



For Immediate Release

Sapient Corporation
Consolidated Unaudited Condensed Statements of Operations

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2008	2007	2008	2007
	(in thousands, except per share amounts)			
Revenues:				
Service revenues	\$ 177,671	\$ 141,590	\$ 497,728	\$ 391,479
Reimbursable expenses	6,449	4,825	17,250	13,850
Total gross revenues	184,120	146,415	514,978	405,329
Operating expenses:				
Project personnel expenses	114,031	96,694	331,612	267,681
Reimbursable expenses	6,449	4,825	17,250	13,850
Total project personnel expenses and reimbursable expenses	120,480	101,519	348,862	281,531
Selling and marketing expenses	8,659	8,664	30,010	24,413
General and administrative expenses	33,462	29,223	95,658	90,168
Restructuring and other related charges (benefits)	92	(35)	99	(204)
Amortization of purchased intangible assets	732	487	1,692	1,552
Total operating expenses	163,425	139,858	476,321	397,460
Income from operations	20,695	6,557	38,657	7,869
Interest and other income, net	1,450	1,596	5,804	4,115
Income before income taxes	22,145	8,153	44,461	11,984
Provision for income taxes	4,078	3,732	7,704	5,941
Net income	\$ 18,067	\$ 4,421	\$ 36,757	\$ 6,043
Basic net income per share	\$ 0.14	\$ 0.04	\$ 0.29	\$ 0.05
Diluted net income per share	\$ 0.14	\$ 0.03	\$ 0.28	\$ 0.05
Weighted average common shares	125,835	124,875	125,803	123,895
Weighted average dilutive common share equivalents	4,278	3,439	3,432	3,728
Weighted average common shares and dilutive common share equivalents	130,113	128,314	129,235	127,623



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Sapient Corporation
Consolidated Unaudited Condensed Balance Sheets

	<u>September 30, 2008</u>	<u>December 31, 2007</u>
	(in thousands)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 135,112	\$ 118,697
Marketable securities, current portion	14,636	57,667
Restricted cash, current portion	386	458
Accounts receivable, less allowance for doubtful accounts	97,933	82,413
Unbilled revenues	47,730	33,403
Prepaid expenses and other current assets	23,919	22,720
Total current assets	<u>319,716</u>	<u>315,358</u>
Marketable securities, net of current portion	18,335	-
Restricted cash, net of current portion	2,170	1,294
Property and equipment, net	34,450	34,914
Purchased intangible assets, net	12,214	5,512
Goodwill	57,604	40,544
Other assets	<u>10,442</u>	<u>9,982</u>
Total assets	<u>\$ 454,931</u>	<u>\$ 407,604</u>
LIABILITIES, REDEEMABLE COMMON STOCK AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 9,730	\$ 7,264
Accrued compensation	54,874	54,203
Accrued restructuring costs, current portion	3,269	3,584
Deferred revenues, current portion	16,298	13,701
Other current liabilities	53,372	47,405
Total current liabilities	<u>137,543</u>	<u>126,157</u>
Accrued restructuring costs, net of current portion	5,424	7,689
Deferred revenues, net of current portion	362	577
Other long-term liabilities	<u>18,232</u>	<u>12,332</u>
Total liabilities	161,561	146,755
Redeemable common stock	-	290
Stockholders' equity	<u>293,370</u>	<u>260,559</u>
Total liabilities, redeemable common stock and stockholders' equity	<u>\$ 454,931</u>	<u>\$ 407,604</u>



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Sapient Corporation
Consolidated Unaudited Statements of Cash Flows

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2008	2007	2008	2007
	(in thousands)			
Cash flows from operating activities:				
Net income	\$ 18,067	\$ 4,421	\$ 36,757	\$ 6,043
Adjustments to reconcile net income to net cash provided by (used in) operating activities:				
Loss recognized on disposition of fixed assets	14	51	104	85
Unrealized loss on financial instruments	894	-	956	-
Depreciation and amortization expense	5,282	4,709	14,906	12,404
Deferred income taxes	664	1,286	129	1,707
Provision for (recovery of) allowance for doubtful accounts, net	448	(153)	108	(182)
Stock-based compensation expense (non-cash portion)	4,448	4,448	13,337	13,303
Changes in operating assets and liabilities, net of acquisition and disposition:				
Accounts receivable	(3,751)	20,226	(9,776)	(6,285)
Unbilled revenues	(5,229)	(1,235)	(15,747)	(2,132)
Prepaid expenses and other current assets	(3,422)	889	(3,603)	(3,830)
Other assets	(282)	(378)	(469)	60
Accounts payable	(633)	(4,766)	1,876	(5,510)
Accrued compensation	7,739	8,017	(1,427)	8,640
Accrued restructuring costs	(844)	(1,089)	(2,590)	(3,467)
Deferred revenues	4,061	(1,869)	3,093	2,497
Other accrued liabilities	5,480	3,489	7,994	(682)
Other long-term liabilities	294	632	2,714	3,886
Net cash provided by operating activities	33,230	38,678	48,362	26,537
Cash flows from investing activities:				
Cash paid for acquisition, including transaction costs, net of cash received	(22,409)	-	(23,517)	(883)
Cash received for sale of discontinued operations, net, and payment to minority stockholders	-	-	720	436
Purchases of property and equipment and cost of internally developed software	(2,639)	(4,769)	(14,130)	(14,971)
Sales and maturities of marketable securities	3,519	24,100	43,564	78,742
Purchases of marketable securities	-	(6,022)	(8,330)	(58,818)
Designated cash equivalent to short-term investment	(11,626)	-	(11,626)	-
Change in restricted cash	(196)	306	(904)	353
Net cash (used in) provided by investing activities	(33,351)	13,615	(14,223)	4,859
Cash flows from financing activities:				
Principal payments under capital lease obligation	(15)	(18)	(55)	(85)
Acquisition of bank loan	1,364	-	1,364	-
Repayment of bank loan	(1,364)	-	(1,364)	-
Proceeds from stock option and purchase plans	4,319	3,447	6,095	6,008
Repurchases of common stock	-	(3,776)	(9,902)	(3,776)
Net cash provided by (used in) financing activities	4,304	(347)	(3,862)	2,147
Effect of exchange rate changes on cash and cash equivalents	(9,296)	2,417	(13,862)	5,229
(Decrease) increase in cash and cash equivalents	(5,113)	54,363	16,415	38,772
Cash and cash equivalents, at beginning of period	140,225	59,431	118,697	75,022
Cash and cash equivalents, at end of period	\$ 135,112	\$ 113,794	\$ 135,112	\$ 113,794
Supplemental Cash Flow Information:				
Non-cash investing transaction:				
Issuance of common stock for acquisition	\$ 2,254	\$ -	\$ 2,254	\$ -



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Sapient Corporation Unaudited Reconciliation of Non-GAAP Financial Measures

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2008	2007	2008	2007
(in thousands, except per share amounts)				
Service revenues	\$ 177,671	\$ 141,590	\$ 497,728	\$ 391,479
GAAP income from operations	\$ 20,695	\$ 6,557	\$ 38,657	\$ 7,869
Stock-based compensation review and restatement expenses	67	485	924	7,063
Stock-based compensation expense	4,489	4,973	13,420	13,828
Restructuring and other related charges (benefits)	92	(35)	99	(204)
Amortization of purchased intangible assets	732	487	1,692	1,552
Non-GAAP income from operations	\$ 26,075	\$ 12,467	\$ 54,792	\$ 30,108
GAAP operating margin	11.6%	4.6%	7.8%	2.0%
Effect of adjustments detailed above	3.1%	4.2%	3.2%	5.7%
Non-GAAP operating margin	14.7%	8.8%	11.0%	7.7%
GAAP net income	\$ 18,067	\$ 4,421	\$ 36,757	\$ 6,043
Stock-based compensation review and restatement expenses	67	485	924	7,109
Stock-based compensation expense	4,489	4,973	13,420	13,828
Restructuring and other related charges (benefits)	92	(35)	99	(204)
Amortization of purchased intangible assets	732	487	1,692	1,552
Non-GAAP net income	\$ 23,447	\$ 10,331	\$ 52,892	\$ 28,328
GAAP basic income per share	\$ 0.14	\$ 0.04	\$ 0.29	\$ 0.05
Effect of adjustments detailed above	0.05	0.04	0.13	0.18
Non-GAAP basic income per share	\$ 0.19	\$ 0.08	\$ 0.42	\$ 0.23
GAAP weighted average common shares	125,835	124,875	125,803	123,895
Non-GAAP weighted average common shares	125,835	124,875	125,803	123,895
GAAP diluted income per share	\$ 0.14	\$ 0.03	\$ 0.28	\$ 0.05
Effect of adjustments noted above and change in dilution noted below	0.04	0.05	0.13	0.17
Non-GAAP diluted income per share	\$ 0.18	\$ 0.08	\$ 0.41	\$ 0.22
GAAP weighted average common shares and dilutive common share equivalents	130,113	128,314	129,235	127,623
Non-GAAP weighted average common shares and dilutive common share equivalents	130,113	128,314	129,235	127,623