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Cognizant Technology Solutions Q4 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

Thank you. (Operator Instructions). Your first question comes from the line of Ed Caso with Wachovia.

Edward Caso - Wachovia Capital Markets, Llc

Good morning. Two quick questions, I know you didn't do anything against the new \$50 million, authorization, but was there any money left to buyback stock in the fourth quarter.

Gordon Coburn

The original \$200 million authorization had expired at the beginning of the quarter, and we penetrated new authorization late in the quarter. So we had a window of like two days, where we could have washed it very end of the quarter before black out.

Edward Caso - Wachovia Capital Markets, Llc

The other question is can you talk a little bit about what you're doing from a credit risk perspective, have you added resources, do you have watch list? And may be talk about your reserving policy.

Gordon Coburn

Sure. We've not added resources, clearly we are watching much more carefully, two buckets in particular, one is small clients, and then the second is larger clients, that have had some economic challenges obviously we had a couple of bankruptcies last year. In our bad debt reserve, it includes a sort of discrete... just the amount for potential future bankruptcies. So we've taken a conservative approach and we're also watching very carefully and obviously the fact that DSO improved is testament that we are being fairly aggressive and making sure that we collect the amounts future as fairly quickly.

Edward Caso - Wachovia Capital Markets, Llc

Thank you.

Operator

Thank you. Your next question comes from the line of George Price at Stifel Nicolaus.

George Price - Stifel Nicolaus & Company, Inc.

Hi. Thanks very much. Nice numbers could end the week on that now even if it is the Friday, the 13th.

Gordon Coburn

Yes, we're very worried about doing this on Friday, the 13th.

George Price - Stifel Nicolaus & Company, Inc.

Okay, I can imagine in this market. I wondered, one question wanted just see if we can get a little bit of color may be on your assumptions around volume in the guidance that is behind the guidance on volumes, pricing, currency, you will to have currency for the quarter, but may be how you're thinking of it as you go through the year, utilization, hiring and head count that sort of thing, if you can give us a little granularity on to what's behind the guidance, that will be great.

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