



Third Quarter Results for Fiscal 2007

July 18, 2007

Amdocs Reports 10% Growth in Quarterly Diluted Non-GAAP Earnings Per Share to \$0.54; Diluted GAAP Earnings Per Share of \$0.40

Key highlights:

- Third quarter revenue increased 14% to \$712 million
- 10% increase in third quarter diluted non-GAAP EPS, excluding acquisition-related costs and equity-based compensation expense, net of related tax effects, to \$0.54, exceeding guidance of \$0.50-\$0.52
- Diluted GAAP EPS of \$0.40 for the quarter
- Free cash flow of \$87 million for the quarter
- Fourth quarter fiscal 2007 guidance: Expected revenue of approximately \$725-\$735 million and diluted non-GAAP EPS of \$0.52-\$0.54, excluding acquisition-related costs and approximately \$0.05-\$0.06 per share of equity-based compensation expense, net of related tax effects. Diluted GAAP EPS is expected to be approximately \$0.40-\$0.43

St. Louis, MO - July 18, 2007 - Amdocs Limited (NYSE: DOX) today reported that for the quarter ended June 30, 2007, revenue was \$712.1 million, an increase of 13.7% from last year's third quarter. Net income on a non-GAAP basis was \$120.6 million, or \$0.54 per diluted share (excluding acquisition-related costs, which include amortization of purchased intangible assets and excluding equity-based compensation expense, net of related tax effects, of \$32.4 million), compared to non-GAAP net income of \$106.2 million, or \$0.49 per diluted share, in the third quarter of fiscal 2006 (excluding acquisition-related costs, which include amortization of purchased intangible assets and the write-off of in-process research and development and excluding equity-based compensation expense, net of related tax effects, of \$20.6 million). The Company's GAAP net income was \$88.2 million, or \$0.40 per diluted share, compared to GAAP net income of \$85.6 million, or \$0.39 per diluted share, in the third quarter of fiscal 2006. Free cash flow for the quarter was \$87.1 million, comprised of cash flow from operations of \$126.5 million less \$39.4 million in net capital expenditures and other.

"One of Amdocs' key differentiators is that our customers - the leading service providers in the world - view us as a strategic partner, and that translates into long-term relationships and continued new business opportunities with those customers. In fact, while we enjoyed new wins, much of the growth in revenue and earnings this quarter was driven by existing business," said Dov Baharav, chief executive officer of Amdocs Management Limited. "As service providers continue to transform themselves, Amdocs remains the partner of choice to deliver complex projects. During the quarter we met a number of key delivery milestones for our customers, which will lead to expanded business opportunities in the future."

Baharav continued, "Amdocs is the only company to comprehensively address service providers' needs for customer experience systems innovation, offering the market-defining software portfolio combined with services that extend from strategy to execution. We combine relentless innovation with an unmatched foundation of business process best practices. We enjoy a unique competitive advantage steeped in industry expertise and unmatched experience working with the market leaders. We have sound reason to be excited about the opportunities for Amdocs and the growth of our company in the years to come."

Amdocs new business included a variety of wins across geographies and lines of business. These wins include a transformation project to extend into OSS for a customer that is currently using Amdocs BSS systems. In the broadband cable and satellite market, the Company continued to convert subscribers onto an Amdocs system. The Company had other wins supporting next generation projects around the world and wins in the emerging markets.

Financial Outlook

Amdocs expects that revenue for the fourth quarter of fiscal 2007 will be approximately \$725-\$735 million. Diluted earnings per share on a non-GAAP basis for the fourth quarter are expected to be \$0.52-\$0.54, excluding acquisition-related costs and approximately \$0.05-\$0.06 per share of equity-based compensation expense, net of related tax effects. Diluted GAAP EPS is expected to be approximately \$0.40-\$0.43.

Amdocs will host a conference call on July 18, 2007 at 5 p.m. Eastern Time to discuss the Company's third quarter results. The call will be carried live on the Internet via www.InvestorCalendar.com and the Amdocs website, www.amdocs.com.

Non-GAAP Financial Measures

This release includes non-GAAP diluted earnings per share and other non-GAAP financial measures, including free cash flow, non-GAAP cost of service, non-GAAP research and development, non-GAAP selling, general and administrative, non-GAAP operating income, non-GAAP income taxes and non-GAAP net income. These non-GAAP measures exclude the following items:

- amortization of purchased intangible assets;

- in-process research and development write-off and other;
- restructuring charges;
- equity-based compensation expense; and
- tax effects related to the above.

These non-GAAP financial measures are not in accordance with, or an alternative for, generally accepted accounting principles and may be different from non-GAAP financial measures used by other companies. In addition, these non-GAAP financial measures are not based on any comprehensive set of accounting rules or principles. Amdocs believes that non-GAAP financial measures have limitations in that they do not reflect all of the amounts associated with Amdocs' results of operations as determined in accordance with GAAP and that these measures should only be used to evaluate Amdocs' results of operations in conjunction with the corresponding GAAP measures.

Amdocs believes that the presentation of non-GAAP diluted earnings per share and other financial measures, including free cash flow, non-GAAP cost of service, non-GAAP research and development, non-GAAP selling, general and administrative, non-GAAP operating income, non-GAAP income taxes and non-GAAP net income, when shown in conjunction with the corresponding GAAP measures, provides useful information to investors and management regarding financial and business trends relating to its financial condition and results of operations as well as the net amount of cash generated by its business operations after taking into account capital spending required to maintain or expand the business.

For its internal budgeting process and in monitoring the results of the business, Amdocs' management uses financial statements that do not include amortization of purchased intangible assets, in-process research and development write-off and other, restructuring charges, equity-based compensation expense, and related tax effects. Amdocs' management also uses the foregoing non-GAAP financial measures, in addition to the corresponding GAAP measures, in reviewing the financial results of Amdocs. In addition, Amdocs believes that significant groups of investors exclude these non-cash expenses in reviewing its results and those of its competitors, because the amounts of the expenses between companies can vary greatly depending on the assumptions used by an individual company in determining the amounts of the expenses.

Amdocs further believes that, where the adjustments used in calculating non-GAAP diluted earnings per share are based on specific, identified amounts that impact different line items in the Consolidated Statements of Income (including cost of service, research and development, selling, general and administrative, operating income, income taxes and net income), it is useful to investors to understand how these specific line items in the Consolidated Statements of Income are affected by these adjustments.

Please refer to the Reconciliation of Selected Financial Metrics from GAAP to Non-GAAP tables below.

About Amdocs

Amdocs is the market leader in customer experience systems innovation, enabling world-leading service providers to deliver an integrated, innovative and the intentional customer experience™ - at every point of service. Amdocs provides solutions that deliver customer experience excellence, combining the software, service and expertise to help our customers execute their strategies and achieve service, operational & financial excellence. A global company with revenue of \$2.48 billion in fiscal 2006, Amdocs has over 16,000 employees and serves customers in more than 50 countries around the world. For more information, visit Amdocs at www.amdocs.com.

This press release includes information that constitutes forward-looking statements made pursuant to the safe harbor provision of the Private Securities Litigation Reform Act of 1995, 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 risks and uncertainties that may cause future results to differ 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, Amdocs ability to successfully integrate acquired businesses, adverse effects of market competition, rapid technological shifts that may render the Company's products and services obsolete, potential loss of a major customer, our ability to develop long-term relationships with our customers, and risks associated with operating businesses in the international market. Amdocs may elect to update these forward-looking statements at some point in the future; however, the Company specifically disclaims any obligation to do so. 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 for the fiscal year ended September 30, 2006 and in our quarterly Form 6-K furnished on February 6 and May 11, 2007.

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AMDOCS LIMITED
Selected Financial Metrics
(in thousands, except per share data)

	Three months ended June 30,		Nine months ended June 30,	
	2007	2006	2007	2006
Revenue	\$ 712,091	\$ 626,448	\$ 2,109,484	\$ 1,814,605
Non-GAAP operating income	123,843	112,380	365,809	319,889
Non-GAAP net income	120,576	106,169	353,163	291,678
Non-GAAP diluted earnings per share (1)	\$ 0.54	\$ 0.49	\$ 1.60	\$ 1.35
Diluted weighted average number of shares outstanding	223,775	220,109	222,997	217,633

- (1) Restructuring charges, in-process research and development and other for the nine months ended June 30, 2007 include the following: restructuring charges of \$6,011, in-process research and development of \$2,666 offset by other acquisition related income of \$1,916. Restructuring charges, in-process research and development and other for the three and nine months ended June 30, 2006 include in-process research and development of \$8,415.
- (2) To reflect the impact of assumed conversion of the convertible notes, \$985 and \$2,955, representing interest expense and amortization of issuance costs, were added back to net income for the three and nine months ended June 30, 2007, respectively, and \$985 and \$2,964 were added back to net income for the three and nine months ended June 30, 2006, respectively, for the purpose of computing diluted earnings per share.

AMDOCS LIMITED
Reconciliation of Selected Financial Metrics from GAAP to Non-GAAP
(in thousands)

	Three months ended June 30, 2007				
	GAAP	Reconciliation items			Non-GAAP
Amortization of purchased intangible assets		Equity based compensation expense	Tax effect		
Operating expenses:					
Cost of license	\$ 960	\$ -	\$ -	\$ -	\$ 960
Cost of service	448,795	-	(6,587)	-	442,208
Research and development	56,727	-	(1,734)	-	54,993
Selling, general and administrative	94,445	-	(4,358)	-	90,087
Amortization of purchased intangible assets	19,175	(19,175)	-	-	-
Total operating expenses	620,102	(19,175)	(12,679)	-	588,248
Operating income	91,989	19,175	12,679	-	123,843
Income taxes	18,098	-	-	(541)	17,557
Net income	\$ 88,181	\$ 19,175	\$ 12,679	\$ 541	\$ 120,576

Three months ended
June 30, 2006

	Reconciliation items					Non-GAAP
	GAAP	Amortization of purchased intangible assets	In-process research and development	Equity based compensation expense	Tax effect	
Operating expenses:						
Cost of license	\$ 995	\$ -	\$ -	\$ -	\$ -	\$ 995
Cost of service	402,626	-	-	(4,165)	-	398,461
Research and development	46,455	-	-	(1,232)	-	45,223
Selling, general and administrative	74,940	-	-	(5,551)	-	69,389
Amortization of purchased intangible assets	8,547	(8,547)	-	-	-	-
Restructuring charges, in-process research and development and other	8,415	-	(8,415)	-	-	-
Total operating expenses	541,978	(8,547)	(8,415)	(10,948)	-	514,068
Operating income	84,470	8,547	8,415	10,948	-	112,380
Income taxes	13,823	-	-	-	7,326	21,149
Net income	\$ 85,585	\$ 8,547	\$ 8,415	\$ 10,948	\$ (7,326)	\$ 106,169

AMDOCS LIMITED
Reconciliation of Selected Financial Metrics from GAAP to Non-GAAP
(in thousands)

Nine months ended
June 30, 2007

	Reconciliation items					Non-GAAP
	GAAP	Amortization of purchased intangible assets	Restructuring charges, in-process research and development and other	Equity based compensation expense	Tax effect	
Operating expenses:						
Cost of license	\$ 3,046	\$ -	\$ -	\$ -	\$ -	\$ 3,046
Cost of service	1,330,776	-	-	(18,914)	-	1,311,862
Research and development	174,929	-	-	(5,099)	-	169,830
Selling, general and administrative	274,895	-	-	(15,957)	-	258,938
Amortization of purchased intangible assets	55,785	(55,785)	-	-	-	-
Restructuring charges, in-process research and development and other	6,761	-	(6,761)	-	-	-
Total operating expenses	1,846,191	(55,785)	(6,761)	(39,970)	-	1,743,675
Operating income	263,293	55,785	6,761	39,970	-	365,809
Income taxes	31,527	-	-	-	18,047	49,574
Net income	\$ 268,694	\$ 55,785	\$ 6,761	\$ 39,970	\$ (18,047)	\$ 353,163

AMDOCS LIMITED
Reconciliation of Selected Financial Metrics from GAAP to Non-GAAP
(in thousands)

Nine months ended
June 30, 2006

	Reconciliation items					Non-GAAP
	GAAP	Amortization of purchased intangible assets	In-process research and development	Equity based compensation expense	Tax effect	
Operating expenses:						
Cost of license	\$ 2,973	\$ -	\$ -	\$ -	\$ -	\$ 2,973
Cost of service	1,166,010	-	-	(12,237)	-	1,152,773
Research and development	131,392	-	-	(3,041)	-	128,351
Selling, general and administrative	227,289	-	-	(16,670)	-	210,619
Amortization of purchased intangible assets	23,588	(23,588)	-	-	-	-
Restructuring charges, in-process research and development and other	8,415	-	(8,415)	-	-	-
Total operating expenses	1,558,667	(23,588)	(8,415)	(31,948)	-	1,494,716
Operating income	255,938	23,588	8,415	31,948	-	319,889
Income taxes	46,916	-	-	-	14,954	61,870
Net income	\$ 242,681	\$ 23,588	\$ 8,415	\$ 31,948	\$ (14,954)	\$ 291,678

AMDOCS LIMITED
Condensed Consolidated Balance Sheets
(in thousands)

	<i>As of</i>	
	June 30, 2007	September 30, 2006
ASSETS		
Current assets		
Cash, cash equivalents and short-term interest-bearing investments	\$ 1,151,649	\$ 979,381
Accounts receivable, net, including unbilled of \$54,243 and \$54,117 respectively	480,433	425,805
Deferred income taxes and taxes receivable	130,876	136,044
Prepaid expenses and other current assets	93,991	97,476
Total current assets	<u>1,856,949</u>	<u>1,638,706</u>
Equipment, vehicles and leasehold improvements, net	258,272	220,290
Goodwill and other intangible assets, net	1,804,077	1,809,322
Other noncurrent assets	364,502	294,510
Total assets	<u>\$ 4,283,800</u>	<u>\$ 3,962,828</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accruals	\$ 548,126	\$ 597,107
Short-term portion of capital lease obligations and other financing arrangements	2,029	1,963
Deferred revenue	243,917	253,376
Deferred income taxes and taxes payable	209,635	179,241
Total current liabilities	<u>1,003,707</u>	<u>1,031,687</u>
0.50% Convertible notes	460,000	460,000
Noncurrent liabilities and other	315,216	326,976
Shareholders' equity	2,514,877	2,154,165
Total liabilities and shareholders' equity	<u>\$ 4,283,800</u>	<u>\$ 3,962,828</u>