



Second Quarter Results for Fiscal 2006

April 26, 2006

26% Growth in Diluted Earnings Per Share Before Certain Items to \$0.44; Diluted GAAP EPS of \$0.38

Key highlights:

- Second quarter revenue grew 23% to \$601 million
- 26% increase in second quarter diluted EPS, excluding acquisition-related costs and equity-based compensation expense, net of related tax effects, to \$0.44; Exceeds guidance of \$0.42
- Diluted GAAP EPS of \$0.38
- Free cash flow of \$86 million for the quarter
- Sprint Nextel selected Amdocs to provide a single platform to support its more than 45 million wireless subscribers
- After the quarter, Amdocs announced that it had signed an agreement to acquire Qpass, a leading provider of digital commerce software and solutions, for \$275 million in cash
- Third quarter fiscal 2006 guidance: Expected revenue of approximately \$622 million and diluted EPS of \$0.46, excluding acquisition-related costs, net of related tax effects, and approximately \$0.04-\$0.05 per share of equity-based compensation expense. Diluted GAAP EPS is expected to be approximately \$0.39-\$0.40. This guidance excludes any potential impact of the pending acquisition of Qpass
- Updated fiscal 2006 guidance: Expected revenue of approximately \$2.445-\$2.465 billion and diluted EPS of \$1.78-\$1.80, excluding acquisition-related costs, net of related tax effects, and approximately \$0.16-\$0.18 per share of equity-based compensation expense. Diluted GAAP EPS is expected to be approximately \$1.51-\$1.55. This guidance excludes any potential impact of the pending acquisition of Qpass

St. Louis, MO – April 26, 2006 – Amdocs Limited (NYSE: DOX) today reported that for the second quarter ended March 31, 2006, revenue was \$601.1 million, an increase of 23.1% from last year's second quarter. Excluding acquisition-related costs and equity-based compensation expense, net of related tax effects, of \$13.7 million, net income was \$95.5 million, or \$0.44 per diluted share, compared to net income, excluding \$1.7 million of acquisition-related costs net of related tax effects, of \$76.0 million, or \$0.35 per diluted share, in the second quarter of fiscal 2005. The Company's net income was \$81.8 million, or \$0.38 per diluted share, compared to net income of \$74.3 million, or \$0.34 per diluted share, in the second quarter of fiscal 2005. Free cash flow, defined as cash flow from operations less net capital expenditures and principal payments on capital leases, was \$86.4 million in the quarter.

"This was another very successful quarter for Amdocs," said Dov Baharav, Chief Executive Officer of Amdocs Management Limited. "Revenue grew 23%, helping to increase earnings at an even greater rate. This performance is the result of the 13,000 employees at Amdocs executing on our strategy of providing systems to support integrated customer management to the top tier service providers.

"This was one of our best quarters ever for new business signings. Demand for Amdocs products and services continues to be driven by service providers' need to address competition, consolidation and convergence. Digital content will be an increasingly important revenue driver in the future as service providers continue to introduce new products and services, and we will expand our presence in this area with our acquisition of Qpass. We are the leading provider to our market and are confident that we will deliver strong results in fiscal 2006 and beyond," continued Baharav.

During the second quarter, Amdocs new business included eleven new key wins. In addition to Sprint Nextel, these wins include a large project with a subsidiary of a current wireline customer as it adopts an integrated customer management strategy. In the directory area, Amdocs had several wins with projects involving sales force automation, digital advertising, and business process outsourcing. Amdocs was selected by Vimpelcom and its affiliates in the Commonwealth of Independent States as they standardize on Amdocs technology to manage their wireless and wireline customers in an integrated fashion.

Financial Outlook

Amdocs expects that revenue for the third quarter of fiscal 2006 ending June 30, 2006, will be approximately \$622 million. Diluted earnings per share for the quarter are expected to be \$0.46, excluding acquisition-related costs, net of related tax effects, and the impact of approximately \$0.04-\$0.05 per share of equity-based compensation expense. Diluted GAAP EPS is expected to be approximately \$0.39-\$0.40. This guidance excludes any potential impact of the pending acquisition of Qpass. Amdocs may incur a one-time charge in its third fiscal quarter to account for certain costs related to the Qpass acquisition.

Updated fiscal 2006 guidance: Expected revenue of approximately \$2.445-\$2.465 billion and diluted EPS of \$1.78-\$1.80, excluding acquisition-related costs, net of related tax effects, and approximately \$0.16-\$0.18 per share of equity-based compensation expense. Diluted GAAP EPS is expected to be approximately \$1.51-\$1.55. This guidance excludes any potential impact of the pending acquisition of Qpass.

Amdocs will host a conference call on April 26, 2006 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.

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 more than \$2 billion in fiscal 2005, Amdocs has 13,000 employees and serves customers in more than 50 countries around the world. For more information, visit Amdocs at www.amdocs.com.

Cautionary statements

Investors are cautioned that this press release contains certain information that is not prepared in accordance with GAAP. Investors should not construe these financial measures as being superior to GAAP. The Company's management uses this financial information in its internal analysis in order to exclude the effect of acquisitions and other significant items that may have a disproportionate effect in a particular period. Accordingly, management believes that isolating the effects of such items enables management and investors to consistently analyze the critical components and results of operations of the Company's business and to have a meaningful comparison to prior periods.

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, 2006.

AMDOCS LIMITED

Consolidated Statements of Income (Unaudited)

(in thousands, except per share data)

	Three months ended March 31,		Six months ended March 31,	
	2006(1)	2005	2006(2)	2005
Revenue:				
License	\$ 30,291	\$ 27,344	\$ 61,952	\$ 47,710
Service	570,838	461,072	1,126,205	910,238
	601,129	488,416	1,188,157	957,948
Operating expenses:				
Cost of license	916	998	1,978	2,153
Cost of service	388,333	310,291	762,384	605,238
Research and development	41,823	33,263	84,937	66,174
Selling, general and administrative	73,799	54,892	152,349	109,552
Amortization of purchased intangible assets	7,469	2,079	15,041	5,797
	512,340	401,223	1,016,689	788,914
Operating income	88,789	87,193	171,468	169,034
Interest income and other, net	10,307	5,680	18,721	10,639
Income before income taxes	99,096	92,873	190,189	179,673
Income taxes	17,334	18,576	33,093	35,933
Net income	\$ 81,762	\$ 74,297	\$ 157,096	\$ 143,740
Basic earnings per share	\$ 0.40	\$ 0.37	\$ 0.78	\$ 0.71
Diluted earnings per share(3)	\$ 0.38	\$ 0.34	\$ 0.74	\$ 0.67
Basic weighted average number of shares outstanding	202,515	202,168	201,509	201,933
Diluted weighted average number of shares outstanding	217,919	218,807	216,394	218,127

- (1) The second quarter of fiscal 2006 includes equity-based compensation pre-tax expense of \$9,940, which was classified as follows: \$3,717 to Cost of service, \$720 to Research and development and \$5,503 to Selling, general and administrative.
- (2) The first half of fiscal 2006 includes equity-based compensation pre-tax expense of \$21,000, which was classified as follows: \$8,072 to Cost of service, \$1,809 to Research and development and \$11,119 to Selling, general and administrative.
- (3) To reflect the impact of assumed conversion of the convertible notes, \$979 and \$1,979, representing interest expense and amortization of issuance costs, were added back to net income for the three and six months ended March 31, 2006, respectively, and \$983 and \$1,967 were added back to net income for the three and six months ended March 31, 2005, respectively, for the purpose of computing diluted earnings per share.

AMDOCS LIMITED

Consolidated Statements of Income Excluding Amortization of Purchased Intangible Assets, Equity-Based Compensation Expense and Related Tax Effects

(in thousands, except per share data)

	Three months ended March 31,		Six months ended March 31,	
	2006(1)	2005(1)	2006(2)	2005(2)
Revenue:				
License	\$ 30,291	\$ 27,344	\$ 61,952	\$ 47,710
Service	570,838	461,072	1,126,205	910,238
	<u>601,129</u>	<u>488,416</u>	<u>1,188,157</u>	<u>957,948</u>
Operating expenses:				
Cost of license	916	998	1,978	2,153
Cost of service	384,616	310,291	754,312	605,238
Research and development	41,103	33,263	83,128	66,174
Selling, general and administrative	68,296	54,592	141,230	109,552
	<u>494,931</u>	<u>399,144</u>	<u>980,648</u>	<u>783,117</u>
Operating income	106,198	89,272	207,509	174,831
Interest income and other, net	10,307	5,680	18,721	10,639
Income before income taxes	116,505	94,952	226,230	185,470
Income taxes	20,971	18,990	40,721	37,094
Net income	<u>\$ 95,534</u>	<u>\$ 75,962</u>	<u>\$ 185,509</u>	<u>\$ 148,376</u>
Diluted earnings per share(3)	<u>\$ 0.44</u>	<u>\$ 0.35</u>	<u>\$ 0.87</u>	<u>\$ 0.69</u>
Diluted weighted average number of shares outstanding	<u>217,919</u>	<u>218,807</u>	<u>216,394</u>	<u>218,127</u>

- (1) Excludes \$7,469 and \$2,079 for amortization of purchased intangible assets, \$9,940 and \$0 for equity-based compensation expense and tax effects related to the above of \$(3,637) and \$(414) for the three months ended March 31, 2006 and 2005, respectively. Including the above items, income before income taxes was \$99,096 and \$92,873, and diluted earnings per share were \$0.38 and \$0.34 for the three months ended March 31, 2006 and 2005, respectively.
- (2) Excludes \$15,041 and \$5,797 for amortization of purchased intangible assets, \$21,000 and \$0 for equity-based compensation expense and tax effects related to the above of \$(7,628) and \$(1,161) for the six months ended March 31, 2006 and 2005, respectively. Including the above items, income before income taxes was \$190,189 and \$179,673, and diluted earnings per share were \$0.74 and \$0.67 for the six months ended March 31, 2006 and 2005, respectively.
- (3) To reflect the impact of assumed conversion of the convertible notes, \$979 and \$1,979, representing interest expense and amortization of issuance costs, were added back to net income for the three and six months ended March 31, 2006, respectively, and \$983 and \$1,967 were added back to net income for the three and six months ended March 31, 2005, respectively, for the purpose of computing diluted earnings per share.

AMDOCS LIMITED**Condensed Consolidated Balance Sheets**

(in thousands)

	As of	
	March 31, 2006 <u>(Unaudited)</u>	September 30, 2005 <u>(Audited)</u>
ASSETS		
Current assets		
Cash, cash equivalents and short-term interest-bearing investments	\$ 1,353,046	\$ 1,146,563
Accounts receivable, net, including unbilled of \$42,572 and \$28,994, respectively	349,744	304,237
Deferred income taxes and taxes receivable	80,889	101,162
Prepaid expenses and other current assets	78,538	76,780
Total current assets	<u>1,862,217</u>	<u>1,627,742</u>
Equipment, vehicles and leasehold improvements, net	159,891	181,812
Goodwill and other intangible assets, net	1,111,752	1,129,258
Other noncurrent assets	288,231	263,656
Total assets	<u>\$ 3,422,091</u>	<u>\$ 3,202,468</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accruals	\$ 418,217	\$ 462,276
Short-term portion of capital lease obligations and other financing arrangements	1,976	8,480
Deferred revenue	246,689	216,770
Deferred income taxes and taxes payable	179,093	171,377
Total current liabilities	<u>844,975</u>	<u>858,903</u>
0.50% Convertible notes	450,000	450,000
Noncurrent liabilities and other	228,898	237,113
Shareholders' equity	1,898,218	1,656,462
Total liabilities and shareholders' equity	<u>\$ 3,422,091</u>	<u>\$ 3,202,468</u>
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