



Fourth Quarter Results for Fiscal 2003

November 5, 2003

Company Expects Revenue and Earnings Growth in First Quarter

Key highlights:

- Revenue of \$411.8 million, in line with guidance of \$410 million
- Sequential revenue growth of 9.2%
- Proforma EPS of \$0.23, in line with guidance
- Diluted GAAP EPS of \$0.20
- Completed Certen integration into Amdocs
- First quarter fiscal 2004 guidance: Expected revenue of \$416-\$422 million and proforma EPS of \$0.24. Diluted GAAP EPS results expected to be \$0.02-\$0.04 less than proforma EPS.

St. Louis, MO - November 5, 2003 - Amdocs Limited (NYSE: DOX) today reported that for the fourth quarter ended September 30, 2003, revenue was \$411.8 million, representing sequential growth of 9.2% and an increase of 15.8% from last year's fourth quarter. Excluding acquisition-related costs and other items and related tax effects, net income was \$51.2 million, or \$0.23 per diluted share, and increased by \$10.5 million, or 25.6%, when compared to net income of \$40.7 million, or \$0.19 per diluted share, in the fourth quarter of fiscal 2002. The Company's GAAP net income, which includes acquisition-related charges for amortization of purchased intangible assets, and, for the fourth quarter of fiscal 2003 only, the cumulative effect of the Company's share in Certen's pre-acquisition results, and, for the fourth quarter of fiscal 2002 only, the acquisition-related charges for amortization of goodwill, a restructuring charge and a gain from repurchase of convertible notes, and related tax effects for all the aforementioned items, was \$43.9 million, or \$0.20 per diluted share, compared to net loss of \$9.0 million, or \$0.04 per diluted share, in the fourth quarter of fiscal 2002.

Dov Baharav, Chief Executive Officer of Amdocs Management Limited, said, "We continued to execute according to plan this quarter, allowing Amdocs to achieve our third consecutive quarter of sequential revenue growth. We have successfully integrated into Amdocs the directory operations for SBC and the billing operations of Bell Canada under our respective managed services agreements with these companies. Looking at the overall market, while carriers are still hesitant to commit to new projects, we see increasing signs of stabilization. We believe that even in this tough market we will be able to achieve modest sequential growth in revenue and earnings in the next quarters".

Sales Highlights

During the fourth quarter, our new business included the following six new key wins:

- Amdocs was chosen by Far EasTone, a leading mobile communications provider in Taiwan with over 4.3 million subscribers, to implement the Amdocs Enabler billing product to support convergent prepaid-postpaid and voice-data operations. In addition, Far EasTone is implementing the Amdocs PRM (Partner Relationship Management) product to support inter-carrier, content and commerce partners.
- A major West European mobile communications service provider decided to undertake a significant upgrade and expansion of its existing Amdocs ClarifyCRM platform.
- Continuing our momentum in the Asia Pacific region, a major wireline communications provider selected Amdocs OMS (order management system). The system will be used to reduce time-to-market for advanced data services.
- In Western Europe, a leading mobile communications provider has chosen Amdocs Enabler to support prepaid-postpaid convergence, on one unified platform, for voice and new generation services. The customer is also implementing Amdocs PRM for billing of content partners.

- A leading mobile communications carrier in Eastern Europe chose the Amdocs ClarifyCRM product suite as its end-to-end solution for customer management activities.
- Amdocs was selected by an existing Amdocs ClarifyCRM customer, a major European wireline communications provider, to provide additional CRM components to support process and workforce management.

Operating and Financial Highlights

During the fourth quarter:

- Amdocs completed its previously announced acquisition of Bell Canada's ownership interest in Certen for \$66 million in cash. Amdocs now has a major billing operations managed services agreement with Bell Canada through December 2010.
- Amdocs announced another successful deployment of Amdocs ClarifyCRM in BT Wholesale Network Build, the network construction arm of BT Group's network services and solutions business.
- Cegetel successfully deployed Amdocs ClarifyCRM. Cegetel is the fixed telecommunications brand of France's first private telecommunications operator, Groupe Cegetel.
- Amdocs completed the successful implementation of Amdocs Enabler for a mobile communications service provider in Europe. Amdocs Enabler is in live production, providing full billing support for voice and new generation services, together with the Amdocs eCare and Amdocs PRM products.
- Free cash flow, defined as cash flow from operations less net capital expenditures and payments on capital leases, was \$76 million in the quarter.
- The Company used approximately \$45 million to repurchase convertible notes at approximately par.

The Company also noted that for the fiscal year ended September 30, 2003, revenue decreased by 8.1% to \$1.483 billion. Excluding acquisition-related costs and other items and related tax effects, net income for fiscal 2003 decreased by 21.9% to \$194.4 million, while diluted earnings per share decreased 21.4% to \$0.88. The Company's GAAP results, which include acquisition-related costs for amortization of purchased intangible assets, restructuring charges, and, for fiscal 2003 only, the cumulative effect of the Company's share in Certen's pre-acquisition results, and, for fiscal 2002 only, the acquisition-related charges for amortization of goodwill and purchased in-process research and development, and a gain from repurchase of convertible notes, and related tax effects for all the aforementioned items, showed net income of \$168.9 million, or \$0.77 per diluted share in fiscal 2003, compared to a net loss of \$5.1 million, or \$0.02 per diluted share, in fiscal 2002.

Effective October 1, 2002, Amdocs adopted Statement of Financial Accounting Standards No. 142 and therefore no longer amortizes goodwill resulting from acquisitions. Adjusting prior year's fourth quarter GAAP results to eliminate the effects of \$50.5 million of goodwill amortization and related tax recorded in the fourth quarter of fiscal 2002 would have resulted in operating income, net income and earnings per diluted share of \$25.8 million, \$41.5 million and \$0.19, respectively. Adjusting prior year's GAAP annual results to eliminate the effects of \$201.8 million of goodwill amortization and related tax recorded in fiscal 2002 would have resulted in operating income, net income and earnings per diluted share of \$253.7 million, \$196.8 million and \$0.88, respectively.

Financial Outlook

Amdocs expects that revenue for the first quarter ending December 31, 2003, will be between \$416-\$422 million. Proforma earnings per share for the quarter are expected to be \$0.24, excluding acquisition-related costs and related tax effects. Diluted GAAP earnings per share, including acquisition-related costs and related tax effects, for the quarter are expected to be between \$0.02-\$0.04 less than proforma EPS.

The Company also announced that its board of directors had authorized a stock buyback program of up to five million shares over the next twelve months. The authorization permits the Company to purchase ordinary shares in open market or privately negotiated transactions and at prices the Company deems appropriate. The Company stated that one of the main purposes of the buyback program was to offset the dilutive effect of any future share issuances, including issuances in connection with acquisitions or pursuant to employee equity plans.

Amdocs will host a conference call on November 5, 2003 at 5 p.m. Eastern Standard Time to discuss the Company's fourth

quarter results. The call will be carried live on the Internet via www.vcall.com and the Amdocs website, www.amdocs.com.

About Amdocs

Amdocs combines innovative software products and services with deep business knowledge to deliver true integrated customer management to the world's leading telecommunications services companies. Our best-in-class billing and CRM products seamlessly link all customer-facing business processes - marketing, sales, ordering, delivery, fulfillment, billing, settlement, service, support, and analytics - resulting in stronger, more profitable customer relationships. Amdocs enables its customers to implement their business strategy with rapid return on investment, lower total cost of ownership and improved operational efficiencies. For more information, visit Amdocs at <http://www.amdocs.com>.

Cautionary statements

Investors are cautioned that this press release contains proforma information that is not prepared in accordance with GAAP. Investors should not construe the proforma financial measures as being superior to GAAP. The Company's management uses proforma financial information in its internal analysis because it enables the management to consistently analyze the critical components and results of operations and to have a meaningful comparison to prior periods. The Company's management believes that such measures provide useful information to investors for meaningful comparison to prior periods and analysis of the critical components and results of operations.

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 mobile, wireline and IP business segments, 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. 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 March 24, 2003, and our Form 6-K, filed on August 14, 2003.

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AMDOCS LIMITED

Pro forma Consolidated Statements of Income

Excluding Amortization of Goodwill and Purchased Intangible Assets,
Cumulative Effect for the Company's Share in Certen's Pre-acquisition Results,
Purchased In-Process Research and Development, Restructuring Charges,
Gain on Repurchase of Convertible Notes and Related Tax Effects
(in thousands, except per share data)

	Three months ended		Twelve months ended	
	September 30,		September 30,	
	2003 (1)	2002 (1)	2003 (2)	2002 (2)
Revenue:				
License	\$ 14,406	\$ 29,068	\$ 65,582	\$ 153,664
Service	397,353	326,452	1,417,745	1,459,901
	<u>411,759</u>	<u>355,520</u>	<u>1,483,327</u>	<u>1,613,565</u>
Operating expenses:				
Cost of license	1,615	1,727	5,752	5,984
Cost of service	261,218	216,554	907,607	927,353
Research and development	30,368	31,801	119,256	124,082
Selling, general and administrative	52,621	53,338	206,265	223,551
	<u>345,822</u>	<u>303,420</u>	<u>1,238,880</u>	<u>1,280,970</u>
Operating income	<u>65,937</u>	<u>52,100</u>	<u>244,447</u>	<u>332,595</u>
Interest income and other, net	2,327	4,496	14,759	13,286
Income before income taxes	<u>68,264</u>	<u>56,596</u>	<u>259,206</u>	<u>345,881</u>
Income taxes	17,065	15,847	64,801	96,847
Net income	<u>\$ 51,199</u>	<u>\$ 40,749</u>	<u>\$ 194,405</u>	<u>\$ 249,034</u>
Diluted earnings per share	<u>\$ 0.23</u>	<u>\$ 0.19</u>	<u>\$ 0.88</u>	<u>\$ 1.12</u>
Diluted weighted average number of shares outstanding	<u>221,621</u>	<u>216,349</u>	<u>219,876</u>	<u>222,562</u>

(1) Excludes \$0 and \$51,147 for amortization of goodwill, \$5,637 and \$5,419 for amortization of purchased intangible assets, \$4,133 and \$0 of cumulative effect for the Company's share in Certen's pre-acquisition results, \$0 and \$20,919 of restructuring charge related to the cost reduction measures, \$0 and \$(6,012) gain related to the repurchase of convertible notes and tax effects related to the above of \$(2,442) and \$(21,738) for the three months ended September 30, 2003 and 2002, respectively. Including the above items, income (loss) before income taxes was \$58,494 and \$(14,877) and diluted earnings (loss) per share were \$0.20 and \$(0.04) for the three months ended September 30, 2003 and 2002, respectively.

(2) Excludes \$0 and \$204,561 for amortization of goodwill, \$19,940 and \$27,243 for amortization of purchased intangible assets, \$4,133 and \$0 of cumulative effect for the Company's share in Certen's pre-acquisition results, \$9,956 and \$34,230 of restructuring charges related to the cost reduction measures and the consolidation of data centers and the resulting closure of our Stamford, Connecticut facility, \$0 and \$17,400 for write-off of purchased in-process research and development related to the Clarify acquisition, \$0 and \$(6,012) gain related to the repurchase of convertible notes and tax effects related to the above of \$(8,507) and \$(23,327) for the twelve months ended September 30, 2003 and 2002, respectively. Including the above items, income before income taxes was \$225,177 and \$68,459, and diluted earnings (loss) per share were \$0.77 and \$(0.02) for the twelve months ended September 30, 2003 and 2002, respectively.

AMDOCS LIMITED

Consolidated Statements of Operations

(in thousands, except per share data)

	Three months ended		Twelve months ended	
	September 30,		September 30,	
	2003	2002(1)	2003	2002(1)
Revenue:				
License	\$ 14,406	\$ 29,068	\$ 65,582	\$ 153,664
Service	397,353	326,452	1,417,746	1,459,901
	<u>411,759</u>	<u>355,520</u>	<u>1,483,327</u>	<u>1,613,565</u>
Operating expenses:				
Cost of license	1,615	1,727	5,752	5,984
Cost of service	261,218	216,554	907,607	927,353
Research and development	30,368	31,801	119,256	124,082
Selling, general and administrative	52,621	53,338	206,265	223,551
Amortization of goodwill and purchased intangible assets	5,637	56,566	19,940	231,804
Restructuring charges, in-process research and development and other	4,133	20,919	14,089	51,630
	<u>355,592</u>	<u>380,905</u>	<u>1,272,909</u>	<u>1,564,404</u>
Operating income (loss)	<u>56,167</u>	<u>(25,385)</u>	<u>210,418</u>	<u>49,161</u>
Interest income and other, net	2,327	10,508	14,759	19,298
Income before income taxes (tax benefit)	<u>58,494</u>	<u>(14,877)</u>	<u>225,177</u>	<u>68,459</u>
Income taxes (tax benefit)	14,623	(5,891)	56,294	73,520
Net income (loss)	<u>\$ 43,871</u>	<u>\$ (8,986)</u>	<u>\$ 168,883</u>	<u>\$ (5,061)</u>
Basic earnings (loss) per share	<u>\$ 0.20</u>	<u>\$ (0.04)</u>	<u>\$ 0.78</u>	<u>\$ (0.02)</u>
Diluted earnings (loss) per share	<u>\$ 0.20</u>	<u>\$ (0.04)</u>	<u>\$ 0.77</u>	<u>\$ (0.02)</u>
Basic weighted average number of shares outstanding	<u>216,034</u>	<u>215,559</u>	<u>215,849</u>	<u>220,361</u>
Diluted weighted average number of shares outstanding	<u>221,621</u>	<u>(2) 215,559</u>	<u>219,876</u>	<u>(2) 220,361</u>

(1) Includes \$51,147 and \$204,561 of goodwill amortization and \$(679) and \$(2,717) related tax effects for the three months and twelve months ended September 30, 2002, respectively. Net income and diluted earnings per share excluding these items (as if Statement of Financial Accounting Standards No. 142 had been implemented) for the three months and twelve months ended September 30, 2002 would have been \$41,482 and \$196,783 and \$0.19 and \$0.88, respectively.

(2) Due to net loss, contingently issuable shares are excluded from the computation of diluted weighted average number of shares.

AMDOCS LIMITED

Condensed Consolidated Balance Sheets

(in thousands)

	<i>As of</i>	
	<u>September 30,</u> 2003	<u>September 30,</u> 2002
ASSETS		
Current assets		
Cash, cash equivalents and short-term interest-bearing investments	\$ 1,290,892	\$ 1,047,819
Accounts receivable, net, including unbilled of \$16,072 and \$24,144, respectively	198,274	312,732
Deferred income taxes and taxes receivable	60,868	48,154
Prepaid expenses and other current assets	85,902	72,196
Total current assets	<u>1,635,936</u>	<u>1,480,901</u>
Equipment, vehicles and leasehold improvements, net	203,467	160,902
Goodwill and other intangible assets, net	855,975	750,530
Other noncurrent assets	182,139	147,761
Total assets	<u>\$ 2,877,517</u>	<u>\$ 2,540,094</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accruals	\$ 331,196	\$ 279,071
Short-term portion of capital lease obligations	27,140	10,347
Convertible notes	400,454	-
Short-term financing arrangements	2,179	-
Deferred revenue	174,616	149,590
Deferred income taxes and taxes payable	133,002	103,315
Total current liabilities	<u>1,068,587</u>	<u>542,323</u>
Convertible notes and other noncurrent liabilities	217,330	581,496
Shareholders' equity	1,591,600	1,416,275
Total liabilities and shareholders' equity	<u>\$ 2,877,517</u>	<u>\$ 2,540,094</u>