



Fourth Quarter Results for Fiscal 2006

November 11, 2006

Amdocs Reports 28% Growth in Quarterly Diluted Non-GAAP Earnings Per Share to \$0.50; Diluted GAAP Earnings Per Share of \$0.35

Key highlights:

- 2006 revenue grew 22% to \$2.48 billion. Diluted non-GAAP EPS grew 28%; diluted GAAP EPS grew 10%
- Fourth quarter revenue grew 16% to \$665 million
- 28% increase in fourth quarter diluted non-GAAP EPS, excluding acquisition-related costs and equity-based compensation expense, net of related tax effects, to \$0.50
- Diluted GAAP EPS of \$0.35 for the quarter
- Free cash flow of \$101 million for the quarter
- Completed acquisition of Cramer Systems Group Ltd., positioning Amdocs as the leader in the fast-growing OSS market
- First quarter fiscal 2007 guidance: Expected revenue of approximately \$690 million and diluted non-GAAP EPS of \$0.50, 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 \$0.39-\$0.40
- Updated fiscal 2007 guidance: Expected revenue of approximately \$2.89-\$2.97 billion and diluted non-GAAP EPS of \$2.08-\$2.16, which exclude acquisition-related costs and approximately \$0.22-\$0.26 per share of equity-based compensation expense, net of related tax effects. Diluted GAAP EPS is expected to be approximately \$1.62-\$1.74

St. Louis, MO - November 1, 2006 - Amdocs Limited (NYSE: DOX) today reported that for the quarter ended September 30, 2006, revenue was \$665.4 million, an increase of 16.1% from last year's fourth quarter. Net income on a non-GAAP basis was \$109.5 million, or \$0.50 per diluted share (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 \$33.5 million), compared to non-GAAP net income of \$83.9 million, or \$0.39 per diluted share, in the fourth quarter of fiscal 2005 (excluding acquisition-related costs, which include amortization of purchased intangible assets, in-process research and development write-off and other, and excluding restructuring charges, net of related tax effects, of \$16.1 million). The Company's GAAP net income was \$76.0 million, or \$0.35 per diluted share, compared to GAAP net income of \$67.8 million, or \$0.32 per diluted share, in the fourth quarter of fiscal 2005. Free cash flow for the quarter was \$100.8 million, comprised of cash flow from operations of \$129.0 million less \$26.6 million in net capital expenditures and less \$1.6 million in other items.

"The strong market that we saw in 2006 was a result of the transformation that service providers are undergoing," said Dov Baharav, chief executive officer of Amdocs Management Limited. "We see strong demand as our customers cope with competition, consolidation and convergence; our customers continue to introduce IP-based services to capture new revenue streams. Amdocs expanded its offering this year with the acquisitions of Qpass in the content area and Cramer in OSS. Amdocs is the leading vendor in our market because we offer end-to-end solutions that address service providers' needs."

Baharav continued "Our record revenue in the fourth quarter and in fiscal 2006 was driven by a strong market and by the actions we took to capitalize on this market. Amdocs record of successful execution is built on product innovation and service excellence, making us the choice of leading service providers around the world. Our achievements this year position Amdocs for a strong fiscal 2007."

During the fourth quarter, Amdocs new business included ten key wins, across geographies and lines of business. With Bell Canada the Company signed an extension of its managed services agreement through 2012. Amdocs will work with Bell Canada to improve its competitiveness and help it introduce new next-generation services. In the broadband cable and satellite market, Amdocs is enjoying momentum with deals to extend the managed services agreement and provide additional services to DIRECTV, and to add software functionality for another customer. For a new customer, Amdocs will provide billing and mediation capabilities. Two customers in Europe have chosen Amdocs for projects related to OSS and product catalog.

The Company also noted that for the fiscal year ended September 30, 2006, revenue increased by 21.7% to \$2.48 billion. Fiscal 2006 net income on a non-GAAP basis was \$401.2 million, or \$1.85 per diluted share (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 \$82.6 million), compared to non-GAAP net income of \$311.0 million, or \$1.45 per diluted share, in fiscal 2005 (excluding acquisition-related costs, which include amortization of purchased intangible assets, in-process research and development write-off and other, and excluding restructuring charges, net of related tax effects, of \$22.4 million). The Company's GAAP net income in fiscal 2006 was \$318.6 million, or \$1.48 per

diluted share, compared to GAAP net income of \$288.6 million, or \$1.35 per diluted share, in fiscal 2005.

Financial Outlook

Amdocs expects that revenue for the first quarter of fiscal 2007 will be approximately \$690 million. Diluted earnings per share on a non-GAAP basis for the first quarter are expected to be \$0.50, excluding acquisition-related costs and the impact of 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 \$0.39-\$0.40.

Updated fiscal 2007 guidance: Expected revenue of approximately \$2.89-\$2.97 billion and diluted non-GAAP EPS of \$2.08-\$2.16, which excludes acquisition-related costs and approximately \$0.22-\$0.26 per share of equity-based compensation expense, net of related tax effects. Diluted GAAP EPS is expected to be approximately \$1.62-\$1.74.

Amdocs will host a conference call on November 1, 2006 at 5 p.m. Eastern Time to discuss the Company's fourth 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;
- 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, 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 experience™, 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, filed on December 28, 2005 and our quarterly 6-K furnished on February 15, May 15, and August 15, 2006.

AMDOCS LIMITED

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

	Three months ended September 30,		Twelve months ended September 30,	
	2006(1)	2005	2006(2)	2005
Revenue:				
License	\$ 31,113	\$ 25,135	\$ 116,285	\$ 100,044
Service	634,332	548,183	2,363,765	1,938,577
	<u>665,445</u>	<u>573,318</u>	<u>2,480,050</u>	<u>2,038,621</u>
Operating expenses:				
Cost of license	1,030	805	4,003	4,083
Cost of service	414,813	362,085	1,579,823	1,291,572
Research and development	55,368	46,890	186,760	144,467
Selling, general and administrative	86,708	66,066	313,997	232,066
Amortization of purchased intangible assets	14,022	7,481	37,610	15,356
Restructuring charges, in-process research and development and other acquisition related costs	17,310	12,595	25,725	12,595
	<u>589,251</u>	<u>495,922</u>	<u>2,147,918</u>	<u>1,700,129</u>
Operating income	76,194	77,396	332,132	338,492
Interest income and other, net	8,082	7,359	41,741	22,303
Income before income taxes	84,276	84,755	373,873	360,795
Income taxes	8,321	16,956	55,237	72,159
Net income	<u>\$ 75,955</u>	<u>\$ 67,799</u>	<u>\$ 318,636</u>	<u>\$ 288,636</u>
Basic earnings per share	<u>\$ 0.37</u>	<u>\$ 0.34</u>	<u>\$ 1.57</u>	<u>\$ 1.44</u>
Diluted earnings per share(3)	<u>\$ 0.35</u>	<u>\$ 0.32</u>	<u>\$ 1.48</u>	<u>\$ 1.35</u>
Basic weighted average number of shares outstanding	<u>205,330</u>	<u>199,749</u>	<u>203,194</u>	<u>201,023</u>
Diluted weighted average number of shares outstanding	<u>221,236</u>	<u>215,822</u>	<u>218,534</u>	<u>217,162</u>

(1) The three months ended September 30, 2006 include equity-based compensation pre-tax expense of \$14,230, which was classified as follows: \$5,805 to Cost of service, \$1,670 to Research and development and \$6,755 to Selling, general and administrative.

(2) The twelve months ended September 30, 2006 include equity-based compensation pre-tax expense of \$46,178, which was classified as follows: \$18,042 to Cost of service, \$4,711 to Research and development and \$23,425 to Selling, general and administrative.

(3) To reflect the impact of assumed conversion of the convertible notes, \$985 and \$3,948, representing interest expense and amortization of issuance costs, were added back to net income for the three and twelve months ended September 30, 2006, respectively, and \$984 and \$3,939 were added back to net income for the three and twelve months ended September 30, 2005, respectively, for the purpose of computing diluted earnings per share.

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

	Three months ended September 30,		Twelve months ended September 30,	
	2006	2005	2006	2005
Revenue	\$ 665,445	\$ 573,318	\$ 2,480,050	\$ 2,038,621
Non-GAAP operating income	121,756	97,472	441,645	366,443
Non-GAAP net income	109,533	83,865	401,211	310,997
Non-GAAP diluted earnings per share (1)	\$ 0.50	\$ 0.39	\$ 1.85	\$ 1.45
Diluted weighted average number of shares outstanding	221,236	215,822	218,534	217,162

- (1) To reflect the impact of assumed conversion of the convertible notes, \$985 and \$3,948, representing interest expense and amortization of issuance costs, were added back to net income for the three and twelve months ended September 30, 2006, respectively, and \$984 and \$3,939 were added back to net income for the three and twelve months ended September 30, 2005, 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
September 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	\$ 1,030	\$ -	\$ -	\$ -	\$ -	\$ 1,030
Cost of service	414,813	-	-	(5,805)	-	409,008
Research and development	55,368	-	-	(1,670)	-	53,698
Selling, general and administrative	86,708	-	-	(6,755)	-	79,953
Amortization of purchased intangible assets	14,022	(14,022)	-	-	-	-
In-process research and development	17,310	-	(17,310)	-	-	-
Total operating expenses	589,251	(14,022)	(17,310)	(14,230)	-	543,689
Operating income	76,194	14,022	17,310	14,230	-	121,756
Income taxes	8,321	-	-	-	11,984	20,305
Net income	\$ 75,955	\$ 14,022	\$ 17,310	\$ 14,230	\$(11,984)	\$ 109,533

Three months ended
September 30, 2005

	Reconciliation items				Non-GAAP
	GAAP	Amortization of purchased intangible assets	Restructuring charges, in-process research and development and other acquisition related costs	Tax effect	
Operating expenses:					
Cost of license	\$ 805	\$ -	\$ -	\$ -	\$ 805
Cost of service	362,085	-	-	-	362,085
Research and development	46,890	-	-	-	46,890
Selling, general and administrative	66,066	-	-	-	66,066
Amortization of purchased intangible assets	7,481	(7,481)	-	-	-
Restructuring charges, in-process research and development and other acquisition related costs	12,595	-	(12,595)	-	-
Total operating expenses	495,922	(7,481)	(12,595)	-	475,846
Operating income	77,396	7,481	12,595	-	97,472
Income taxes	16,956	-	-	4,010	20,966
Net income	\$ 67,799	\$ 7,481	\$ 12,595	\$ (4,010)	\$ 83,865

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

Twelve months ended
September 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	\$ 4,003	\$ -	\$ -	\$ -	\$ -	\$ 4,003
Cost of service	1,579,823	-	-	(18,042)	-	1,561,781
Research and development	186,760	-	-	(4,711)	-	182,049
Selling, general and administrative	313,997	-	-	(23,425)	-	290,572
Amortization of purchased intangible assets	37,610	(37,610)	-	-	-	-
In-process research and development	25,725	-	(25,725)	-	-	-
Total operating expenses	2,147,918	(37,610)	(25,725)	(46,178)	-	2,038,405
Operating income	332,132	37,610	25,725	46,178	-	441,645
Income taxes	55,237	-	-	-	26,938	82,175
Net income	\$ 318,636	\$ 37,610	\$ 25,725	\$ 46,178	\$ (26,938)	\$ 401,211

Twelve months ended
September 30, 2005

	Reconciliation items				Non-GAAP
	GAAP	Amortization of purchased intangible assets	Restructuring charges, in-process research and development and other acquisition related costs	Tax effect	
Operating expenses:					
Cost of license	\$ 4,083	\$ -	\$ -	\$ -	\$ 4,083
Cost of service	1,291,572	-	-	-	1,291,572
Research and development	144,467	-	-	-	144,467
Selling, general and administrative	232,066	-	-	-	232,066
Amortization of purchased intangible assets	15,356	(15,356)	-	-	-
Restructuring charges, in-process research and development and other acquisition related costs	12,595	-	(12,595)	-	-
Total operating expenses	1,700,129	(15,356)	(12,595)	-	1,672,178
Operating income	338,492	15,356	12,595	-	366,443
Income taxes	72,159	-	-	5,590	77,749
Net income	\$ 288,636	\$ 15,356	\$ 12,595	\$ (5,590)	\$ 310,997

AMDOCS LIMITED
Condensed Consolidated Balance Sheets
(in thousands)

	<i>As of</i>	
	September 30, 2006	September 30, 2005
	<u> </u>	<u> </u>
ASSETS		
Current assets		
Cash, cash equivalents and short-term interest-bearing investments	\$ 979,381	\$ 1,146,563
Accounts receivable, net, including unbilled of \$54,117 and \$28,994 respectively	425,805	304,237
Deferred income taxes and taxes receivable	136,044	101,162
Prepaid expenses and other current assets	97,476	76,780
Total current assets	<u>1,638,706</u>	<u>1,627,742</u>
Equipment, vehicles and leasehold improvements, net	220,290	181,812
Goodwill and other intangible assets, net	1,809,322	1,129,258
Other noncurrent assets	294,510	263,656
Total assets	<u>\$ 3,962,828</u>	<u>\$ 3,202,468</u>
 LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accruals	\$ 597,107	\$ 462,276
Short-term portion of capital lease obligations and other financing arrangements	1,963	8,480
Deferred revenue	253,376	216,770
Deferred income taxes and taxes payable	179,241	171,377
Total current liabilities	<u>1,031,687</u>	<u>858,903</u>
0.50% Convertible notes	450,000	450,000
Noncurrent liabilities and other	326,976	237,113
Shareholders' equity	2,154,165	1,656,452
Total liabilities and shareholders' equity	<u>\$ 3,962,828</u>	<u>\$ 3,202,468</u>

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