICATES

If your certificate representing shares of IMS Health common stock has been mutilated, destroyed, lost or stolen and you wish to tender your shares, please notify IMS Health's transfer agent in writing. You will receive an affidavit to complete, and you will be informed of the amount needed to pay for a surety bond for your lost shares. Only after you complete the affidavit and surety bond payment and submit a completed letter of transmittal, will your shares be tendered in the exchange offer. If you wish to participate in the exchange offer, you will need to act quickly to ensure that the lost certificates can be replaced and delivered to the exchange agent prior to expiration of the exchange offer.

WITHDRAWAL RIGHTS

You may withdraw tenders of shares of IMS Health common stock at any time prior to the expiration of the exchange offer and, unless we have accepted your tender as provided in this document, you may also withdraw tenders of shares of IMS Health common stock after the expiration of 40 business days from the commencement of the exchange offer.

For a withdrawal to be effective, a written notice of withdrawal must be received by the exchange agent at one of its addresses set forth on the back cover of this document. The notice of withdrawal must:

- specify the name of the person having tendered the shares of IMS Health common stock to be withdrawn;

- identify the number of shares of IMS Health common stock to be withdrawn; and

- specify the name in which IMS Health share certificates are registered, if different from that of the withdrawing holder.

If certificates for the shares of IMS Health common stock have been delivered or otherwise identified to the exchange agent, then, before the release of such certificates, the withdrawing holder must also submit the serial numbers of the particular certificates to be withdrawn and a signed notice of withdrawal with signatures guaranteed by an eligible institution, unless such holder is an eligible institution.

If the shares of IMS Health common stock have been tendered pursuant to the procedure for book-entry transfer, any notice of withdrawal must specify the name and number of the account at The Depository Trust Company to be credited with the withdrawn shares and otherwise comply with the procedures of such facility.

Any shares of IMS Health common stock properly withdrawn will be deemed not to have been validly tendered for exchange for purposes of the exchange offer. Properly withdrawn shares may be re-tendered by following one of the procedures described in the section entitled "Procedures for Tendering Shares of IMS Health Common Stock" on page 37 at any time prior to the expiration of the exchange offer.

Except as otherwise provided above, any tender of shares of IMS Health common stock made under the exchange offer is irrevocable.

EXTENSION OF TENDER PERIOD; TERMINATION; AMENDMENT

We expressly reserve the right, in our sole discretion, for any reason, including the non-satisfaction of any of the conditions for completion of the exchange offer described below, to extend the period of time during which the exchange offer is open or to amend the terms of the exchange offer in any respect, including changing the exchange ratio. If we do so, we will make a public announcement of the extension or amendment promptly.

If we materially change the terms of or information concerning the exchange offer, we may extend the exchange offer. The SEC has stated that, as a general rule, it believes that an offer should remain open for a minimum of five business days from the date that notice of a material change is first given. The length of time will depend on the particular facts and circumstances. Subject to the preceding paragraph, the exchange offer will be extended so that it remains open for a minimum of ten business days following the announcement, if:

- we increase or decrease the exchange ratio, the number of shares of IMS Health common stock eligible for exchange, the fees payable to the joint dealer managers or any other similarly significant change; and

- the exchange offer is scheduled to expire within ten business days of announcing such increase or decrease.

If any condition indicated in the next section has not been met prior to the expiration of the exchange offer, we reserve the right, in our sole discretion, to extend the exchange offer or to terminate the exchange offer and not accept for exchange any shares of IMS Health common stock.

If we extend the exchange offer, are delayed in accepting any shares of IMS Health common stock or are unable to accept shares of IMS Health common stock for exchange under the exchange offer for any reason, then, without affecting our rights under the exchange offer, the exchange agent may, on our behalf, retain shares of IMS Health common stock tendered. These shares of IMS Health common stock may not be withdrawn except as provided in the section entitled "Withdrawal Rights" on page 40. Our reservation of the right to delay acceptance of any shares of IMS Health common stock is subject to provisions under the Securities Exchange Act that provide that an issuer making an exchange offer shall either pay the consideration offered or return tendered securities promptly after the termination or withdrawal of the exchange offer.

We will issue a press release or other public announcement no later than 9:00 a.m., New York City time, on the next business day following any extension of the previously scheduled expiration date.

CONDITIONS FOR COMPLETION OF THE EXCHANGE OFFER

We may not complete the exchange offer if less than 27,400,000 shares of IMS Health common stock are validly tendered. We refer to this number of shares as the "minimum amount." The minimum amount represents approximately 9.7% of the outstanding shares of IMS Health common stock as of January 6, 2003 and constitutes a sufficient number of shares to ensure that approximately 75% of the shares of Cognizant class B common stock owned by us, representing approximately 87.6% of the current combined voting power of Cognizant's common stock, are distributed in the exchange offer.

We also may not accept shares for exchange and may terminate or not complete the exchange offer if:

- any action, proceeding or litigation against us or Cognizant seeking to enjoin, make illegal or delay completion of the exchange offer or otherwise relating in any manner to the exchange offer is instituted or threatened;

- any order, stay, judgment or decree is issued by any court, government, governmental authority or other regulatory or administrative authority and is in effect, or any statute, rule, regulation, governmental order or injunction shall have been proposed, enacted, enforced or deemed applicable to the exchange offer, any of which would or might restrict, prohibit or delay completion of the exchange offer or impair the contemplated benefits of the exchange offer to us or to Cognizant as described under "The Transaction -- Background and Purpose" on page 33;

- we reasonably determine that any of the representations or undertakings made in connection with, or assumptions underlying, the opinion given by McDermott, Will & Emery regarding the tax-free nature of the exchange offer is not true and correct in all material respects, or we do not, for any reason, receive an updated copy of such opinion dated as of the date of expiration of the exchange offer in form and substance reasonably satisfactory to us, or a change in law or fact occurs that leads us to feel less confident about the tax-free nature of the exchange offer than we feel on the date of this document;

- any of the following occurs and the adverse effect of such occurrence, in our reasonable judgment, is continuing:

  - any general suspension of trading in, or limitation on prices for, securities on any national securities exchange or in the over-the-counter market in the United States,

  - any extraordinary or material adverse change in U.S. financial markets generally, including, without limitation, a decline of at least ten percent in either the Dow Jones Average of Industrial Stocks or the Standard & Poor's 500 Index from their reported levels on the last trading day prior to the date of this document,

  - a declaration of a banking moratorium or any suspension of payments in respect of banks in the United States,

  - any limitation, whether or not mandatory, by any governmental entity on, or any other event that would reasonably be expected to materially adversely affect, the extension of credit by banks or other lending institutions,

  - a commencement of war or other national or international calamity directly or indirectly involving the United States, which would reasonably be expected to affect materially and adversely, or to delay materially, the completion of the exchange offer, or

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  - a deterioration in any of the situations above to the extent that they exist at the time of commencement of the exchange offer,

- any tender or exchange offer, other than this exchange offer by us, with respect to some or all the outstanding Cognizant common stock or IMS Health common stock or any merger, acquisition or other business combination proposal involving IMS Health or Cognizant, shall have been proposed, announced or made by any person or entity;

- any event or events occur that have resulted or may result, in our reasonable judgment, in an actual or threatened material change in the business condition (financial or otherwise), income, operations, stock ownership (other than this exchange offer) or prospects of IMS Health and its subsidiaries, taken as a whole, or of Cognizant and its subsidiaries, taken as a whole; or

- as the term "group" is used in Section 13(d)(3) of the Securities Exchange Act,

  - any person, entity or group acquires more than five percent of the outstanding shares of IMS Health common stock or Cognizant class A common stock, other than a person, entity or group which had publicly disclosed such ownership with the SEC on or before the last trading day prior to the date of this document,

  - any such person, entity or group which had publicly disclosed such ownership on or prior to such date shall acquire additional shares of IMS Health common stock or Cognizant class A common stock, as the case may be, constituting more than two percent of the outstanding shares of IMS Health common stock or Cognizant class A common stock, or

  - any new group shall have been formed that beneficially owns more than five percent of the outstanding shares of IMS Health common stock or shares of Cognizant class A common stock,

which, in any of the above cases, in our reasonable judgment makes it inadvisable to proceed with the exchange offer or accept any exchange of shares.

If any of the above events occur, we may:

- terminate the exchange offer and promptly return all tendered shares of IMS Health common stock to tendering stockholders;

- extend the exchange offer and, subject to the withdrawal rights described in "Withdrawal Rights" on page 40, retain all tendered shares of IMS Health common stock until the extended exchange offer expires;

- amend the terms of the exchange offer; or

- waive the unsatisfied condition and, subject to any requirement to extend the period of time during which the exchange offer is open, complete the exchange offer.

These conditions are solely for our benefit. We may assert these conditions regardless of the circumstances giving rise to them. We may waive any condition in whole or in part at any time in our discretion. Our failure to exercise our rights under any of the above conditions does not represent a waiver of these rights. Each right is an ongoing right that may be asserted at any time. All conditions must be satisfied or waived prior to the expiration of the exchange offer. Any determination by us concerning the conditions described above will be final and binding on all parties.

If a stop order issued by the SEC is in effect with respect to the registration statement of which this document is a part or if such registration statement has not yet been declared effective by the SEC, we will not accept any shares of IMS Health common stock tendered and will not exchange shares of Cognizant class B common stock for any shares of IMS Health

common stock unless and until such stop order is no longer in effect or such registration statement is declared effective by the SEC.

LEGAL LIMITATIONS

We are not offering to exchange, or soliciting any offers to exchange, securities pursuant to the exchange offer in any jurisdiction in which those offers or exchanges would not be permitted.

FEES AND EXPENSES

Goldman, Sachs & Co. and Bear, Stearns & Co. Inc. are acting as the joint dealer managers in the exchange offer. We will pay the joint dealer managers an aggregate fee of up to $5 million for serving as the joint dealer managers and providing financial advisory services to IMS Health in connection with the exchange offer. Further, we may in our discretion pay an additional fee. We also will reimburse the joint dealer managers for their reasonable out-of-pocket expenses, including attorneys' fees, in connection with this exchange offer. We and Cognizant have also agreed to indemnify the joint dealer managers against certain liabilities, including liabilities under the federal securities laws.

From time to time, we have retained Goldman, Sachs & Co. and Bear, Stearns & Co. Inc. to provide financial advisory and investment services. The joint dealer managers may, from time to time, hold shares of IMS Health or Cognizant in their proprietary accounts, and if they own shares of IMS Health common stock in these accounts at the time of the exchange offer, the joint dealer managers may tender these shares in the exchange offer.

We have retained Georgeson Shareholder Communications Inc. to act as information agent and American Stock Transfer & Trust Company to act as exchange agent for the exchange offer. The information agent may contact holders of shares of IMS Health common stock by mail, telephone, facsimile transmission and personal interviews. The information agent may also request that brokers, dealers and other nominee stockholders forward materials relating to the exchange offer to beneficial owners.

The information agent and the exchange agent will each:

- receive reasonable and customary compensation for their respective services;

- be reimbursed for some reasonable out-of-pocket expenses; and

- be indemnified against certain liabilities in connection with their services, including liabilities under federal securities laws.

Neither the information agent nor the exchange agent has been retained to make solicitations or recommendations in their roles as information agent and exchange agent, and the fees to be paid to them will not be based on the number of shares of IMS Health common stock tendered under the exchange offer. The exchange agent will, however, be compensated in part on the basis of the number of letters of transmittal received, among other things.

We will not pay any fees or commissions to any broker or dealer or any other person, other than the joint dealer managers, the information agent and the exchange agent, for soliciting tenders of shares of IMS Health common stock under the exchange offer. Brokers, dealers, commercial banks and trust companies will, upon request, be reimbursed by us for reasonable and necessary costs and expenses that they incur in forwarding materials to their customers.

CERTAIN MATTERS RELATING TO FOREIGN JURISDICTIONS

UK INVESTORS

This exchange offer is not a public offer of securities within the meaning of the Public Offers of Securities Regulations 1995, as amended. This document is communicated to persons which

IMS Health reasonably believes are persons falling within Article 43(2)(a) ("members and creditors of certain bodies corporate") of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001 (as amended), which includes the stockholders of IMS Health (all such persons together referred to as "relevant persons"). This document must not be acted on or relied on by persons who are not relevant persons. The exchange offer to which this document relates is available only to relevant persons and will be engaged in only with relevant persons.

FRENCH INVESTORS

This offering circular-prospectus has not been prepared in the context of a public offering of securities in France within the meaning of article L. 411-1 of the Code monetaire et financier and regulations nos. 98-01 and 98-08 of the Commission des operations de bourse and has therefore not been submitted to the

Commission des operations de bourse for prior approval.

It is made available only to qualified investors and/or to a limited circle of investors (as defined in article L. 411-2 of the Code monetaire et financier and in the Decree no. 98-880 of October 1, 1998), on the condition that it shall not be passed on to any person nor reproduced, in whole or in part, and that applicants shall only participate in the exchange offer described in this prospectus for their own account in accordance with the terms set out by the said decree, and undertake not to retransfer, directly or indirectly, the securities in France other than in compliance with applicable laws and regulations (articles L. 411-1, L. 411-2, L. 412-1 and L. 621-8 of the Code monetaire et financier).

GERMAN INVESTORS

For the publication of this offering circular-prospectus IMS Health has further relied upon the exemptions of sect. 2 no. 1 and 2 of the German Act on the Publication of Sales Prospectuses (Verkaufsprospektgesetz) being applicable, as the offer is made exclusively to institutional investors and to other stockholders of IMS Health, which constitute a "limited number of persons" (begrenzter Personenkreis) in the sense of sect. 2 no. 2 of the German Act on the Publication of Sales Prospectuses."

ITALIAN INVESTORS

The exchange offer (as described herein) does not constitute a "Public Offer" under Italian law within the meaning of Article 1, 1st Paragraph lett. V) of the Legislative Decree no. 58 of 24 February 1998.

This document is personal to each addressee and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire the Cognizant class B common stock.

Each addressee, by accepting delivery of this document agrees to the foregoing and not to distribute as aforesaid, or make photocopies of this document. Persons into whose possession this document may come are required by IMS Health to inform themselves about and to observe such restrictions.

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MARKET PRICES AND DIVIDEND INFORMATION

SHARES OF IMS HEALTH COMMON STOCK

The following table describes the per share range of high and low closing sale prices for IMS Health common stock, as reported by the NYSE, and the quarterly cash dividend per share for the periods indicated. IMS Health common stock is listed under the symbol "RX" on the NYSE.

	NYSE PRICE		CASH DIVIDEND
IMS HEALTH	HIGH	LOW	PER SHARE
2000(1)	$28.56	$14.69	
1st Quarter	$27.19	$16.38	$0.02
2nd Quarter	18.00	14.69	0.02
3rd Quarter	20.75	16.00	0.02

4th Quarter		28.56		19.94	0.02
2001	30.20		18.99		
1st Quarter		27.33		22.50	0.02
2nd Quarter		30.20		24.30	0.02
3rd Quarter		28.50		23.60	0.02
4th Quarter		27.60		18.99	0.02
2002	22.45		13.25		
1st Quarter		22.45		18.67	0.02
2nd Quarter		22.20		17.47	0.02
3rd Quarter		18.14		13.58	0.02
4th Quarter		16.99		13.25	0.02
2003					
1st Quarter (until January 29, 2003)		17.48		15.85	

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(1) Share prices for periods prior to the spin-off of Synavant on August 31, 2000 are adjusted to give effect to the impact of that spin-off on IMS share prices based on the share price of IMS and Synavant immediately prior and immediately after the spin-off. The actual and historical 2000 high and low per share price for the first and second quarters of 2000 were as follows: $26.50 and $16.38 in the first quarter and $18.00 and $14.69 in the second quarter, respectively.

The number of holders of record of shares of IMS Health common stock as of January 28, 2003 was approximately 6,400.

On January 29, 2003, the closing sale price per common share of IMS Health as reported by the NYSE was $16.05. You should obtain current market quotations for shares of IMS Health common stock. No one can assure you what the market price of shares of IMS Health common stock will be before, on or after the date on which the exchange offer is completed.

SHARES OF COGNIZANT COMMON STOCK

The following table describes the per share range of high and low sale prices for shares of Cognizant common stock, as listed for quotation on the Nasdaq National Market, and the quarterly cash dividends per share for the periods indicated. Cognizant class A common stock is listed for quotation on the Nasdaq National Market under the symbol "CTSH". Cognizant class B

common stock is not listed on a stock exchange and does not trade. Cognizant has never paid a dividend on its common stock.

COGNIZANT TECHNOLOGY SOLUTIONS CORPORATION	NASDAQ PRICE HIGH		NASDAQ PRICE LOW		CASH DIVIDEND PER SHARE
2000	$69.88		$30.88		
1st Quarter		$69.88		$37.63	$0.00

2nd Quarter............................		63.38		33.19	0.00
3rd Quarter............................		47.38		31.50	0.00
4th Quarter............................		44.75		30.88	0.00
2001...................................	50.25		20.00		
1st Quarter............................		50.25		28.38	0.00
2nd Quarter............................		46.25		31.48	0.00
3rd Quarter............................		45.55		20.94	0.00
4th Quarter............................		45.10		20.00	0.00
2002...................................	75.66		33.01		
1st Quarter............................		42.10		33.01	0.00
2nd Quarter............................		54.22		37.71	0.00
3rd Quarter............................		63.68		48.47	0.00
4th Quarter............................		75.66		48.00	0.00
2003					
1st Quarter (until January 29, 2003)....		72.25		56.30	

The number of registered holders of Cognizant class A common stock as of January 28, 2003 was 24.

On January 29, 2003, the closing sale price per share of Cognizant class A common stock as reported on the NASDAQ was $57.00. You should obtain current market quotations for shares of Cognizant class A common stock. No one can assure you what the market price of shares of Cognizant class A common stock will be before, on or after the date on which the exchange offer is completed.

DIVIDEND POLICIES

IMS Health has historically paid a quarterly dividend of $0.02 per share of IMS Health common stock and has declared a quarterly dividend for 19 consecutive quarters. After the consummation of the exchange offer, stockholders whose shares of IMS Health common stock are exchanged in this exchange offer will not be entitled to any future dividend on such shares. IMS Health stockholders will continue to receive any dividends with respect to their shares of IMS Health common stock not exchanged pursuant to the exchange offer.

The payment of dividends by IMS Health in the future will depend upon its business and financial condition, earnings and other factors. There can be no assurances as to the payment of dividends in the future, and the actual amount of dividends paid, if any, may be more or less than the amount discussed above.

Cognizant does not currently pay dividends on its class A common stock or class B common stock and has stated that it does not anticipate paying cash dividends for the foreseeable future. Cognizant intends to retain future earnings for the development and growth of its business, including its international expansion strategy.

CAPITALIZATION

The following tables set forth the historical capitalization of IMS Health and Cognizant as of September 30, 2002 and the pro forma capitalization of IMS Health after giving effect to the exchange of 36,540,129 shares of IMS Health common stock in return for 11,290,900 shares of Cognizant class B common stock previously owned by IMS Health.

IMS HEALTH INCORPORATED

	SEPTEMBER 30, 2002	
	ACTUAL	PRO FORMA
	(IN THOUSANDS)	
Short-term debt	$ 381,522	$ 381,522
Long-term debt	$ 175,000	$ 175,000
Total debt	$ 556,522	$ 556,522
Preferred stock, par value $.01, authorized 10,000,000 shares No shares issued	--	--
Series common stock, par value $.01, authorized 10,000,000 shares No shares issued	--	--
Common stock, par value $.01, authorized 800,000,000 shares; 335,045,390 shares issued and outstanding	$ 3,350	$ 3,350
Capital in excess of par	$ 498,637	$ 498,637
Retained earnings	$ 1,108,050	1,630,512
Treasury stock, at cost, 53,647,664 shares (90,187,793 shares on a pro forma basis)	(1,314,445)	(1,922,473)
Cumulative translation adjustment	(122,426)	(122,170)
Minimum pension liability adjustment	(3,746)	(3,746)
Unrealized loss on changes in fair value of cash flow hedges, net of tax	(3,017)	(3,017)
Unrealized gain on investments, net of tax expense	102	102
Total equity	$ 166,505	$ 81,195
Total capitalization	$ 723,027	$ 637,717

COGNIZANT TECHNOLOGY SOLUTIONS CORPORATION(1)

	SEPTEMBER 30, 2002
	ACTUAL
	(IN THOUSANDS)
Notes payable	--
Long-term debt	--
Total debt	--
Preferred stock: (authorized 15,000,000 shares, $.10 par value) No shares issued	--
Class A common stock: (authorized 100,000,000 shares, $.01 par value) 8,744,650 shares issued and outstanding	$ 87
Class B common stock: (authorized 25,000,000 shares, $.01 par value) 11,290,900 shares issued and outstanding	$ 113
Capital surplus	$ 58,209
Retained earnings	$ 84,469
Accumulated comprehensive loss	$ (256)
Total equity	$142,622
Total capitalization	$142,622

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(1) The total capitalization of Cognizant will be impacted only by Cognizant's share of the offering expenses which will be expensed as incurred and which is estimated at approximately $2 to $3 million. Conversion of class B common stock to class A common stock will not have an impact on the total capitalization of Cognizant.

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IMS HEALTH SELECTED FINANCIAL DATA

The following table presents selected financial data for IMS Health. This data is derived from and should be read together with the audited and unaudited consolidated financial statements of IMS Health and related notes thereto and "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained in IMS Health's Form 10-K for 2001 and Form 10-Q for the period ended September 30, 2002, all of which have been incorporated into this document by reference. The accompanying footnotes to the Selected Financial Data are an integral part of the data. To find out where you can obtain copies of documents that have been incorporated by reference, see "Where You Can Find More Information."

	YEAR ENDED DECEMBER 31,				
	1997	1998	1999	2000	2001
	(DOLLARS AND SHARES IN THOUSANDS, EXCEPT PER SHARE				
IMS HEALTH INCORPORATED RESULTS OF OPERATIONS:					
Revenue......................	$1,059,559	$1,186,513	$1,397,989	$1,424,359	$1,332,923
Costs and expenses(1).........	831,949	1,054,029	1,058,966	1,287,166	1,008,762
Operating income(1)...........	227,610	132,484	339,023	137,193	324,161
Non-operating income (loss), net(2).....................	13,955	52,360	9,419	124,120	(140,360)
Income from continuing operations, before provision for income taxes............	241,565	184,844	348,442	261,313	183,801
Provision for income taxes....	(55,614)	(58,780)	(98,076)	(140,412)	(38,415)
TriZetto equity loss, net of income taxes................	--	--	--	(4,777)	(6,985)
Income from continuing operations..................	185,951	126,064	250,366	116,124	138,401
Income from discontinued operations, net of income taxes(3)...................	126,399	94,494	25,695	4,692	47,025
Net income....................	$ 312,350	$ 220,558	$ 276,061	$ 120,816	$ 185,426
Basic earnings per share of common stock................					
Income from continuing					

operations..................	$ 0.57	$ 0.39	$ 0.80	$ 0.39	$ 0.47
Income from discontinued operations, net of income taxes......................					
Taxes........................	$ 0.38	$ 0.29	$ 0.08	$ 0.02	$ 0.16
Net income...................	$ 0.95	$ 0.68	$ 0.88	$ 0.41	$ 0.63
Weighted average number of shares outstanding..........	330,326	324,584	311,976	296,077	295,162
Diluted earnings per share of common stock................					
Income from continuing operations..................	$ 0.55	$ 0.38	$ 0.78	$ 0.39	$ 0.46
Income from discontinued operations, net of income taxes......................	$ 0.38	$ 0.28	$ 0.08	$ 0.02	$ 0.16
Net income...................	$ 0.93	$ 0.66	$ 0.86	$ 0.40	$ 0.62

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	YEAR ENDED DECEMBER 31,				
	1997	1998	1999	2000	2001
	(DOLLARS AND SHARES IN THOUSANDS, EXCEPT PER SHARE				
Weighted average number of shares outstanding -- diluted......	334,980	335,770	319,561	300,038	300,147
As a % of operating revenue...					
Operating income(1)...........	21.5%	11.2%	24.3%	9.6%	24.3%
Income from continuing operations, net of income taxes(1)...................	17.5%	10.6%	17.9%	8.2%	10.4%
Cash dividend declared per common stock................	$ 0.06	$ 0.06	$ 0.08	$ 0.08	$ 0.08
BALANCE SHEET DATA (AT THE END OF THE PERIOD):					
Total assets..................	$1,516,537	$1,789,205	$1,533,971	$1,308,161	$1,367,554
Post-retirement and post-employment benefits.........	38,082	27,577	27,429	43,471	44,305
Long-term debt and other liabilities................	158,742	253,261	163,356	182,840	324,373
Shareholders' equity..........	$ 801,570	$ 825,270	$ 495,222	$ 103,540	$ 218,366

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(1) 2001 includes charges related to Severance, impairment and other charges of $94,616, and terminated transaction costs of $6,457. 2000 includes charges related to the Synavant spin-off of $37,626, the Synavant related impairment charge of $115,453, the executive management transition charge of $31,133

and severance, impairment and other charges of $45,689. 1999 includes charges related to the Gartner spin-off of $9,500. 1998 includes charges related to the Cognizant spin-off of $35,025 and one-time charges and In-Process Research & Development write-offs related to the Walsh and PMSI acquisitions of $48,019 and $32,800, respectively.

(2) Non-operating income, net in 2001 includes loss on Gartner shares of $84,880, gains/(losses) from dispositions -- net of $27,642 and the SAB No. 51 loss related to issuance of investees' stock of $1,490. Non-operating income, net in 2000 includes the gain on the sale of Erisco of $84,530, gains from dispositions -- net of $78,139, loss on Gartner shares of $6,896 and the SAB No. 51 gain related to the issue of stock by TriZetto of $9,029. Non-operating income, net in 1999 includes gains from dispositions -- net of $25,264. Non-operating Income, net in 1998 includes the gain related to the Cognizant initial public offering of $12,777 and gains from dispositions-net of $33,341. Results for 1997 include gains from dispositions -- net of $9,391 in non-operating income.

(3) Income from discontinued operations, net of income taxes includes a tax provision of $25,320, $25,320, $2,526, $12,635, $49,303 and $62,271 for the nine months ended September 30, 2002 and the years ended December 31, 2001, 2000, 1999, 1998 and 1997, respectively.

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IMS HEALTH

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The following unaudited pro forma condensed consolidated financial information is based upon the historical financial statements of IMS Health, adjusted for the disposal of its investment in 11,290,900 shares of Cognizant class B common stock. The unaudited pro forma condensed consolidated statements of income for the years ended December 31, 1999, 2000 and 2001 and the nine months ended September 30, 2002 are presented as if the disposal had occurred on January 1, 1999 and accounted for by IMS Health as a discontinued operation. The unaudited pro forma condensed consolidated financial position at September 30, 2002 is presented as if the disposal of the Cognizant investment had occurred on September 30, 2002 (See "The Transaction -- Accounting Treatment" on page 34).

The unaudited pro forma condensed consolidated financial information is for illustrative purposes only and does not necessarily indicate the operating results or financial position that would have been achieved had the disposal of IMS Health's interest in Cognizant been completed as of the dates indicated or of the results that may be achieved in the future.

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IMS HEALTH

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF INCOME
YEAR ENDED DECEMBER 31, 1999

	IMS ACTUAL	PRO FORMA ADJUSTMENTS(1)	IMS P
	(DOLLARS AND SHARES IN THOUSANDS, EXCEPT PER SH		
Operating revenue...........................	$1,397,989	$(74,084)	$1,

Operating and other costs	1,058,966	(57,439)	1,
Operating income	339,023	(16,645)	
Interest income (expense), net	635	(1,263)	
Gains from investments, net	25,264	(5)	
Other expense, net	(16,480)	4,376(2B)	
Non-operating income, net	9,419	3,108	
Income before provision for income taxes	348,442	(13,537)	
Provision for income taxes	(98,076)	5,763(2B)	
Income from continuing operations	$ 250,366	$ (7,774)	$
Basic earnings per share of common stock from continuing operations	$ 0.80		$
Diluted earnings per share of common stock from continuing operations	$ 0.78		$
Weighted average number of shares outstanding -- basic	311,976	(36,540)(5)	
Weighted average number of shares outstanding -- diluted	319,561	(36,540)(5)	

See Notes to Unaudited Pro Forma Condensed Consolidated Financial Information.

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IMS HEALTH

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF INCOME
YEAR ENDED DECEMBER 31, 2000

	IMS ACTUAL	PRO FORMA ADJUSTMENTS(1)	IMS PRO
	(DOLLARS AND SHARES IN THOUSANDS, EXCEPT PER SHARE		
Operating revenue	$1,424,359	$(122,763)	$1,301
Operating and other costs	1,287,166	(96,634)	1,190
Operating income	137,193	(26,129)	111
Interest (expense) income, net	(13,308)	(2,650)	(15
Loss on Gartner investment	(6,896)	--	(6
Gains from investments, net	78,139	(7)	78
Gain on sale of Erisco	84,530	--	84
Gain on issuance of investees' stock	9,029	--	9
Other expense, net	(27,374)	6,979 (2B)	(20
Non-operating income, net	124,120	4,322	128
Income before provision for income taxes	261,313	(21,807)	239

Provision for income taxes..................	(140,412)	9,494 (2B)	(130
TriZetto equity loss, net of income tax benefit..................................	(4,777)	--	(4
Income from continuing operations...........	$ 116,124	$ (12,313)	$ 103
Basic earnings per share of common stock from continuing operations................	$ 0.39		$
Diluted earnings per share of common stock from continuing operations................	$ 0.39		$
Weighted average number of shares outstanding -- basic......................	296,077	(36,540)(5)	259
Weighted average number of shares outstanding -- diluted....................	300,038	(36,540)(5)	263

See Notes to Unaudited Pro Forma Condensed Consolidated Financial Information.

IMS HEALTH

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF INCOME
YEAR ENDED DECEMBER 31, 2001

	IMS ACTUAL	PRO FORMA ADJUSTMENTS(1)	IMS PRO
	(DOLLARS AND SHARES IN THOUSANDS, EXCEPT PER SHAR		
Operating revenue...........................	$1,332,923	$(158,969)	$1,173
Operating and other costs...................	1,008,762	(123,348)	885
Operating income............................	324,161	(35,621)	288
Interest (expense) income, net...............	(9,006)	(2,501)	(11
Loss on Gartner investment..................	(84,880)	--	(84
Loss from investments, net..................	(27,642)	1,955	(25
Gain (loss) on issuance of investees' stock.....................................	(1,490)	(5,189)(2A)	(6
Other expense, net..........................	(17,342)	9,234 (2B)	(8
Non-operating income (loss), net............	(140,360)	3,499	(136
Income before provision for income taxes.....	183,801	(32,122)	151
Provision for income taxes..................	(38,415)	14,433 (2A-B)	(23
TriZetto equity loss, net of income tax benefit..................................	(6,985)	--	(6
Income from continuing operations...........	$ 138,401	$ (17,689)	$ 120
Basic earnings per share of common stock from continuing operations.....................	$ 0.47		$

Diluted earnings per share of common stock from continuing operations.................	$ 0.46		$
Weighted average number of shares outstanding -- basic.......................	295,162	(36,540)(5)	258
Weighted average number of shares outstanding -- diluted.....................	300,147	(36,540)(5)	263

See Notes to Unaudited Pro Forma Condensed Consolidated Financial Information.

IMS HEALTH

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF INCOME
NINE MONTHS ENDED SEPTEMBER 30, 2002

	IMS ACTUAL	PRO FORMA ADJUSTMENTS(1)	IMS PRO
	(DOLLARS AND SHARES IN THOUSANDS, EXCEPT PER SHAR		
Operating revenue............................	$1,046,172	$(146,510)	$899,
Operating and other costs....................	727,290	(114,553)	612,
Operating income.............................	318,882	(31,957)	286,
Interest (expense) income, net...............	(4,643)	(1,305)	(5,
Gains from investments, net..................	2,450	--	2,
Gain (loss) on issuance of investees' stock....................................	7,508	(8,083)(2A)	(
Other expense, net...........................	(29,003)	11,180(2B)	(17,
Non-operating income (loss), net............	(23,688)	1,792	(21,
Income before provision for income taxes.....	295,194	(30,165)	265,
Provision for income taxes...................	(91,044)	8,308(2A-B)	(82,
TriZetto equity loss, net of income tax benefit..................................	(701)	--	(
Income from continuing operations............	$ 203,449	$ (21,857)	$181,
Basic earnings per share of common stock from continuing operations......................	$ 0.71		$ 0
Diluted earnings per share of common stock from continuing operations.................	$ 0.70		$ 0
Weighted average number of shares outstanding -- basic.......................	287,486	(36,540)(5)	250,
Weighted average number of shares outstanding -- diluted.....................	288,589	(36,540)(5)	252,

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See Notes to Unaudited Pro Forma Condensed Financial Information.

IMS HEALTH

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2002

	IMS ACTUAL	PRO FORMA ADJUSTMENTS(3)
	(DOLLARS AND SHARES IN THOUSANDS,	
Assets:		
Current Assets:		
Cash and cash equivalents	$ 387,972	$(123,083)
Accounts receivable, net of allowance for doubtful accounts	247,506	(40,780)
Other receivable	35,428	--
Other current assets	125,755	10,231
Total Current Assets	796,661	(153,632)
Securities and other investments	21,210	(112)
TriZetto equity investment	118,167	--
Property, plant and equipment, net of accumulated depreciation	152,084	(25,905)
Computer software	149,292	--
Goodwill	166,638	(878)
Other assets	145,666	(3,587)
Total Assets	$ 1,549,718	$(184,114)
Liabilities, Minority Interests and Shareholders' Equity:		
Current Liabilities:		
Accounts payable	$ 29,443	$ (3,202)
Accrued and other current liabilities	187,680	(11,639)(4B)
Short-term debt	381,522	--
Accrued income taxes	131,468	(818)
Short-term deferred tax liability	12,220	(12,220)
Deferred revenues	75,022	(1,602)
Total Current Liabilities	817,355	(29,481)
Post-retirement and post-employment benefits	41,597	--
Long-term debt	175,000	--
Other liabilities	183,068	(4,650)
Total Liabilities	1,217,020	(34,131)
Commitments and contingencies		
Minority Interests	166,193	(64,673)(4A)
Shareholders' Equity:		
Common stock, par value $.01, authorized 800,000 shares; issued 335,045 shares at September 30, 2002	3,350	--
Capital in excess of par	498,637	--

Retained earnings	1,108,050	522,462(4B)
Treasury stock, at cost, 53,648 shares at September 30, 2002 (90,188 shares on a pro forma basis)(5)	(1,314,445)	(608,028)(4B)
Cumulative translation adjustment	(122,426)	256
Minimum pension liability adjustment	(3,746)	--
Unrealized loss on changes in fair value of cash flow hedges	(3,017)	--
Unrealized gains on investments, net of tax expense	102	--
Total Shareholders' Equity	166,505	(85,310)
Total Liabilities, Minority Interests and Shareholders' Equity	$ 1,549,718	$(184,114)

See Notes to Unaudited Pro-Forma Condensed Financial Information.

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NOTES TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL INFORMATION
(IN THOUSANDS, EXCEPT FOR PER SHARE AMOUNTS AND PERCENTAGES)

1. The adjustments to the unaudited pro forma condensed consolidated statements of income reflect the elimination of the unaudited results of operations of Cognizant (See Cognizant Financial Statements beginning on page F-1), after eliminating intercompany revenues and costs of $14,820, $14,273, $18,809 and $15,565, for the years ended 1999, 2000 and 2001 and the nine months ended September 30, 2002, respectively.

2. In addition, the pro forma adjustments to the unaudited pro forma condensed consolidated statements of income reflect:

   A. The elimination of the pre-tax gains recognized by IMS Health on the issuance of Cognizant stock in the amounts of $0, $0, $5,189 and $8,083 for the years ended December 31, 1999, 2000 and 2001 and the nine months ended September 30, 2002, respectively, and the related income tax expense of $0, $0, $1,816 and $2,834, respectively.

   B. The elimination of minority interest in the amounts of $4,376, $6,979, $9,234, and $11,180 for the years ended December 31, 1999, 2000 and 2001 and the nine months ended September 30, 2002, respectively.

3. The adjustments to the unaudited pro forma condensed consolidated statement of financial position reflect the elimination of the unaudited consolidated assets and liabilities of Cognizant as of September 30, 2002 (See Cognizant Financial Statements beginning on page F-1) and the recognition of an intercompany payable to Cognizant in the amount of $2,433.

4. In addition, the pro forma adjustments to the unaudited pro forma condensed consolidated statement of financial position reflect:

   A. The elimination of the minority interest in Cognizant as of September 30, 2002 in the amount of $64,673.

   B. (i) The acquisition of 36,540 shares of IMS Health common stock pursuant to the exchange offer, assuming the exchange offer is fully subscribed, recorded at a cost equal to the closing price on January 8, 2003 of $16.64 per share, amounts to $608,026.

(ii) The estimated tax-free gain on the disposal of IMS Health's investment in Cognizant in the amount of $522,460, after consideration of the cost basis of $72,566.

(iii) The accrual of the estimated direct and incremental costs of the exchange offer in the amount of $13,000.

The gain on disposal is predicated upon the closing price of the IMS Health common stock on the exchange offer expiration date and the number of shares accepted in the exchange offer. The actual amount of gain may differ significantly based on the number of shares of IMS Health stock accepted and closing price for IMS Health common stock on the exchange offer expiration date.

5. The unaudited pro forma condensed consolidated financial information assumes that 36,540 shares of IMS Health common stock are acquired in the exchange offer. If we assume that only 27,400 shares of IMS Health common stock are acquired, the minimum amount that IMS Health will accept, IMS Health would retain a number of Cognizant shares representing approximately 13.8% of Cognizant's outstanding common stock. The estimated gain on disposal of the investment in Cognizant would be approximately $390,000 and IMS Health would have a remaining cost basis in Cognizant of approximately $18,000.

COGNIZANT SELECTED FINANCIAL DATA

The following table presents selected financial data for Cognizant. This data is derived from and should be read together with the audited and unaudited consolidated financial statements of Cognizant and related notes thereto and "Management's Discussion and Analysis of Results of Operations and Financial Condition of Cognizant" appearing elsewhere in this document. In the opinion of Cognizant's management, all adjustments considered necessary for a fair presentation of the interim financial information have been included, and all adjustments are of a normal and recurring nature. Operating results for the interim periods are not necessarily indicative of results that may be expected to occur for the entire year. Certain amounts for the nine months ended September 30, 2001 have been reclassified to conform to the 2002 presentation.

	YEAR ENDED DECEMBER 31,					NINE MO ENDE SEPTEMBE
	1997	1998	1999	2000	2001	2001
	(DOLLARS AND SHARES IN THOUSANDS, EXCEPT PER SHARE DATA)					
COGNIZANT TECHNOLOGY SOLUTIONS CORPORATION						
STATEMENT OF OPERATIONS:						
Revenues........................	$13,898	$45,031	$74,084	$122,758	$158,969	$120,803
Revenues -- related party.......	10,846	13,575	14,820	14,273	18,809	13,514
Total revenues..................	24,744	58,606	88,904	137,031	177,778	134,317
Cost of revenues................	14,359	31,919	46,161	70,437	90,848	68,859
Gross profit....................	10,385	26,687	42,743	66,594	86,930	65,458

Selling, general and administrative expenses	6,898	15,547	23,061	35,959	44,942	34,306
Depreciation and amortization expense	1,358	2,222	3,037	4,507	6,368	4,566
Income from operations	2,129	8,918	16,645	26,128	35,620	26,586
Other income (expense):						
Interest income	25	638	1,263	2,649	2,501	2,006
Impairment loss on Investment	--	--	--	--	(1,955)	--
Other income (expense) -- net	--	83	37	(530)	(767)	(604)
Total other income (expense)	25	721	1,300	2,119	(221)	1,402
Income before provision for income taxes	2,154	9,639	17,945	28,247	35,399	27,988
Provision for income taxes	(581)	(3,606)	(6,711)	(10,564)	(13,239)	(10,468)
Minority interest	(545)	--	--	--	--	--
Net income	$ 1,028	$ 6,033	$11,234	$ 17,683	$ 22,160	$ 17,520
Net income per share, basic	$ 0.08	$ 0.38	$ 0.61	$ 0.95	$ 1.17	$ 0.93
Net income per share, diluted	$ 0.08	$ 0.36	$ 0.58	$ 0.87	$ 1.09	$ 0.86
Weighted average number of common shares outstanding	13,094	15,886	18,342	18,565	19,017	18,896
Weighted average number of common shares and stock options outstanding	13,210	16,538	19,416	20,256	20,371	20,382
BALANCE SHEET DATA (AT THE END OF THE PERIOD):						
Cash and cash equivalents	$ 2,715	$28,418	$42,641	$ 61,976	$ 84,977	$ 79,767
Working capital	5,694	29,416	43,507	61,501	95,637	87,564
Total assets	18,298	51,679	69,026	109,540	144,983	138,573
Due to related party	6,646	9	--	8	--	--
Stockholders' equity	3,419	32,616	45,461	66,116	98,792	92,496

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION OF COGNIZANT

GENERAL

Cognizant is a leading provider of custom IT design, development, integration and maintenance services primarily for Fortune 1000 companies located in the United States and Europe. Cognizant's core competencies include web-centric applications, data warehousing, component-based development and legacy and client-server systems. Cognizant provides the IT services it offers using an integrated on-site/offshore business model. This seamless onsite/offshore business model combines technical and account management teams located on-site at the customer location and offshore at dedicated development centers located in India and Ireland. Cognizant began its IT development and maintenance services business in early 1994, as an in-house technology development center for The Dun & Bradstreet Corporation and its operating units. In 1996, Cognizant, along with certain other entities, was spun-off from the Dun & Bradstreet Corporation to form a new company, Cognizant Corporation. On June 24, 1998, Cognizant completed its initial public offering. On June 30, 1998, a majority interest in Cognizant, and certain other entities were spun-off from Cognizant Corporation to form IMS Health Incorporated ("IMS Health"). Subsequently, Cognizant Corporation was renamed Nielsen Media Research, Incorporated. At September 30, 2002, IMS Health owned 56.4% of the outstanding stock of Cognizant (representing all of Cognizant's Class B common stock) and held 92.8% of the combined voting power of Cognizant's common stock. Holders of Cognizant's class A common stock have one vote per share and holders of Cognizant's class B common stock have ten votes per share. IMS Health is seeking to distribute all of the Cognizant class B common stock that IMS Health owns in the exchange offer which is the subject of this document.

There will be no impact on the number of Cognizant's total shares outstanding as a result of the exchange offer. However, the exchange offer may impact Cognizant in a number of ways and these impacts could be significant as discussed in "Risk Factors" and elsewhere in this document. Cognizant expects to incur charges in the fourth quarter of 2002 and the first quarter of 2003 aggregating between $2 to $3 million in relation to one-time costs associated with the exchange offer.

CRITICAL ACCOUNTING POLICIES, ESTIMATES AND RISKS

Financial Reporting Release No. 60 requires all companies to include a discussion of critical accounting policies or methods used in the preparation of financial statements. Note 2 to Cognizant's consolidated financial statements included elsewhere in this document includes a summary of the significant accounting policies and methods used in the preparation of Cognizant's consolidated financial statements. The following is a brief discussion of the more significant accounting policies and methods used by Cognizant.

In addition, Financial Reporting Release No. 61 requires all companies to include a discussion to address, among other things, liquidity, off-balance sheet arrangements, contractual obligations and commercial commitments.

Cognizant's discussion and analysis of its financial condition and results of operations are based upon its consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of financial statements in accordance with generally accepted accounting principles in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, including the recoverability of tangible and intangible assets, disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenues and expenses during the reported period.

On an on-going basis, Cognizant evaluates its estimates. The most significant estimates relate to the allowance for doubtful accounts, reserve for warranties, reserves for employee benefits, income taxes, depreciation of fixed assets and long-lived assets, contingencies and litigation and the recognition of revenue and profits based on the percentage of completion method of accounting for fixed bid contracts. Cognizant bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could vary from the estimates and assumptions used in the preparation of the accompanying financial statements.

Most of Cognizant's IT development centers, including a substantial majority of its employees are located in India. As a result, Cognizant may be subject to certain risks associated with international operations, including risks associated with foreign currency exchange rate fluctuations and risks associated with the application and imposition of protective legislation and regulations relating to import and export or otherwise resulting from foreign policy or the variability of foreign economic conditions. To date, Cognizant has not engaged in any hedging transactions to mitigate its risks relating to exchange rate fluctuations. Additional risks associated with international operations include difficulties in enforcing intellectual property rights, the burdens of complying with a wide variety of foreign laws, potentially adverse tax consequences, tariffs, quotas and other barriers.

Cognizant believes the following critical accounting policies affect its more significant judgments and estimates used in the preparation of its consolidated financial statements:

Revenue Recognition. Cognizant's services are entered into on either a time-and-materials or fixed-price basis. Revenues related to time-and-materials contracts are recognized as the service is performed. Revenues related to fixed-price contracts primarily relate to application development and significant application enhancement projects. Revenues related to such fixed-price contracts are recognized as the service is performed using the percentage-of-completion method of accounting, under which the sales value of performance, including estimated earnings thereon, is recognized on the basis of the percentage that each contract's cost to date bears to the total estimated cost. In general, fixed-price contracts are cancelable subject to a specified notice period. All services provided by Cognizant through the date of cancellation are due and payable under the contract terms. Cognizant issues invoices related to fixed-price contracts based upon achievement of milestones during a project or other contractual terms. Differences between the timing of billings, based upon contract milestones or other contractual terms, and the recognition of revenue, based upon the percentage-of-completion method of accounting, are recognized as either unbilled or deferred revenue. Cognizant does not incur significant up-front costs associated with these fixed-price contracts and all costs related to the services provided are expensed as incurred. Estimates are subject to adjustment as a project progresses to reflect changes in expected completion costs or dates. The cumulative impact of any revision in estimates of the percentage of work completed is reflected in the financial reporting period in which the change in estimate becomes known and any anticipated losses on contracts are recognized immediately. A reserve for warranty provisions under such contracts, which generally exist for a period ranging from thirty to ninety days past contract completion, is estimated and accrued during the contract period. Cognizant's failure to estimate accurately the resources and time required for a fixed-price project, or its failure to complete its contractual obligations within the time frame committed, could have a material adverse effect on Cognizant's business, results of operations and financial condition.

Revenues related to services performed without a signed agreement or work order are not recognized until such agreements or work orders are signed; however the cost related to the performance of such work is recognized in the period the services are rendered.

Foreign Currency Translation. The assets and liabilities of Cognizant's Canadian and European subsidiaries are translated into U.S. dollars from local currencies at current exchange rates and revenues and expenses are translated from local currencies at average monthly exchange rates. The resulting translation adjustments are recorded in a separate component of stockholders' equity. For Cognizant's Indian subsidiary, CTS India, the functional currency is the U.S. dollar, since its sales are made primarily in the United States, the sales price is predominantly in U.S. dollars and there is a high volume of intercompany transactions denominated in U.S. dollars between CTS India and its U.S. affiliates. Non-monetary assets and liabilities are translated at historical exchange rates, while monetary assets and liabilities are translated at current exchange rates. The resulting gain (loss) is included in other income.

Allowance for Doubtful Accounts. Cognizant maintains allowances for doubtful accounts for estimated losses resulting from the inability of its customers to make required payments. If the financial condition of Cognizant's customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

Income Taxes. Cognizant records a valuation allowance to reduce its deferred tax assets to the amount that is more likely than not to be realized. While Cognizant has considered future taxable income and on-going prudent and feasible tax planning strategies in assessing the need for the valuation allowance, in the event Cognizant were to determine that it would be able to realize its deferred tax assets in the future in excess of its net recorded amount, an adjustment to the deferred tax asset would increase income in the period such determination was made. Likewise, should Cognizant determine that it would not be able to realize all or part of its net deferred tax asset in the future, an adjustment to the deferred tax asset would be charged to income in the period such determination was made.

Cognizant's Indian subsidiary, CTS India, is an export-oriented company, which, under the Indian Income Tax Act of 1961 is entitled to claim tax holidays for a period of ten years with respect to its export profits. Substantially all of the earnings of CTS India are attributable to export profits and are therefore currently entitled to a 90% exemption from Indian income tax. These tax holidays will begin to expire in 2004 and under current law will be completely phased out by March of 2009. In prior years, it was management's intent to repatriate all accumulated earnings from India to the United States; accordingly, Cognizant has provided deferred income taxes in the amount of approximately $25.5 million dollars on all such undistributed earnings through December 31, 2001. During the first quarter of 2002, Cognizant made a strategic decision to pursue an international strategy that includes expanded infrastructure investments in India and geographic expansion in Europe and Asia. As a component of this strategy, Cognizant intends to use 2002 and future Indian earnings to expand operations outside of the United States instead of repatriating these earnings to the United States. Accordingly, effective January 1, 2002, pursuant to Accounting Principles Bulletin 23, Cognizant will no longer accrue taxes on the repatriation of earnings recognized in 2002 and subsequent periods as these earnings are considered to be indefinitely reinvested outside of the United States. If such earnings are repatriated in the future, or are no longer deemed to be indefinitely reinvested, Cognizant will accrue the applicable amount of taxes associated with such earnings. This change in intent, as well as a change in the manner in which repatriated earnings are taxed in India, resulted in an estimated effective tax rate for the three and nine months ended September 30, 2002 of 23.3% and 23.4%, respectively. These rates compare to an effective tax rate for the three and nine month periods ended September 30, 2001 of 37.4%.

RESULTS OF OPERATIONS

The following table sets forth certain results of operations as a percentage of total revenue:

	YEAR ENDED DECEMBER 31,	THREE MONTHS ENDED SEPTEMBER 30,	NINE MON ENDED SEPTEMBER

	1999	2000	2001	2002	2001	2002
Total revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of revenues	51.9	51.4	51.1	53.8	50.8	53.4
Gross profit	48.1	48.6	48.9	46.2	49.2	46.6
Selling, general and administrative expense	25.9	26.2	25.3	23.1	25.1	23.4
Depreciation and amortization expense	3.4	3.3	3.6	3.3	3.6	3.5
Income from operations	18.8	19.1	20.0	19.8	20.5	19.7
Other income (expense):						
Interest income	1.4	1.9	1.4	0.8	1.4	0.8
Impairment loss on investment	--	--	(1.1)	--	--	--
Other income (expense)	--	(0.4)	(0.4)	(0.0)	(0.5)	(0.0)
Total other income	1.4	1.5	(0.1)	0.8	0.9	0.8
Income before provision for income taxes	20.2	20.6	19.9	20.6	21.4	20.5
Provision for income taxes	(7.6)	(7.7)	(7.4)	(4.8)	(8.0)	(4.8)
Net income	12.6%	12.9%	12.5%	15.8%	13.4%	15.7%

THREE MONTHS ENDED SEPTEMBER 30, 2002 COMPARED TO THREE MONTHS ENDED SEPTEMBER 30, 2001

Revenue. Revenue increased by 34.6%, or $15.7 million, from approximately $45.5 million during the three months ended September 30, 2001 to approximately $61.2 million during the three months ended September 30, 2002. This increase resulted primarily from an increase in application management services. For statement of operations purposes, revenues from related parties include only revenues recognized during the period in which the related party was directly affiliated with Cognizant. In the third quarter of 2002, sales to one related party customer (IMS Health) accounted for 9.0% of revenues and sales to one third party customer (Metropolitan Life Insurance Company) accounted 11.5% revenues. In the third quarter of 2001, sales to one related party customer (IMS Health) accounted for 11.2% of revenues and no third-party customer accounted for sales in excess of 10% of revenues.

Gross Profit. Cognizant's cost of revenues consists primarily of the cost of salaries, payroll taxes, benefits, immigration and travel for technical personnel, and the cost of sales commissions. Cognizant's cost of revenues increased by 42.7%, or approximately $9.9 million, from approximately $23.1 million during the three months ended September 30, 2001 to approximately $33.0 million during the three months ended September 30, 2002. The increase was due primarily to costs resulting from an increase in the number of Cognizant's technical professionals from approximately 3,500 employees at September 30, 2001 to approximately 4,700 employees at September 30, 2002. The increased number of Cognizant's technical professionals is a direct result of greater demand for Cognizant's services. Cognizant's gross profit increased by 26.2%, or approximately $5.9 million, from approximately $22.4 million during the three months ended September 30, 2001 to approximately $28.3 million during the three months ended September 30, 2002. Gross profit margin decreased from 49.2% of revenues during the three months ended September 30, 2001 to 46.2% of revenues during the three months ended September 30, 2002 primarily due to a higher 2002 incentive compensation accrual associated with increased revenues.

Selling, General and Administrative Expenses. Selling, general and administrative expenses consist primarily of salaries, employee benefits, travel, promotion, communications, management, finance, administrative and occupancy costs as well as depreciation and amortization expense. Selling, general and administrative expenses, including depreciation and amortization, increased by 23.6%, or approximately $3.1 million, from approximately $13.1 million during the three months ended September 30, 2001 to approximately $16.2 million during the three months ended September 30, 2002, representing 28.7% and 26.4% of revenues, respectively. The dollar increase in such expenses was due primarily to a higher 2002 incentive compensation accrual associated with increased revenues, as well as increased expenses incurred to expand Cognizant's sales and marketing activities and increased infrastructure expenses to support Cognizant's revenue growth. The decrease in such expenses as a percentage of revenue resulted from Cognizant's increased volume of revenue, which outpaced the increase in selling, general and administrative expenses.

Income from Operations. Income from operations increased 29.9%, or approximately $2.8 million, from approximately $9.3 million during the three months ended September 30, 2001 to approximately $12.1 million during the three months ended September 30, 2002, representing 20.5% and 19.8% of revenues, respectively. The decrease in operating margin was due primarily to a higher 2002 incentive compensation accrual associated with increased revenues.

Other Income. Other income consists primarily of interest income and foreign currency exchange gains or losses. Interest income decreased by 26.7%, or approximately $172,000, from $643,000 during the three months ended September 30, 2001 to $471,000 during the three months ended September 30, 2002. The decrease in such interest income was attributable primarily to declining interest rates, offset, in part, by higher invested cash balances. Cognizant recognized a net foreign currency exchange loss of $209,000 during the three months ended September 30, 2001 as compared to a gain of $24,000 in the current period, as a result of the effect of changing exchange rates.

Provision for Income Taxes. The provision for income taxes decreased by 19.5%, or approximately $713,000, from approximately $3.6 million in the three months ended September 30, 2001 to approximately $2.9 million in the three months ended September 30, 2002, with an effective tax rate of 37.4% and 23.3% for the three months ended September 30, 2001 and 2002, respectively. The lower effective tax rate reflects Cognizant's change in its intention regarding the repatriation of 2002 and future earnings from its subsidiary in India, as well as a change in the manner in which repatriated earnings are taxed in India. (See Note 5 to the Notes to the Unaudited Condensed Consolidated Financial Statements.)

Net Income. Net income increased 58.3%, or approximately $3.6 million, from approximately $6.1 million for the three months ended September 30, 2001 to approximately $9.7 million for the three months ended September 30, 2002, representing 13.4% and 15.8% of revenues, respectively.

NINE MONTHS ENDED SEPTEMBER 30, 2002 COMPARED TO NINE MONTHS ENDED SEPTEMBER 30, 2001

Revenue. Revenue increased by 20.7%, or approximately $27.8 million, from approximately $134.3 million during the nine months ended September 30, 2001 to approximately $162.1 million during the nine months ended September 30, 2002. This increase resulted primarily from an increase in application management services. For statement of operations purposes, revenues from related parties include only revenues recognized during the period in which the related party was directly affiliated with Cognizant. During the nine months ended September

30, 2002, sales to one related party customer (IMS Health) accounted for 9.6% of revenues and no third party accounted for sales in excess of 10% of revenues. During the nine months ended September 30, 2001, sales to one related party customer (IMS Health) accounted for 10.1% of revenues and no third party accounted for sales in excess of 10% of revenues.

Gross Profit. Cognizant's cost of revenues increased by 25.6%, or approximately $17.6 million, from approximately $68.9 million during the nine months ended September 30, 2001 to approximately $86.5 million during the nine months ended September 30, 2002. The increase was due primarily to increased costs resulting from the increase in the number of Cognizant's technical professionals from approximately 3,500 employees at September 30, 2001 to approximately 4,700 employees at September 30, 2002. Cognizant's gross profit increased by 15.4%, or approximately $10.1 million, from approximately $65.5 million during the nine months ended September 30, 2001 to approximately $75.6 million during the nine months ended September 30, 2002. Gross profit margin decreased from 48.7% to 46.6% of revenues during the nine months ended September 30, 2001 and 2002, respectively. The decrease in gross profit margin was due primarily to a higher 2002 incentive compensation accrual associated with increased revenues.

Selling, General and Administrative Expenses. Selling, general and administrative expenses, including depreciation and amortization, increased by 12.2%, or approximately $4.7 million, from approximately $38.9 million during the nine months ended September 30, 2001 to approximately $43.6 million during the nine months ended September 30, 2002, representing 28.9% and 26.9% of revenues, respectively. The increase in such expenses in absolute dollars was due primarily to a higher 2002 incentive compensation accrual associated with increased revenues, as well as expenses incurred to expand Cognizant's sales and marketing activities and increased infrastructure expenses to support Cognizant's revenue growth. The decrease in such expenses as a percentage of revenue resulted from Cognizant's increased volume of revenue, which outpaced the increase in selling, general and administrative expenses.

Income from Operations. Income from operations increased 20.2%, or approximately $5.4 million, from approximately $26.6 million during the nine months ended September 30, 2001 to approximately $32.0 million dur