

Amdocs Investor and Financial Analyst Day 2009



Thomas O'Brien
Vice President, Finance and Investor Relations

Forward-Looking Statements

Our presentations and discussions today may contain forward-looking statements as defined under the Securities Act of 1933, as amended, including statements about Amdocs' growth and business results in future quarters. Although we believe the expectations reflected in such forward-looking statements are based upon reasonable assumptions, we can give no assurance that our expectations will be obtained, or that any deviations will not be material. Such statements involve risk and uncertainties that may cause future results to differ materially from those anticipated. These risks include, but are not limited to, the effects of general economic conditions, Amdocs' ability to grow in the business markets that it serves, adverse effects of market competition, rapid technological shifts that may render the company's products and services obsolete, potential loss of a major customer, and risks associated with operating business in the international market. These and other risks are discussed at greater length in the company's filings with the Securities and Exchange Commission, including in our Annual Report on Form 20-F filed December 8, 2008 and our Forms 6-K furnished on February 9 and May 12, 2009.

Agenda

- > **Executive Summary:** Dov Baharav
- > **Customer Perspective:** Robert Strickland, Senior Vice President and Chief Information Officer, T-Mobile USA
- > **Management Updates:**
 - > Jim Liang: SVP, Strategy and Corporate Development
 - > Ayal Shiran: President, Customer Business Group
 - > Brian Shepherd: President, Amdocs Interactive
 - > Tamar Rapaport-Dagim: SVP, Chief Financial Officer, Amdocs Management Limited

Executive Summary

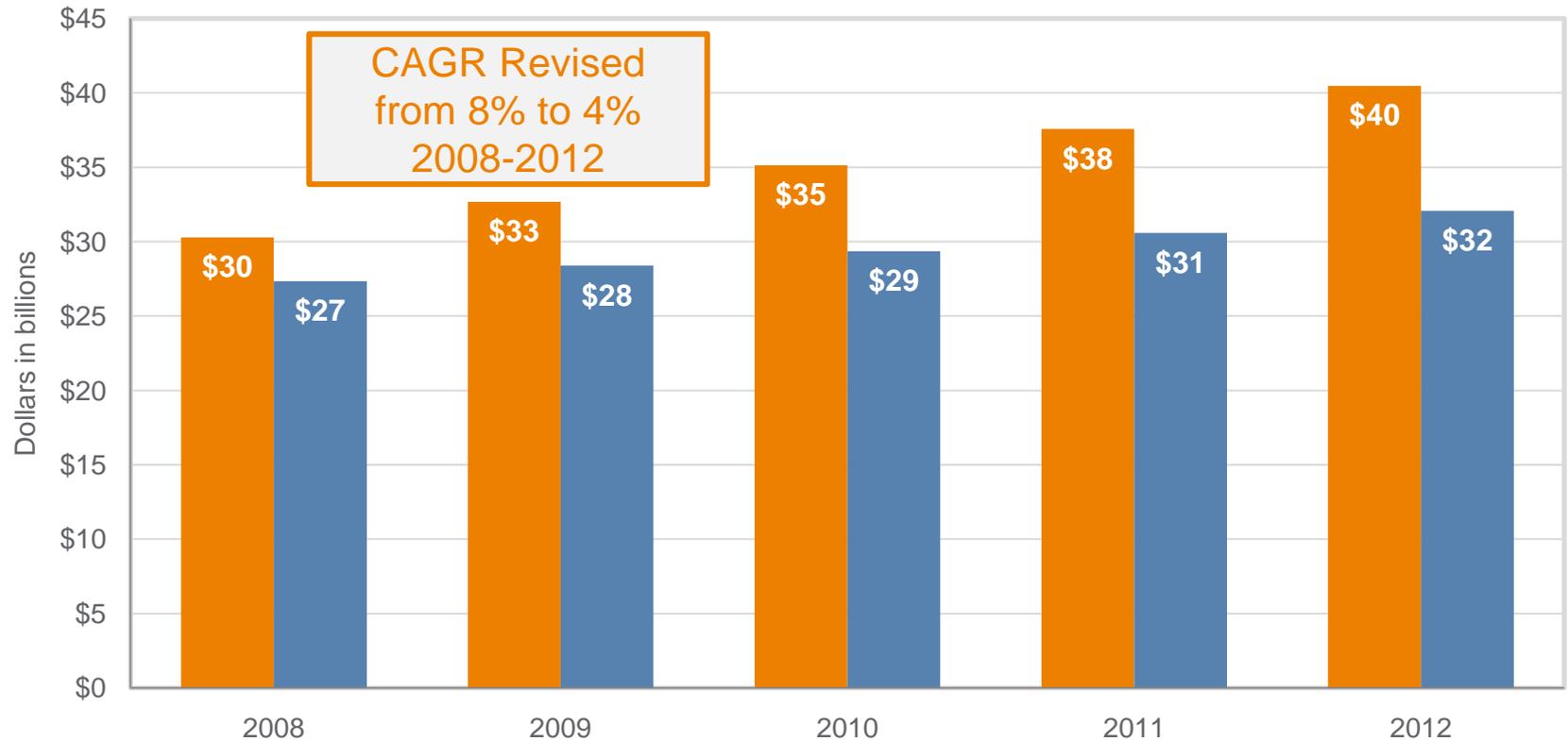


Dov Baharav

President & CEO, Amdocs Management Limited

Revised Growth Outlook for OSS/BSS

Gartner Group Forecasts for OSS/BSS*



■ Gartner, June 2008 - *Adjusted to Markets Served by Amdocs
■ Gartner, May 2009 - *Adjusted to Markets Served by Amdocs

Shifting Prioritization of Spending

- > Spending is Adjusting to Economic Conditions
- > Seeing New Interest in Efficiency Investments
- > Growth Investing Still Occuring in Select Areas

Long History of Growth and Smart Investments

GROWTH

COST

GROWTH

WIRELESS ERA 1990-2001

MAIN INDUSTRY DRIVER

- > Wireless

EMERGING DRIVERS

- > Deregulation & Multi-play
- > IP networks (2.5G, 3G)
- > Customer experience

AMDOCS INVESTMENTS

- > R&D: Ensemble BSS
- > M&A: IP, CRM and Managed Services

CONSOLIDATION ERA 2002-2009

MAIN INDUSTRY DRIVER

- > Consolidation

EMERGING DRIVERS

- > Digital lifestyle competition
- > Next-generation networks
- > Emerging market maturation

AMDOCS INVESTMENTS

- > R&D: Convergent B/OSS suite
- > M&A: OSS, Interactive, Cable, Emerging Markets

TERA-PLAY ERA 2010-

MAIN INDUSTRY DRIVER

- > Monetization

EMERGING DRIVERS

- > Billions of connected consumers
- > Trillion connected devices
- > Complex business models

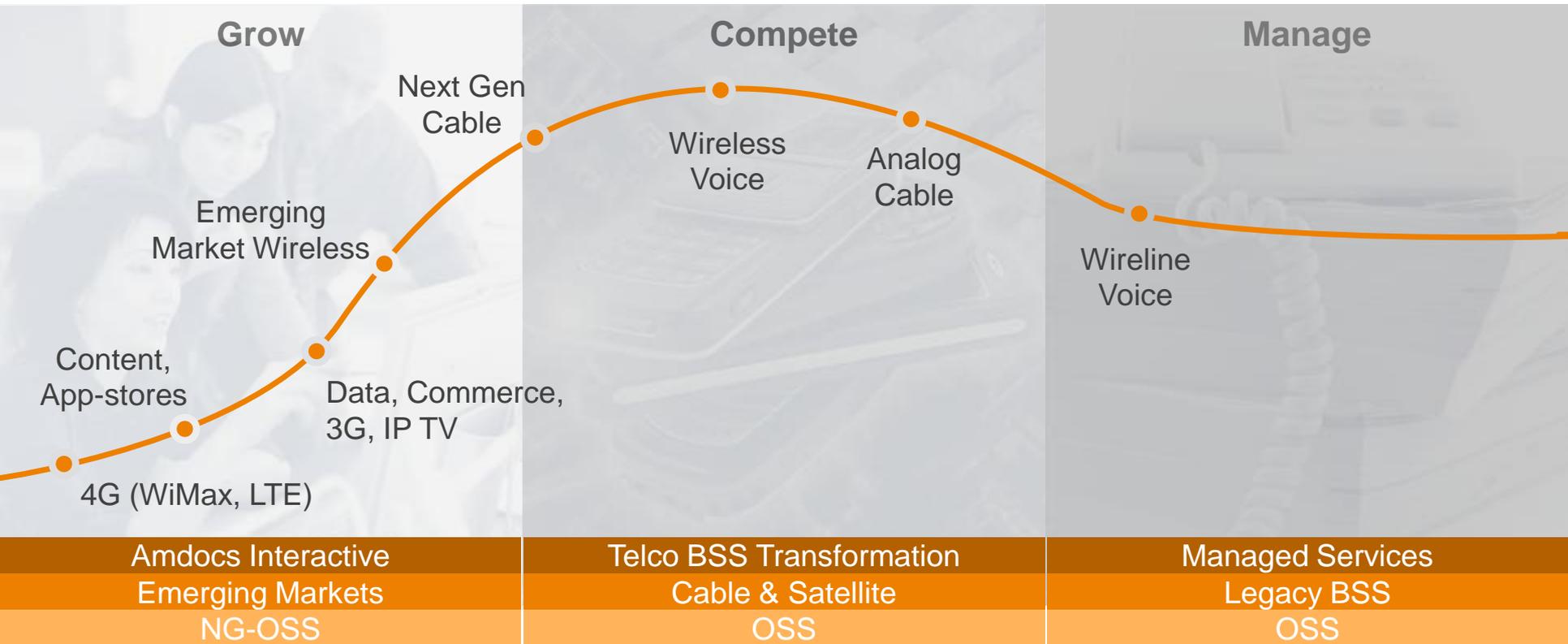
AMDOCS INVESTMENTS

- > Reducing friction and cost in the connected economy
- > Monetizing networks & assets

Offerings Aligned With Needs & Growth

Growth Focused Initiatives

Cost Focused Initiatives



Amdocs Strategy and Offerings Address Service Provider Needs Across the Technology Maturity Cycle

Amdocs Approach to Current Conditions

1. Leverage the business model



To produce **stable profitability and cash flow** through the crisis

2. Extend our competitive advantage



To **shape the market** as the industry's thought leader

3. Accelerate growth engines and capture opportunity



To **drive our success** in the next cycle

Our Approach Is Paying Off



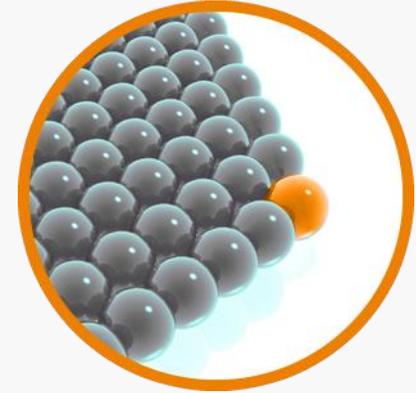
MANAGING SMARTLY THROUGH ECONOMIC CHALLENGES

- > 18% Non-GAAP Operating Margin
- > Long-term cost benefits



EXTENDING INDUSTRY LEADERSHIP

- > 11 CxO's at Board of Advisors Meeting representing 800M subs
- > Introducing new solutions (e.g. BSS Product Pack)



SEVERAL GROWTH DRIVERS OUTPERFORMING

- > Cable growing double digits in FY08 and 1H09
- > Significant wins in Interactive
- > Managed Services deals

The Right Leadership Team

- > Strong and deep leadership team
 - > Ten seasoned senior executives and 30+ senior business leaders supporting 17,000+ employees
- > Hearing from four leaders today
 - > Jim Liang: SVP, Strategy and Corporate Development
 - > Ayal Shiran: President, Customer Business Group
 - > Brian Shepherd: President, Amdocs Interactive
 - > Tamar Rapaport-Dagim: SVP, Chief Financial Officer

The Right Team in Place to Take Advantage of the
Opportunities in Front of Us

Key Conclusions

- > Executing Well Against Difficult Conditions
- > Expect to Emerge Stronger
- > Right Assets and Leadership Team

We Are Very Optimistic About the Future of Amdocs,
Though Realistic About Current Conditions

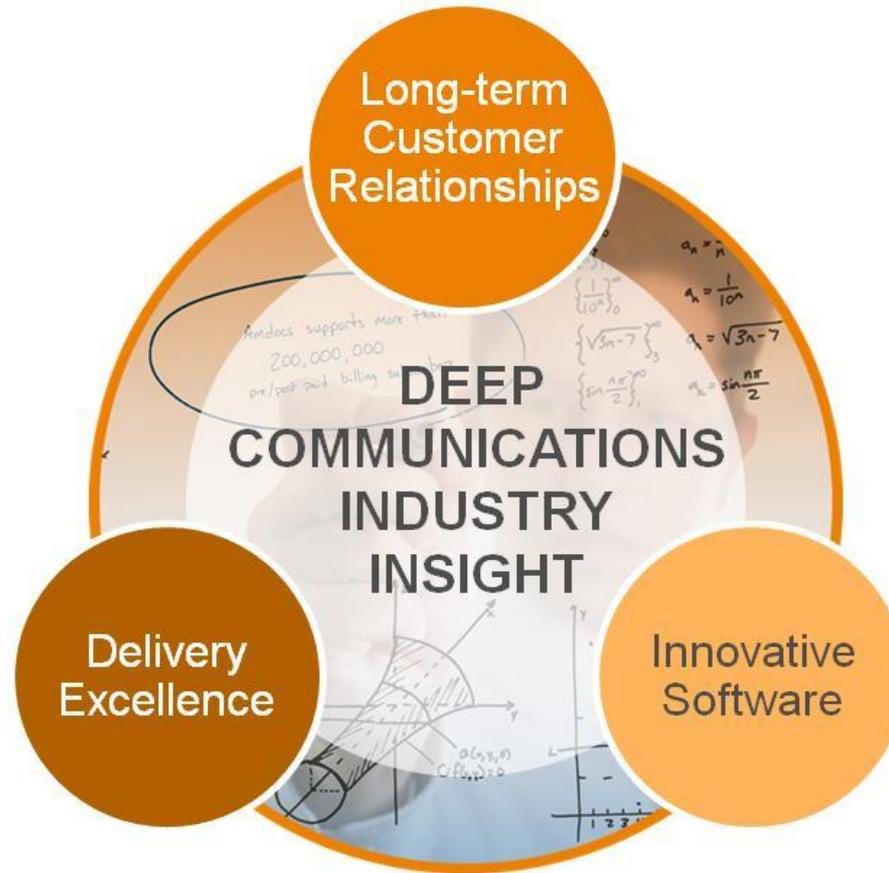
Amdocs Strategy and OSS Updates



Jim Liang

Senior Vice President, Strategy and Corporate Development

Amdocs Strategy



Provide Comprehensive Solutions to Service Providers Globally

Managing a Portfolio of Opportunities



Established Markets Portfolio

Growth primarily realized through share gains

- > Cable & Satellite
- > Managed Services
- > Core BSS



Evolving Markets Portfolio

Growth realized through higher market growth rates and share gains

- > OSS
- > Interactive
- > Emerging Markets

Framing Some of the Opportunities

	Total Market Size*	Market Growth Rate*	Amdocs Opportunity Relative to Market	Current Contribution to Amdocs (not mutually exclusive)
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Established Markets Portfolio

Cable	= \$4bn	Mid single digit	• Gain Share	~10% of revenue
Managed Services	= \$14bn of internal IT spend	Low single digit	• Capture Internal Spend	~40% of revenue



Evolving Markets Portfolio

Interactive Emerging Markets OSS	= \$20bn+	High single digit to low double digit	• Gain Share • Consolidation	~20% of revenue (no one business contributes greater than 10% of total revenue)
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*Source: Gartner, May 2009 and internal estimates.

M&A Supports Long-term Strategy

1. Must fit with strategic roadmap
 - > Attractive product add-ons (e.g. ChangingWorlds)
 - > Enable entry into new, attractive segments
2. Apply strict financial discipline
 - > NPV approach to deal evaluation
 - > Accretion/dilution; tolerance depends on strategic value of the deal
 - > Higher scrutiny of larger transactions



OSS Strategy Update

What is our Opportunity in OSS?

- > Big market
 - > \$15bn of external spend in the areas we serve today
- > Fragmented vendor environment
 - > No player commanding more than 5% market share
- > Spending is growing in the high-single digits with pockets of double digit growth

Market is Big, Fragmented and Growing

Why Amdocs Can Win in OSS

- > Superior business model
 - > Point software vendors cannot address strategic needs
 - > SI's feeding off complexity and point software products
- > Amdocs has unique combination of assets
 - > Existing relationships with service providers
 - > Best-of-suite solutions
 - > Best-in-class delivery capabilities
 - > Balance sheet to support consolidation efforts

We Can Repeat the BSS Success We've Enjoyed in OSS

Progress in OSS

- > **Expanded Product Leadership**
 - > Introduced next generation OSS suite (inventory, fulfillment, and activation)
 - > Entered Cable OSS via JacobsRimell
 - > BSS-OSS synergy
- > **Created Global Delivery Services**
 - > Critical mass of resources and projects in production
- > **Building Customer Momentum Globally**
 - > Announced 10+ deals in the last year
 - > Meaningful penetration into North America

Break



The Amdocs Business Model



Ayal Shiran
President, Amdocs Customer Business Group

The Amdocs Business Model

- > Amdocs operates under two primary delivery models:
 - > License and services
 - > New projects: Licenses, consulting, implementation, integration, customization, etc.
 - > On-going support services, maintenance and subsequent license fees
 - > Managed services
 - > Long-term outsourcing agreements
 - > Project work to enhance systems functionality

License and Services Spectrum

Licenses and Services

Compact
Convergence and
Point Solutions

Product Packs

Multi-product
Implementation

Comprehensive
Transformation

Year 1
Revenue

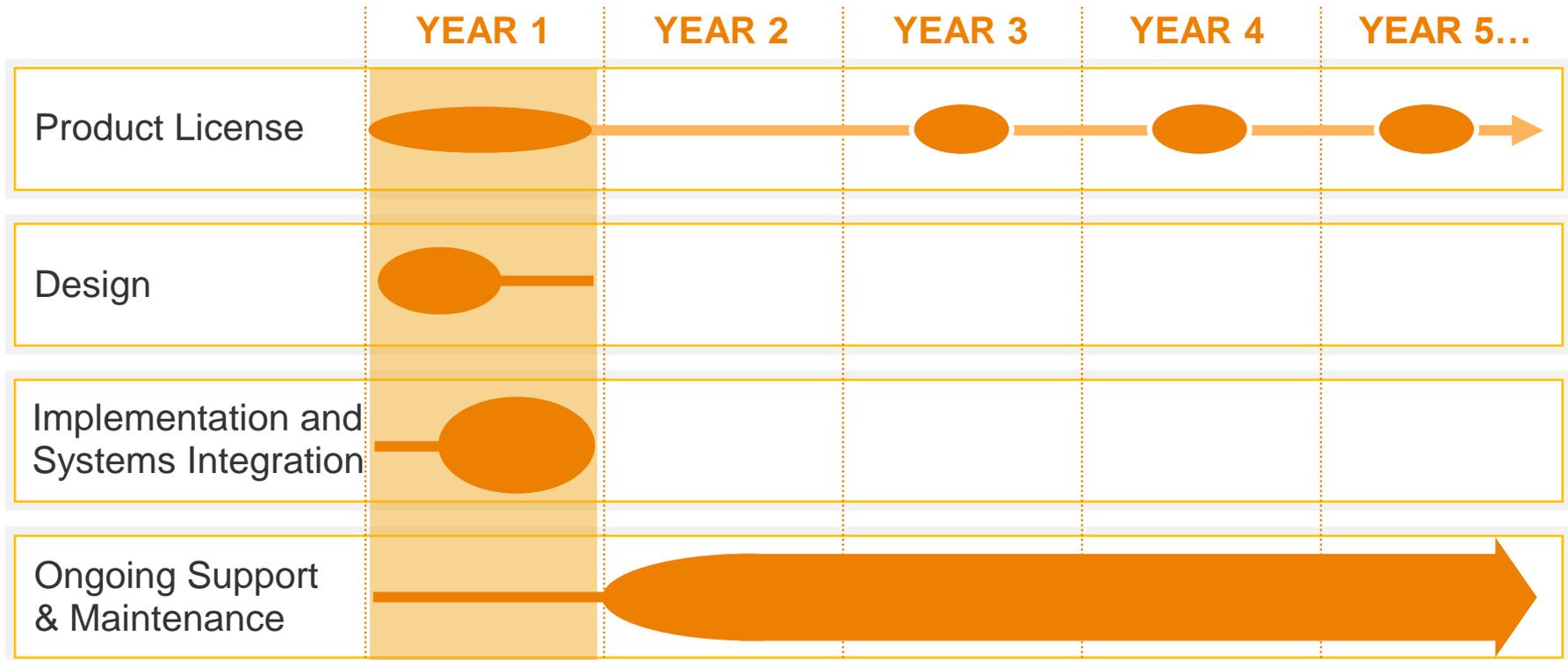
\$2mn

\$20mn+



Addressing the Full Spectrum of Customer Needs Across
Customer Tiers and Geographies

License and Services Revenue Model

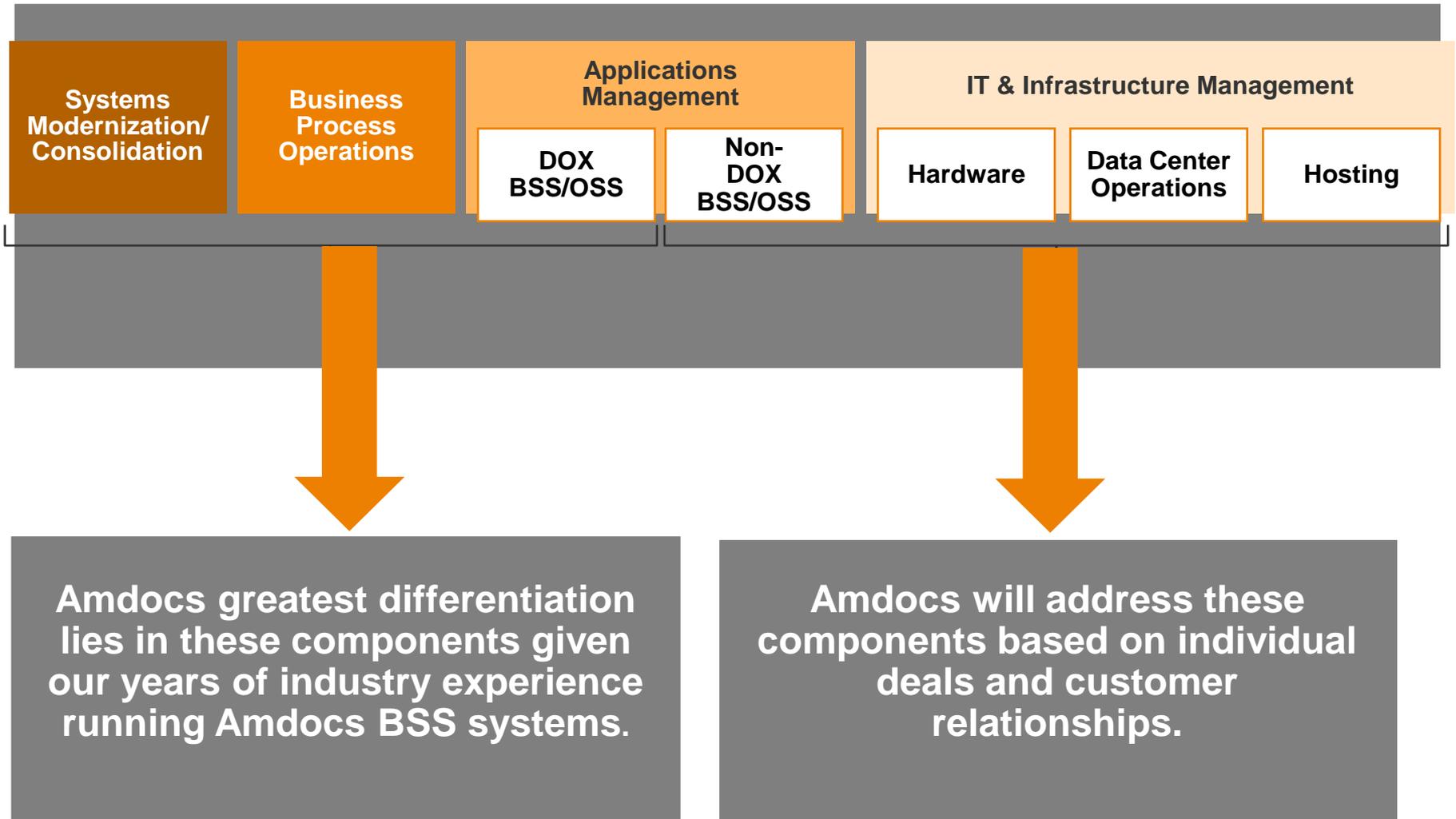


Ongoing Support Services

- > Examples of activities that drive customer need for ongoing support services:
 - > Regulatory changes
 - > Impacts from 3rd party software / hardware changes
 - > Major new or expanded functionality
 - > Consolidation or organizational changes
 - > New lines of business
 - > Interfaces to new systems / other systems
 - > Network changes or upgrades

Amdocs is the Natural Choice for these Ongoing Activities:
We Know our Systems and our Customers Best

Amdocs Managed Services: Inside Out Approach



Managed Services: Value Proposition & Competitive Advantage

Managed Services Value Proposition



I. OPERATIONAL

- > Better SLAs/KPIs
- > Improved Productivity & Quality



II. STRATEGIC

- > Business Agility & Modernization
- > Reduced Risks
- > Focus on Core Business



III. FINANCIAL

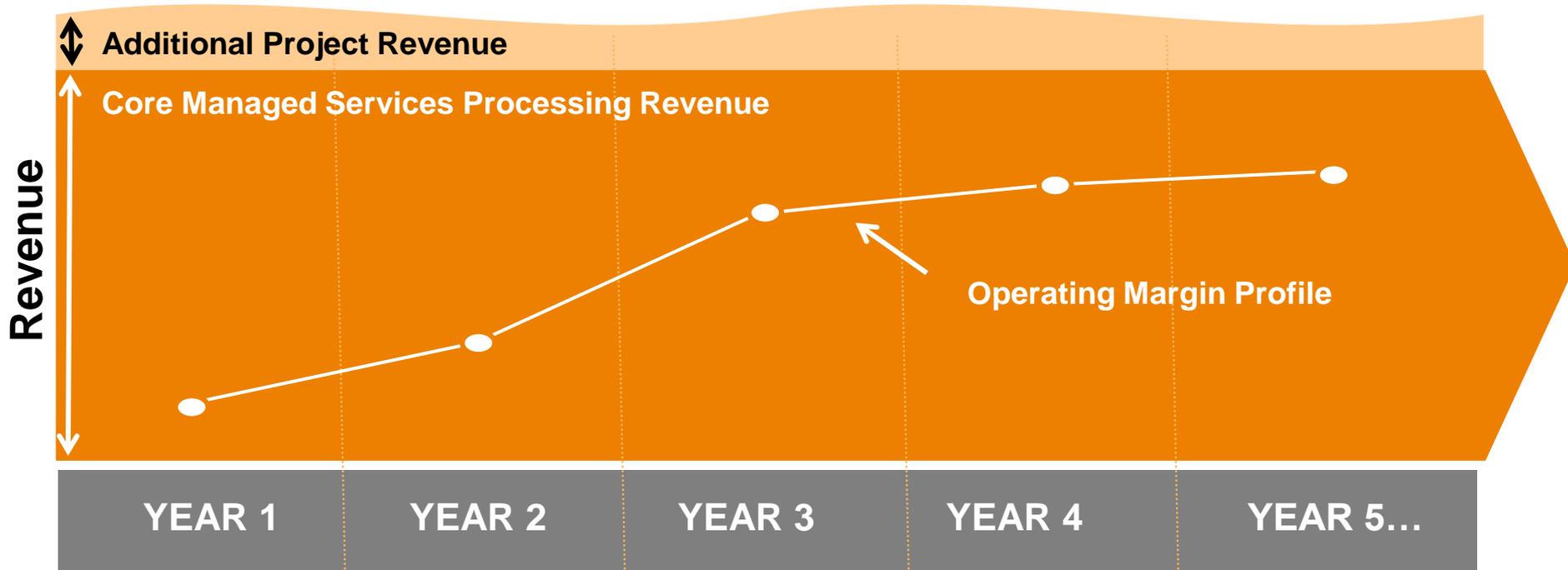
- > Reduced Operational Costs
- > Lower Transformation Costs
- > Financial Flexibility for the Customer

Amdocs Competitive Advantage

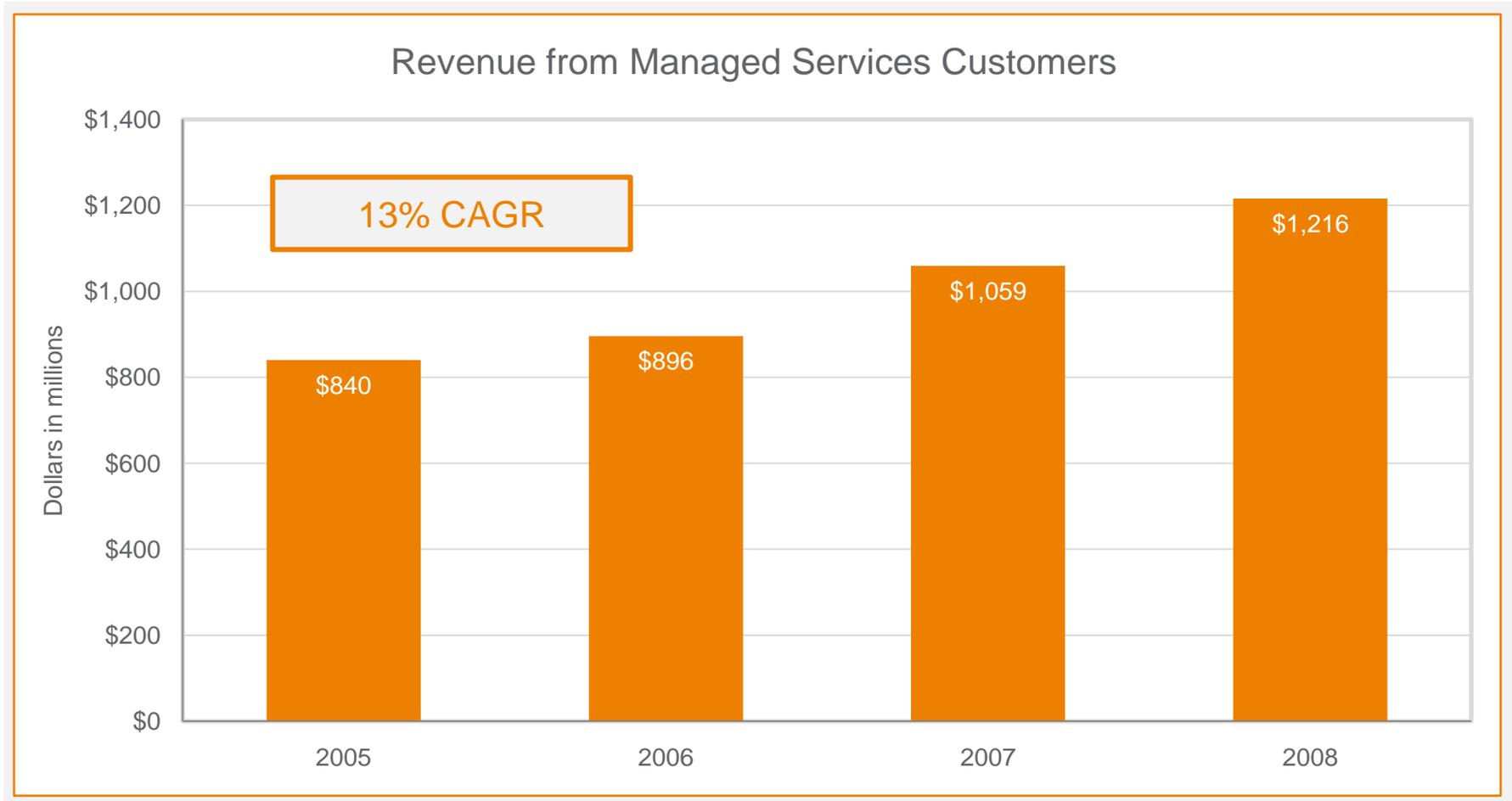
- ✓ Knowledge of our Applications – “we operate our systems best”
- ✓ Domain Expertise & Best Practices
- ✓ CES Products
- ✓ Full Accountability – “one throat to choke”

Managed Services Revenue and Margin

- > Revenue from Managed Services customers includes:
 - > Processing revenue with long-term contracts
 - > Additional project revenue which may fluctuate over time
- > Margin expansion occurs over the life of the deal



Revenue from Managed Services Customers



Progress in Managed Services

- > Driving Profitability of Current Portfolio
- > Significant Senior Management Involvement
- > Created Global Strategic Sourcing Group (GSS)
- > Continued Customer Momentum
 - > Clearwire and MetroPCS announced in the last year
 - > Making progress in Europe
 - > Pipeline activity increased due to industry focus on cost containment



Emerging Markets Update

Progress in Emerging Markets

- > Established Emerging Markets Group
 - > Better addressing total cost of ownership
 - > More investment in sales and marketing
- > Introduced Targeted Product Offerings
 - > CES 7.5 Product Packs
 - > Compact Convergence
- > Continued Customer Momentum
 - > 16 announced deals in the last year spanning our spectrum of offerings

Summary

- > Flexible Business Model and Product Breadth Can Meet a Wide Range of Customer Needs
- > Business Model and Delivery Options Produce a Strong Base of Recurring Revenue
- > Amdocs is Better Equipped to Address the Emerging Markets Opportunity

Amdocs Cable and Interactive Updates



Brian Shepherd
President, Amdocs Interactive

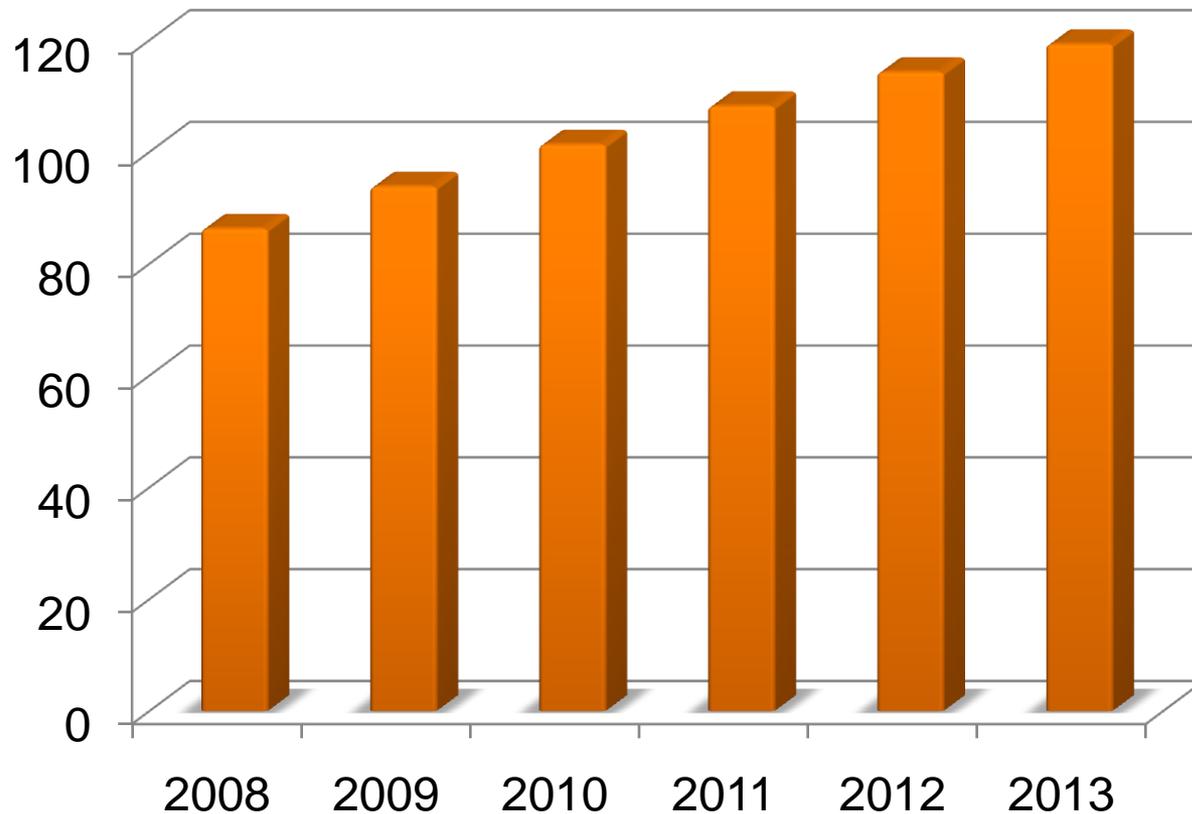
Broadband Cable & Satellite Update

amdocs



A Growing Market

North America Cable Broadband Industry Revenue (\$ in Billions)



- ✓ **Convergence**
- ✓ **High Growth**
- ✓ **Synergistic**

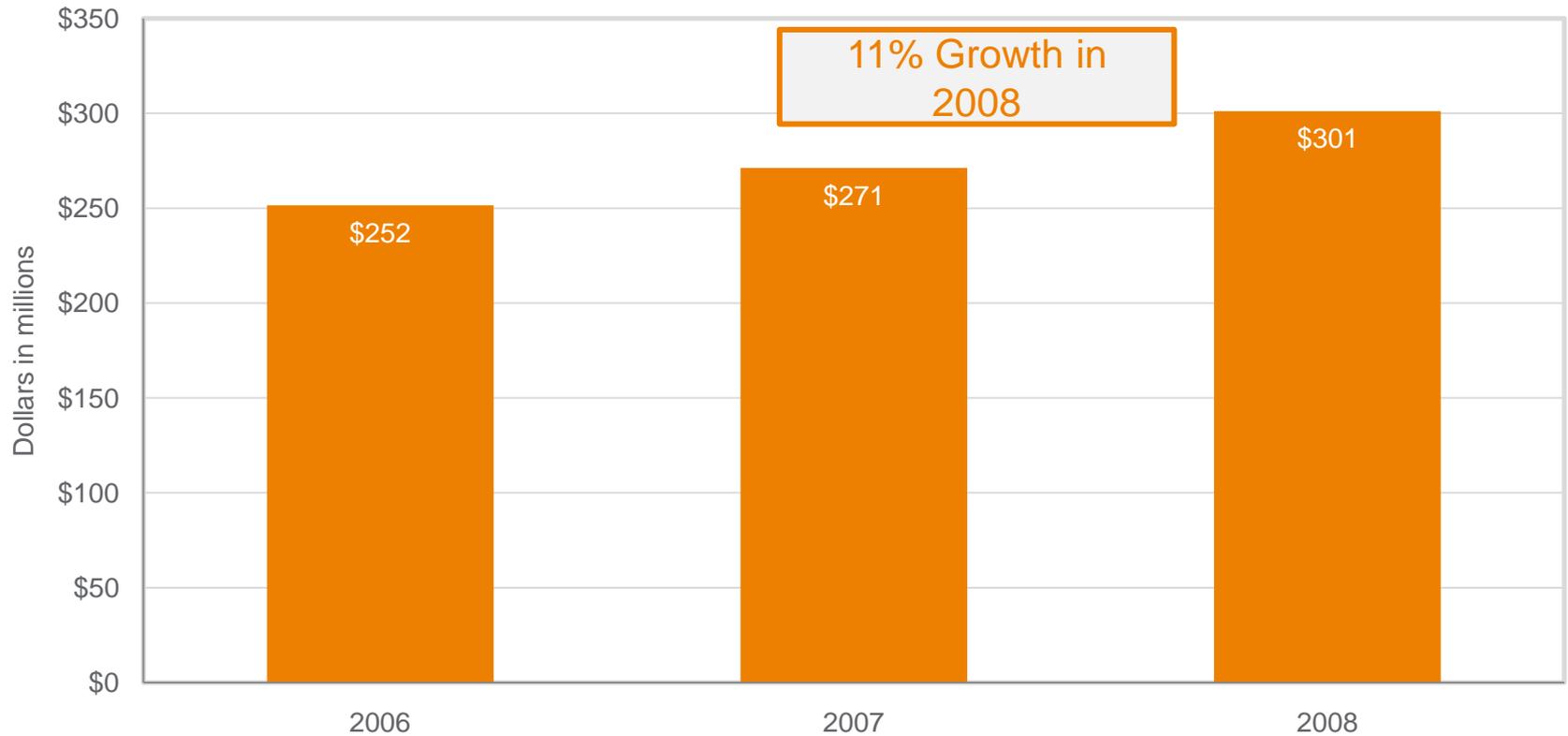
Source: 2008 SNL Kagan

Built the Foundation for Cable Growth



Proof in Our Financial Results

Cable and Satellite Revenue



Cable Industry Leadership

Global Customer Base



Transformation Leadership



Well Positioned for Continued Growth in BSS and Beyond

- > Transforming the aging legacy BSS systems
- > Simplifying complex customer interactions
- > Enabling tru2way™ & OSS transformations
- > Personalizing the digital experience
- > Driving efficiencies through modernization & Managed Services
- > Growth from: new subs, new logos, new products and new services



amdocs interactive

amdocs

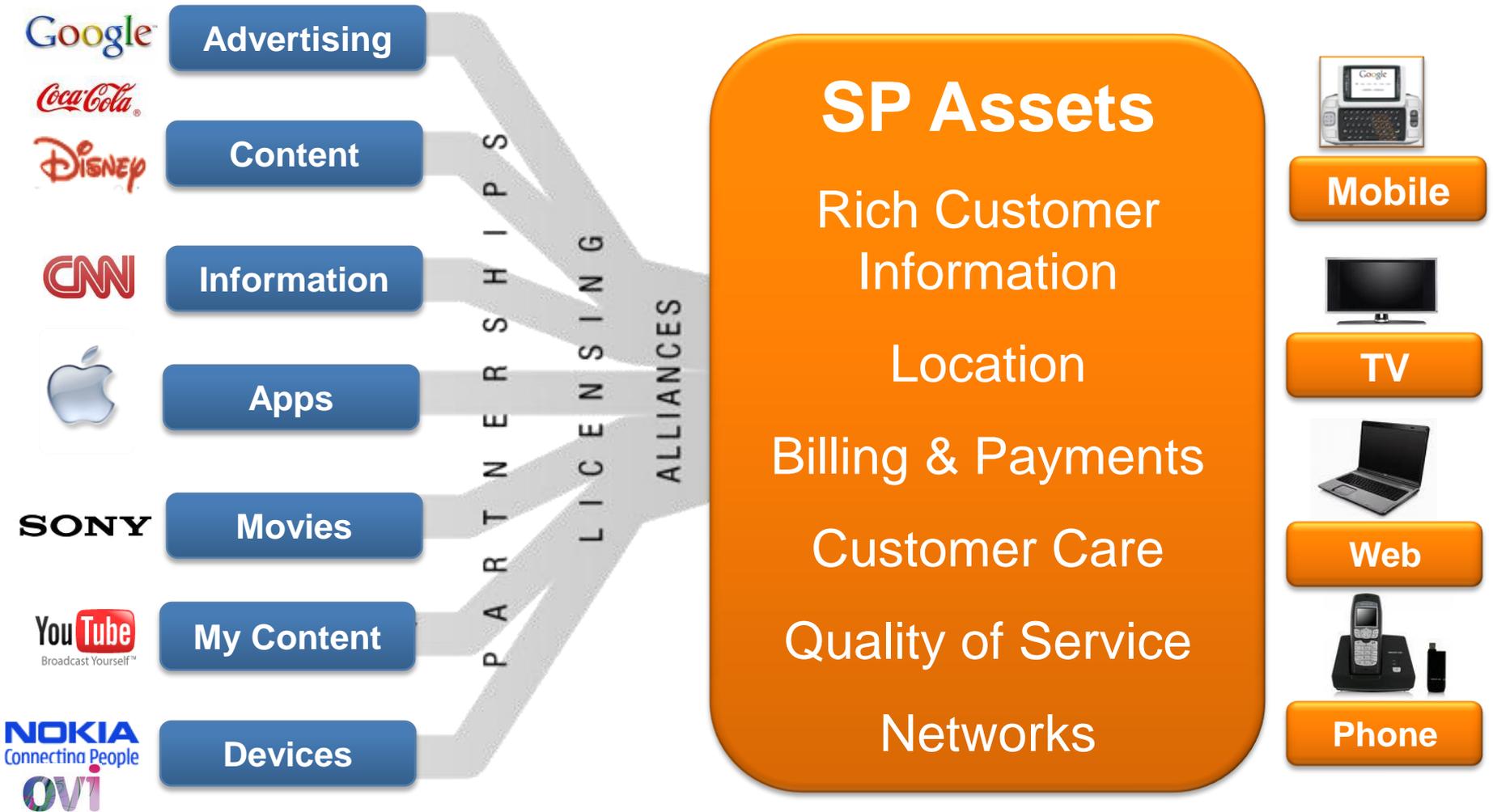
Industry Reaching an Inflection Point

- > Three key factors are driving increased activity in the digital economy
 1. Ubiquitous, higher bandwidth connectivity
 2. Smartphone adoption
 3. Consumers expect a different experience
- > Service Providers are investing
- > Fragmented vendor market

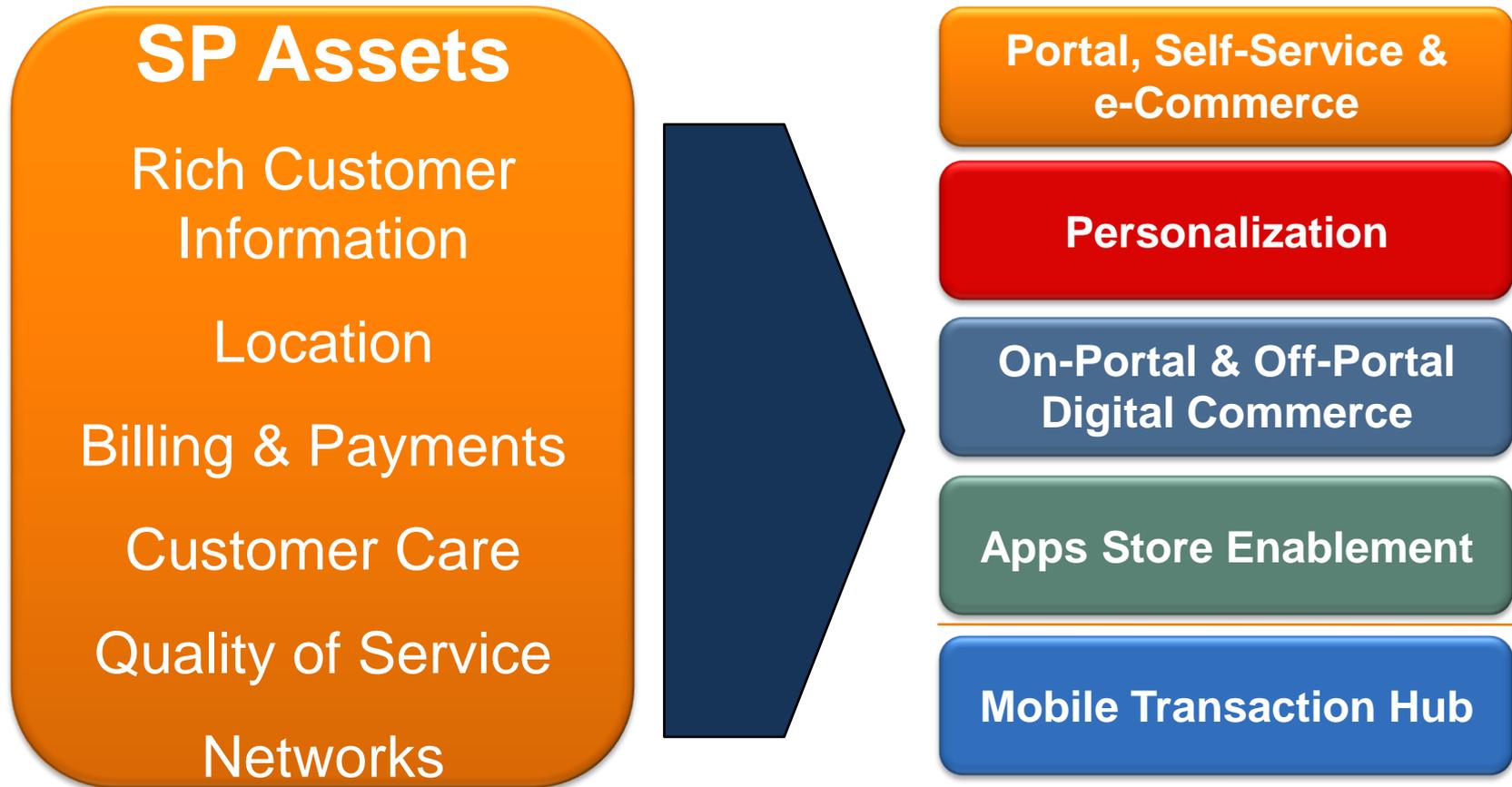
Misperception of a "Winner Take All" Market



Service Providers Have Valuable Assets

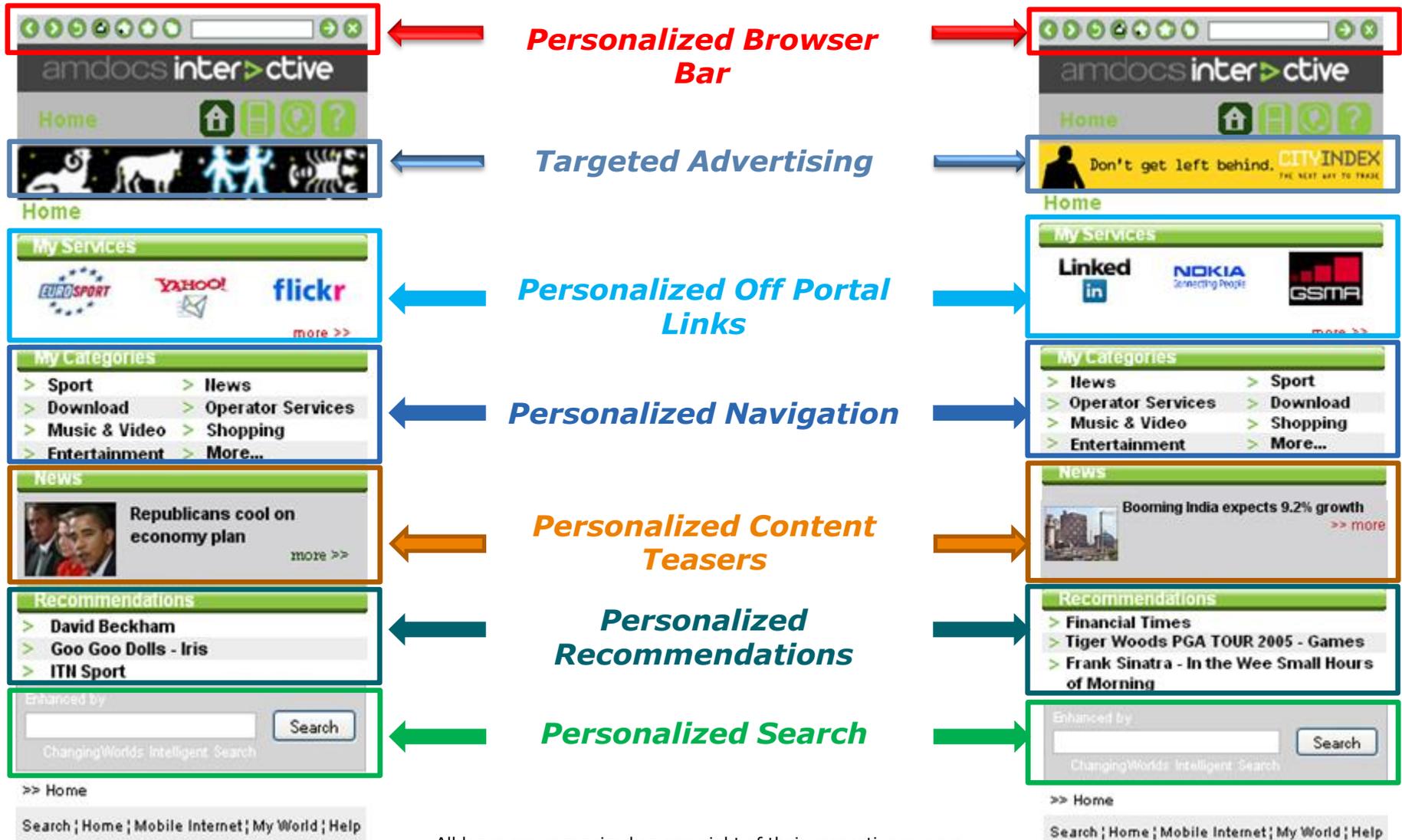


Amdocs Interactive Offerings



Amdocs Interactive Helps Service Providers Unlock the Unique Value of their Assets

Personalization



App Store Enablement

blue app store - developer center
Powered by Amdocs Interactive

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- Other

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Personal Messages API (Messeging)

 Personal Messages API It allows you to access information about the messages received (email, SMS and MMS) of the subscriber.

[Read More](#) [API Reference](#) [Usage & Fees](#) [Remove](#)

Contacts API (Social)

 Contacts API It allows you to access and update the subscriber address book.

[Read More](#) [API Reference](#) [Usage & Fees](#) [Add to Cart](#)

Authentication API (Security)

 Authentication API: allows you to perform basic authentication and privacy functionality simplifying access for subscriber by allowing them to use their account credentials.

[Read More](#) [API Reference](#) [Usage & Fees](#) [Add to Cart](#)

Device Capability Enabler (Other)

 Device Capability Enabler allows you to query an extensive, and up-to-date, mobile devices database maintained by the SP. The content can be used to adapt application screens to the capabilities of mobile devices.

[Read More](#) [API Reference](#) [Usage & Fees](#) [Add to Cart](#)

location API (Mapping)

 allows you to locate a subscriber's mobile location within your application.

[Read More](#) [API Reference](#) [Usage & Fees](#) [Add to Cart](#)

SDK Builder: API Cart [Help](#)

1. Add API's to the Cart

<input checked="" type="checkbox"/>	Personal Messages API	info
<input checked="" type="checkbox"/>	Contacts API	info
<input checked="" type="checkbox"/>	Location API	info

2. Select your desired development Framework
3. Download the customized SDK

Download or [Save for Later](#)

Latest Discussions [View All](#)

- RE: E220 not working on Ubuntu 8.04 by andrewsmith
- RE: My data getting changed on Blue by h.burguer
- SocialPlayer Feedback - NOKIA N95_8GB-1 by Shiran.G
- Any success using Huawei E220 on Fedora 9? by yoshi che
- A-GPS support on the N8x0 is coming with Diabli by guest
- mail search with gears released google i o presentation slides by andrewsmith
- Problem with appData and/or using has_app... by h.burguer
- Sorry! an unexpected error has occurred... by Shiran.G
- Can't edit CSS in application Profile by yoshi che
- opensocial.requestCreateActivity() returns Internal Error by guest

OpenMarket Mobile Transaction Hub



OpenMarket Reaches 98% of US Subscribers

Amdocs Interactive Sample Deals

Customer:

- Telefónica Europe



Project:

- Mobile Internet Solution supporting four O2 opcos – UK, Germany, Czech Republic, Ireland
- Enabling customers to have a personalized mobile browsing experience on- & off-portal

Estimated Deal Size:

- Millions of \$'s

Amdocs Interactive Sample Deals

Customer:

- Tier 1 with multiple affiliates

2QFY09
Win

Project:

- Personalized Digital Commerce Solution (including storefront)
- Prime SI role

Estimated Deal Size:

- \$10's of millions

Anticipate Strong Pipeline of Interactive Deals into FY2010

Amdocs Interactive Growth Engine

- > Establish Amdocs Interactive as the recognized market leader for digital online experiences
- > Expand footprint in strategic accounts worldwide
 - > Leverage ChangingWorlds installed base
 - > Cross-sell across the entire Interactive portfolio
- > Accelerate offering and innovation pipeline
 - > R&D, partnerships, M&A
 - > Continue to build consulting expertise
- > Grow hub aggregation business

Financial Update

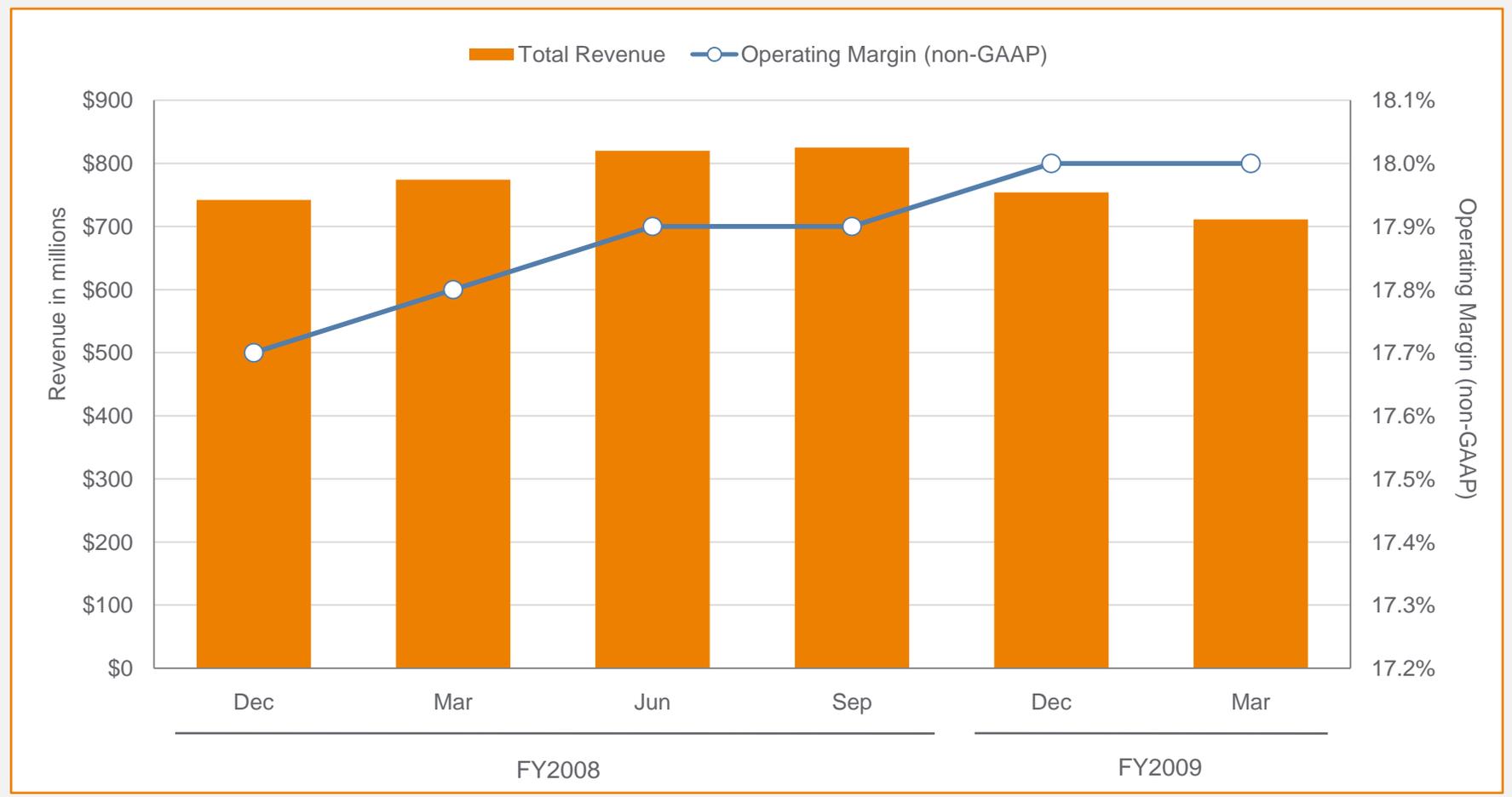


Tamar Rapaport-Dagim
Chief Financial Officer, Amdocs Management Limited

Financial Ramifications of the Downturn

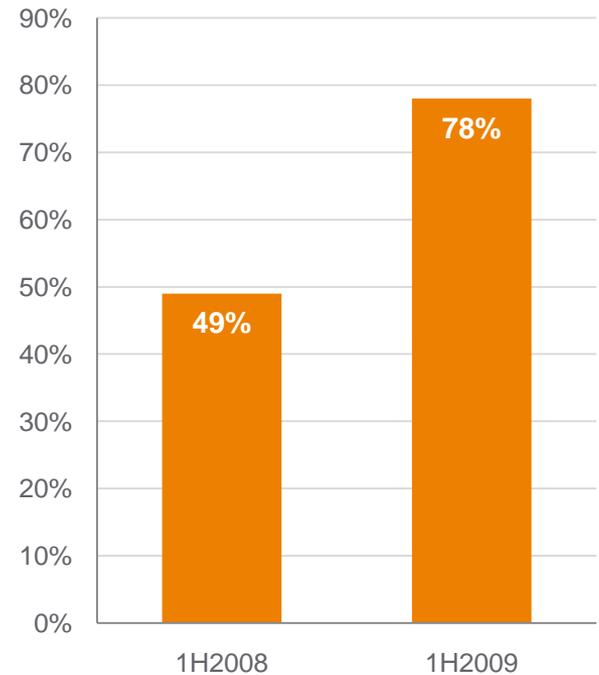
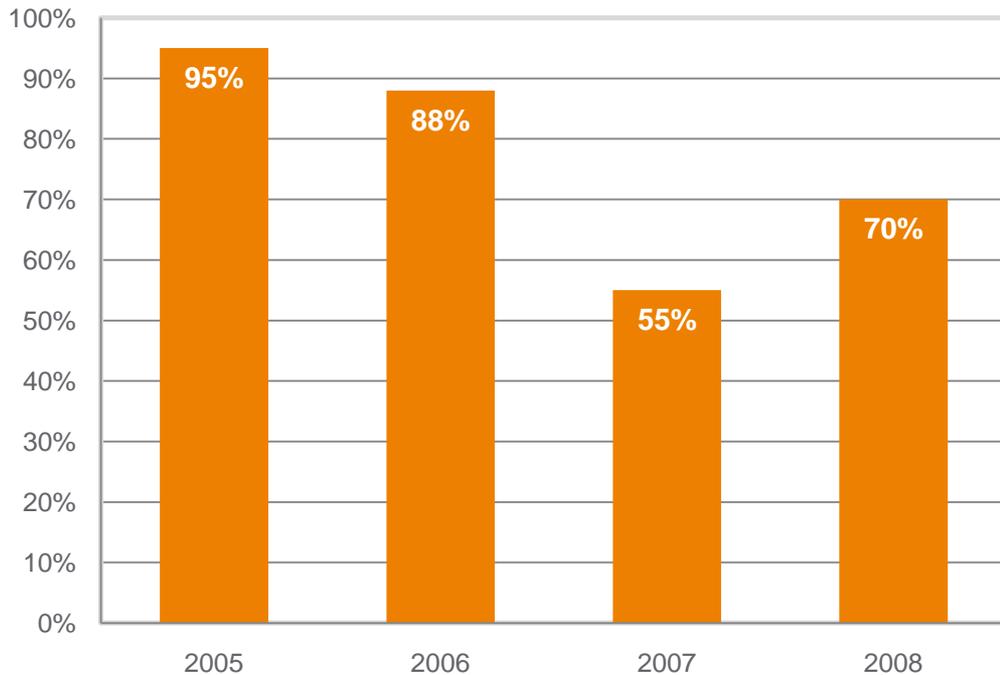
- > Experiencing contraction of total revenue
- > But still some bright spots in a tough environment
- > Fiercely defending margin and cash flow
- > Heightened focus on risk management due to market volatility

Current State of the Business



Cash Conversion Ratio

FCF as a % of Non-GAAP Net Income (Fiscal Year)



Improving our Cash Conversion Ratio After Several Years of Investment in Managed Services

Beyond the Downturn

- > Expected market conditions: reallocation of spend
 1. Service providers will funnel investment dollars toward strategic growth areas
 2. Traditional BSS market growth likely to slow
 3. Industry-wide need to drive efficiency and lower cost

- > Our responses: tilt the portfolio to the opportunity
 1. Sharpen focus on solutions aligned with industry growth initiatives; M&A effort likely to augment our market position
 2. Target Managed Services to accelerate the conversion of internal IT dollars to outsourced spend
 3. Invest in lowering the total cost of ownership for customers

Margin Considerations

- > Near-term cost initiatives are providing margin support:
 - > We have a highly variable cost of services structure
 - > Focus on controlling our operating expenses
- > Long-term margin considerations include the following:
 - > Continuing to increase offshore delivery mix
 - > Managed Services vintage
 - > Balanced by consistent pricing pressure in the market and investments in growth

Cost Efficiency Contributes to our Competitive Advantage,
and is Becoming More Critical

Planning for the Next Cycle

- > Premature to update the full long-term model
- > Factors to consider:
 1. The markets we serve are expected to grow in the mid-single digits
 2. We believe we can continue to take market share and grow in excess of the market rate
 3. Portfolio mix is likely to change over the cycle
 4. Managed Services can create step functions in organic growth
 5. M&A may supplement organic growth
 6. New Managed Services and M&A could adversely impact margins in the short-term

Capital Strategy

> Uses of Cash

- > Invest in growth initiatives via M&A, R&D and Managed Services
- > Sufficient cash levels required to be viewed as a viable vendor by customers and to compete against large-cap rivals
- > Share repurchase remains a lower priority
- > No dividend on the horizon

> Creditworthiness Remains a Priority

- > Retain investment grade rating status (currently: BBB / Baa3)
- > Have flexibility to raise permanent financing when credit conditions improve

Summary

- > **We are Weathering the Storm with Financial Strength**
 - > Continuing to sign important, strategic deals with key customers
 - > Protecting margins and cash flow
 - > Deploying capital to capture opportunity

- > **Our Focus Should Result in Furthering our Competitive Advantage as the Market Improves**
 - > Advancing our thought leadership in the industry
 - > Investing in the next stages of growth
 - > Focusing on the delivery of cost competitive solutions

We Remain Very Optimistic About the Future of Amdocs, though
Realistic About Current Conditions

Thank-You



Key Take-Aways

- > Managing well through current conditions
- > Serving a large, growing, and highly dynamic market
- > Very well positioned for growth in the future

Thank-You

