



Second Quarter Results for Fiscal 2007

April 26, 2007

Amdocs Reports 18% Growth in Quarterly Diluted Non-GAAP Earnings Per Share to \$0.52; Diluted GAAP Earnings Per Share of \$0.40

Key highlights:

- Second quarter revenue increased 18% to \$706 million
- 18% increase in second quarter diluted non-GAAP EPS, excluding acquisition-related costs, restructuring charges and equity-based compensation expense, net of related tax effects, to \$0.52
- Diluted GAAP EPS of \$0.40
- Amdocs was awarded a significant managed services contract by AT&T
- Acquisition of SigValue Technologies, Inc. expands Amdocs offering for fast-growing emerging markets
- Third quarter fiscal 2007 guidance: Expected revenue of approximately \$710-\$720 million and diluted non-GAAP EPS of \$0.50 - \$0.52, 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 \$0.38-\$0.41
- Reiterated fiscal 2007 guidance: Expected revenue of approximately \$2.83-\$2.91 billion and diluted non-GAAP EPS of \$2.02-\$2.12, which exclude acquisition-related costs, restructuring charges and approximately \$0.21-\$0.24 per share of equity-based compensation expense, net of related tax effects. Diluted GAAP EPS is expected to be approximately \$1.54-\$1.68

St. Louis, MO – April 26, 2007 – Amdocs Limited (NYSE: DOX) today reported that for the quarter ended March 31, 2007, revenue was \$706.4 million, an increase of 17.5% from last year's second quarter. Net income on a non-GAAP basis was \$114.5 million, or \$0.52 per diluted share (excluding acquisition-related costs, which include amortization of purchased intangible assets, in-process research and development write-off and other, and excluding restructuring charges and equity-based compensation expense, net of related tax effects, of \$27.3 million), compared to non-GAAP net income of \$95.5 million, or \$0.44 per diluted share, in the second quarter of fiscal 2006 (excluding acquisition-related costs, which include amortization of purchased intangible assets, and equity-based compensation expense, net of related tax effects, of \$13.8 million). The Company's GAAP net income was \$87.2 million, or \$0.40 per diluted share, compared to GAAP net income of \$81.8 million, or \$0.38 per diluted share, in the second quarter of fiscal 2006. Free cash flow for the quarter was \$57.9 million, comprised of cash flow from operations of \$91.2 million less \$33.3 million in net capital expenditures.

"We are pleased to report another successful quarter for Amdocs as we continue to execute," said Dov Baharav, chief executive officer of Amdocs Management Limited. "Revenue is at record levels and earnings growth is strong. During the quarter we formally launched our Amdocs 7 suite of products which are generating wins for Amdocs. We are delivering solutions and therefore we are expanding our relationship with key customers as they transform their businesses to address convergence, competition and consolidation. While the timing of individual projects can be difficult to predict, the ongoing trend is clear. Transformation activity is driving demand for our products and services today and should provide Amdocs with growth opportunities for years to come."

Amdocs new business included a variety of wins across geographies and lines of business. These wins include an important managed services contract with AT&T to provide application management services in support of their legacy ordering and wholesale platforms, including software development, testing and production support. In the broadband cable and satellite market, the Company's wins included subscriber conversions onto an Amdocs system. For an existing customer in Europe, Amdocs has been engaged to provide a CRM solution for multiple market segments. Amdocs continues to grow its OSS business with projects including license and services for customers around the globe, including several new logos.

At the end of its first fiscal quarter, the Company projected that its diluted GAAP EPS for the fiscal quarter ending March 31, 2007 would be \$0.35 to \$0.39. The Company anticipated that its non-GAAP EPS would be \$0.49 to \$0.51, excluding acquisition-related costs (which include amortization of purchased intangible assets, in-process research and development write-off and other), and excluding restructuring charges and equity-based compensation expense, net of related tax effects.

As reported, GAAP EPS per diluted share for the second quarter of fiscal 2007 was \$0.40. Non-GAAP EPS per diluted share was \$0.52 for the quarter, excluding acquisition-related costs (which include amortization of purchased intangible assets, in-process research and development write-off and other), and excluding restructuring charges and equity-based compensation expense, net of related tax effects. The excluded pre-tax restructuring charges amounted to approximately \$6 million, reducing GAAP EPS per diluted share by \$0.02. The charges consist primarily of severance and other employment related obligations incurred in connection with Amdocs' measures designed to align its operational structure to its expected future growth and to improve efficiency.

Financial Outlook

Amdocs expects that revenue for the third quarter of fiscal 2007 will be approximately \$710-\$720 million. Diluted earnings per share on a non-GAAP basis for the third quarter are expected to be \$0.50-\$0.52, 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 \$0.38-\$0.41.

Reiterated fiscal 2007 guidance: Expected revenue of approximately \$2.83-\$2.91 billion and diluted non-GAAP EPS of \$2.02-\$2.12, which excludes acquisition-related costs, restructuring charges and approximately \$0.21-\$0.24 per share of equity-based compensation expense, net of related tax effects. Diluted GAAP EPS is expected to be approximately \$1.54-\$1.68.

Amdocs will host a conference call on April 26, 2007 at 5 p.m. Eastern Time to discuss the Company's second 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 combines innovative software and services with deep business knowledge to accelerate implementation of integrated customer management by the world's leading service providers. By delivering a comprehensive portfolio of software and services that spans the customer lifecycle, Amdocs enables service companies to deliver an intentional customer experienceTM, which results in stronger, more profitable customer relationships. Service providers also benefit from a rapid return on investment, lower total cost of ownership and improved operational efficiencies. 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, filed on December 13, 2006 and in our quarterly Form 6-K furnished on February 6, 2007.

AMDOCS LIMITED
Consolidated Statements of Income
(in thousands, except per share data)

	Three months ended March 31,		Six months ended March 31,	
	2007	2006	2007	2006
Revenue:				
License	\$ 37,526	\$ 30,291	\$ 69,270	\$ 61,952
Service	668,835	570,838	1,328,123	1,126,205
	<u>706,361</u>	<u>601,129</u>	<u>1,397,393</u>	<u>1,188,157</u>
Operating expenses:				
Cost of license	1,016	916	2,085	1,978
Cost of service	446,860	388,333	881,981	762,384
Research and development	57,734	41,823	118,202	84,937
Selling, general and administrative	91,280	73,799	180,450	152,349
Amortization of purchased intangible assets	18,912	7,469	36,610	15,041
Restructuring charges, in-process research and development and other (1)	6,761	-	6,761	-
	<u>622,563</u>	<u>512,340</u>	<u>1,226,089</u>	<u>1,016,689</u>
Operating income	83,798	88,789	171,304	171,468
Interest income and other, net	10,899	10,307	22,638	18,721
Income before income taxes	94,697	99,096	193,942	190,189
Income taxes	7,526	17,334	13,429	33,093
Net income	<u>\$ 87,171</u>	<u>\$ 81,762</u>	<u>\$ 180,513</u>	<u>\$ 157,096</u>
Basic earnings per share	<u>\$ 0.42</u>	<u>\$ 0.40</u>	<u>\$ 0.87</u>	<u>\$ 0.78</u>
Diluted earnings per share (2)	<u>\$ 0.40</u>	<u>\$ 0.38</u>	<u>\$ 0.82</u>	<u>\$ 0.74</u>
Basic weighted average number of shares outstanding	<u>207,293</u>	<u>202,515</u>	<u>206,867</u>	<u>201,509</u>
Diluted weighted average number of shares outstanding	<u>222,499</u>	<u>217,919</u>	<u>222,608</u>	<u>216,394</u>

- (1) Restructuring charges, in-process research and development and other for the three and six months ended March 31, 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.
- (2) To reflect the impact of assumed conversion of the convertible notes, \$995 and \$1,970, representing interest expense and amortization of issuance costs, were added back to net income for the three and six months ended March 31, 2007, respectively, and \$979 and \$1,979 were added back to net income for the three and six months ended March 31, 2006, respectively, for the purpose of computing diluted earnings per share.

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

	Three months ended March 31,		Six months ended March 31,	
	2007	2006	2007	2006
Revenue	\$ 706,361	\$ 601,129	\$ 1,397,393	\$ 1,188,157
Non-GAAP operating income	121,437	106,198	241,966	207,509
Non-GAAP net income	114,471	95,534	232,587	185,509
Non-GAAP diluted earnings per share (1)	\$ 0.52	\$ 0.44	\$ 1.05	\$ 0.87
Diluted weighted average number of shares outstanding	222,499	217,919	222,608	216,394

- (1) To reflect the impact of assumed conversion of the convertible notes, \$985 and \$1,970, representing interest expense and amortization of issuance costs, were added back to net income for the three and six months ended March 31, 2007, respectively, and \$979 and \$1,979 were added back to net income for the three and six months ended March 31, 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 March 31, 2007					Non-GAAP
	GAAP	Reconciliation items			Tax effect	
		Amortization of purchased intangible assets	Restructuring charges, in-process research and development and other	Equity based compensation expense		
Operating expenses:						
Cost of license	\$ 1,016	\$ -	\$ -	\$ -	\$ -	\$ 1,016
Cost of service	446,860	-	-	(6,005)	-	440,855
Research and development	57,734	-	-	(1,587)	-	56,147
Selling, general and administrative	91,280	-	-	(4,374)	-	86,906
Amortization of purchased intangible assets	18,912	(18,912)	-	-	-	-
Restructuring charges, in-process research and development and other	6,761	-	(6,761)	-	-	-
Total operating expenses	622,563	(18,912)	(6,761)	(11,966)	-	584,924
Operating income	83,798	18,912	6,761	11,966	-	121,437
Income taxes	7,526	-	-	-	10,339	17,865
Net income	\$ 87,171	\$ 18,912	\$ 6,761	\$ 11,966	\$(10,339)	\$114,471

Three months ended
March 31, 2006

	Reconciliation items				Non-GAAP
	GAAP	Amortization of purchased intangible assets	Equity based compensation expense	Tax effect	
Operating expenses:					
Cost of license	\$ 916	\$ -	\$ -	\$ -	\$ 916
Cost of service	388,333	-	(3,717)	-	384,616
Research and development	41,823	-	(720)	-	41,103
Selling, general and administrative	73,799	-	(5,503)	-	68,296
Amortization of purchased intangible assets	7,469	(7,469)	-	-	-
Total operating expenses	512,340	(7,469)	(9,940)	-	494,931
Operating income	88,789	7,469	9,940	-	106,198
Income taxes	17,334	-	-	3,637	20,971
Net income	\$ 81,762	\$ 7,469	\$ 9,940	\$ (3,637)	\$ 95,534

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

Six months ended
March 31, 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	\$ 2,085	\$ -	\$ -	\$ -	\$ -	\$2,085
Cost of service	881,981	-	-	(12,327)	-	869,654
Research and development	118,202	-	-	(3,365)	-	114,837
Selling, general and administrative	180,460	-	-	(11,599)	-	168,861
Amortization of purchased intangible assets	36,610	(36,610)	-	-	-	-
Restructuring charges, in-process research and development and other	6,761	-	(6,761)	-	-	-
Total operating expenses	1,226,089	(36,610)	(6,761)	(27,291)	-	1,155,427
Operating income	171,304	36,610	6,761	27,291	-	241,966
Income taxes	13,429	-	-	-	18,588	32,017
Net income	\$ 180,513	\$ 36,610	\$ 6,761	\$ 27,291	\$(18,588)	\$232,587

Six months ended
March 31, 2006

	Reconciliation items				
	GAAP	Amortization of purchased intangible assets	Equity based compensation expense	Tax effect	Non-GAAP
Operating expenses:					
Cost of license	\$ 1,978	\$ -	\$ -	\$ -	\$ 1,978
Cost of service	762,384	-	(8,072)	-	754,312
Research and development	84,937	-	(1,809)	-	83,128
Selling, general and administrative	152,349	-	(11,119)	-	141,230
Amortization of purchased intangible assets	15,041	(15,041)	-	-	-
Total operating expenses	1,016,689	(15,041)	(21,000)	-	980,648
Operating income	171,468	15,041	21,000	-	207,509
Income taxes	33,093	-	-	7,628	40,721
Net income	\$ 157,096	\$ 15,041	\$ 21,000	\$ (7,628)	\$ 185,509

AMDOCS LIMITED
Condensed Consolidated Balance Sheets
(in thousands)

	As of	
	March 31, 2007	September 30, 2006
ASSETS		
Current assets		
Cash, cash equivalents and short-term interest-bearing investments	\$ 1,039,435	\$ 979,381
Accounts receivable, net, including unbilled of \$57,977 and \$54,117 respectively	476,224	425,805
Deferred income taxes and taxes receivable	113,650	136,044
Prepaid expenses and other current assets	99,259	97,476
Total current assets	1,728,568	1,638,706
Equipment, vehicles and leasehold improvements, net	242,784	220,290
Goodwill and other intangible assets, net	1,838,383	1,809,322
Other noncurrent assets	352,282	294,510
Total assets	\$ 4,162,017	\$ 3,962,828

LIABILITIES AND SHAREHOLDERS' EQUITY

Current Liabilities

Accounts payable and accruals	\$ 555,573	\$ 597,107
Short-term portion of capital lease obligations and other financing arrangements	2,003	1,963
Deferred revenue	264,663	253,376
Deferred income taxes and taxes payable	176,368	179,241
Total current liabilities	<u>998,607</u>	<u>1,031,687</u>
0.50% Convertible notes	450,000	450,000
Noncurrent liabilities and other	317,824	326,976
Shareholders' equity	2,395,586	2,154,165
Total liabilities and shareholders' equity	<u>\$ 4,162,017</u>	<u>\$ 3,962,828</u>

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