



First Quarter Results for Fiscal 2002

January 22, 2002

First quarter revenue increases 23.5% to \$422.6 million

Earnings Release

St. Louis, MO - January 22, 2002 -- Amdocs Limited (NYSE: DOX) today reported that for the first quarter ended December 31, 2001, revenue reached \$422.6 million, an increase of 23.5% over last year's first quarter. Excluding acquisition-related costs and a nonrecurring charge in the current quarter, net income increased 32.1% to \$80.7 million, while earnings per share increased 33.3% to \$0.36 per diluted share, compared to net income of \$61.1 million, or \$0.27 per diluted share, in the first quarter of fiscal 2001. The Company's as-reported net income, which includes acquisition-related charges for write-off of in-process research and development, amortization of goodwill and purchased intangible assets, a nonrecurring charge in the current quarter and related tax effects, was \$4.3 million, or \$0.02 per diluted share, compared to a net income of \$12.6 million, or \$0.06 per diluted share, in the first quarter of fiscal 2001.

Avi Naor, Chief Executive Officer of Amdocs Management Limited, noted, "We had excellent new business wins this quarter which confirm that we are the undisputed leader in our market. We continued to show growth and achieved our business and financial objectives. We had very good sales results globally, in both the wireline and mobile sectors, and for both CRM and billing systems."

Naor continued, "This was a significant quarter for both new business wins and major implementations. We had major wins across lines of business and geographies including such Tier One customers as Telefonica de Espana with 16 million subscribers, where we're providing convergent voice and data services including ADSL. We had successful implementations for such major customers as BT with 21 million customers in the United Kingdom, Nextel with 8 million subscribers and Bell Nexxia, which is part of our overall modernization at Bell Canada. Amdocs is the only company whose business offering combines market-leading products and twenty years of experience in successful solution implementations."

"During the first quarter, we further strengthened our leadership of the CRM and billing market for communications," Naor added. "We completed our acquisition of Clarify, which establishes Amdocs as the world's number one provider of CRM to communications service providers. This acquisition is already creating momentum, with some important CRM sales to major operators during the quarter. We further expanded our global CRM capabilities in the quarter through our relationships with NEC to serve the CRM market in Japan. Our new Amdocs Enabler product for next generation services, announced in October, has also generated strong sales momentum with new and existing customers. These customers have cited Enabler's market-leading technology and scalability as the key factors in their decision. Pre-integrated and production ready, Enabler employs open API's and is designed for quick, cost-effective deployment."

Naor concluded, "Despite the overall economic climate, demand for Amdocs solutions is strong. We believe that our financial stability, broad portfolio and unparalleled reliability are key factors for leading operators, especially in the current environment, as they choose long-term partners for their mission-critical system needs. The scale and focus of our R&D program also assure customers that Amdocs systems will put them in front, and keep them in front. As a result of this demand, we have a strong diverse pipeline. With our high visibility and proven business model, based on the solutions approach, long-term customer relationships and recurring revenue flows, we are very confident regarding our business prospects in the coming quarters."

As-reported operating income for the first quarter included a one-time charge of \$17.4 million for write-off of in-process research and development related to the acquisition of Clarify, which closed during the quarter. Following a successful implementation for Nextel Communications, and as part of a plan to achieve increased operational efficiency and reduce costs, Amdocs consolidated its Stamford, Connecticut data center into its Champaign, Illinois facility and recorded a nonrecurring charge of \$13.3 million largely for facilities and severance charges.

Amdocs is the world's leading provider of CRM, billing and order management systems for the communications industry. Amdocs has an unparalleled success record in project delivery of its mission-critical products. With human resources of over 9,050 information systems professionals, Amdocs supports a global customer base. For more information visit our Web site at www.amdocs.com.

Amdocs will host a conference call on January 22 at 5 p.m. Eastern Standard Time to discuss the Company's first quarter results. The call will be carried live on the Internet via www.vcall.com and the Amdocs website, www.amdocs.com.

This press release may contain forward-looking statements as defined under the Securities Act of 1933, as amended, 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 Form 20-F filed on December

27, 2001.

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AMDOCS LIMITED

Pro forma Consolidated Statements of Income (Unaudited)

**Excluding Purchased In-Process Research and Development,
Amortization of Goodwill and Purchased Intangible Assets, Nonrecurring Charge and Related Tax Effects
(in thousands, except per share data)**

| | Three months ended | |
|---|--------------------|------------------|
| | December 31, | |
| | 2001 (1) | 2000 (1) |
| Revenue: | | |
| License | \$ 42,290 | \$ 38,076 |
| Service | 380,351 | 304,091 |
| | <u>422,641</u> | <u>342,167</u> |
| Operating expenses: | | |
| Cost of license | 980 | 1,658 |
| Cost of service | 230,603 | 191,788 |
| Research and development | 28,557 | 23,579 |
| Selling, general and administrative | 53,779 | 43,450 |
| | <u>313,919</u> | <u>260,475</u> |
| Operating income | 108,722 | 81,692 |
| Interest income and other, net | 3,327 | 5,562 |
| Income before income taxes | <u>112,049</u> | <u>87,254</u> |
| Income taxes | 31,374 | 26,176 |
| Net income | <u>\$ 80,675</u> | <u>\$ 61,078</u> |
| Diluted earnings per share | <u>\$ 0.36</u> | <u>\$ 0.27</u> |
| Diluted weighted average number of shares outstanding | <u>225,090</u> | <u>226,361</u> |

- (1) Excludes \$56,782 and \$54,160 for amortization of goodwill and purchased intangible assets, \$17,400 and \$0 for write-off of purchased in-process research and development related to the Clarify acquisition, \$13,311 and \$0 of a nonrecurring charge related to the consolidation of data centers and the resulting closure of our Stamford, Connecticut facility, and tax effects related to the above of \$(11,152) and \$(5,658) for the three months ended December 31, 2001 and 2000, respectively. Including the above items, income before income taxes was \$24,556 and \$33,094, and diluted earnings per share were \$0.02 and \$0.06 for the three months ended December 31, 2001 and 2000, respectively.

AMDOCS LIMITED

Consolidated Statements of Income (Unaudited)

(in thousands, except per share data)

| | Three months ended | |
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| | 2001 | 2000 |
| Revenue: | | |
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| Operating expenses: | | |
| Cost of license | 980 | 1,658 |
| Cost of service | 230,603 | 191,788 |
| Research and development | 28,557 | 23,579 |
| Selling, general and administrative | 53,779 | 43,450 |
| Amortization of goodwill and purchased intangible assets | 56,782 | 54,160 |
| In-process research and development and nonrecurring charge | 30,711 | - |
| | <u>401,412</u> | <u>314,635</u> |
| Operating income | <u>21,229</u> | <u>27,532</u> |
| Interest income and other, net | 3,327 | 5,562 |
| Income before income taxes | <u>24,556</u> | <u>33,094</u> |
| Income taxes | 20,222 | 20,518 |
| Net income | <u>\$ 4,334</u> | <u>\$ 12,576</u> |
| Basic earnings per share | <u>\$ 0.02</u> | <u>\$ 0.06</u> |
| Diluted earnings per share | <u>\$ 0.02</u> | <u>\$ 0.06</u> |
| Basic weighted average number of shares outstanding | <u>222,696</u> | <u>221,217</u> |
| Diluted weighted average number of shares outstanding | <u>225,090</u> | <u>226,361</u> |

AMDOCS LIMITED

Condensed Consolidated Balance Sheets
(in thousands)

As of

| | December 31, 2001 (Unaudited) | September 30, 2001 |
|--|-------------------------------------|-----------------------|
| ASSETS | | |
| Current assets | | |
| Cash, cash equivalents and short-term interest-bearing investments | \$ 979,464 | \$ 1,110,067 |
| Accounts receivable, including unbilled of \$22,911 and \$23,272, respectively | 423,458 | 384,851 |
| Deferred income taxes and taxes receivable | 41,503 | 38,916 |
| Prepaid expenses and other current assets | 51,546 | 38,045 |
| Total current assets | <u>1,495,971</u> | <u>1,571,879</u> |
| Equipment, vehicles and leasehold improvements, net | 173,847 | 173,695 |
| Goodwill and other intangible assets, net | 938,363 | 788,187 |
| Other noncurrent assets | 112,180 | 90,675 |
| Total assets | <u>\$ 2,720,361</u> | <u>\$ 2,624,436</u> |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Current Liabilities: | | |
| Accounts payable and accruals | \$ 335,243 | \$ 270,517 |
| Short-term portion of capital lease obligations | 10,180 | 10,400 |
| Deferred revenue | 148,572 | 140,033 |
| Deferred income taxes and income taxes payable | 99,662 | 91,026 |
| Total current liabilities | <u>593,657</u> | <u>511,976</u> |
| Convertible notes and other noncurrent liabilities | 606,837 | 600,369 |
| Shareholders' equity | 1,519,867 | 1,512,091 |
| Total liabilities and shareholders' equity | <u>\$ 2,720,361</u> | <u>\$ 2,624,436</u> |

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