



Second Quarter Results for Fiscal 2002

April 23, 2002

Stock Repurchase Plan Expanded to 20 Million Shares by Board of Directors

Earnings Release

St. Louis, MO – April 23, 2002 -- Amdocs Limited (NYSE: DOX) today reported that for the second quarter ended March 31, 2002, revenue reached \$455.3 million, an increase of 22.3% over last year's second quarter. Excluding acquisition-related costs, net income increased 22.5% to \$82.9 million, while earnings per share increased 23.3% to \$0.37 per diluted share, compared to net income of \$67.6 million, or \$0.30 per diluted share, in the second quarter of fiscal 2001. The Company's as-reported net income, which includes acquisition-related charges for amortization of goodwill and purchased intangible assets and related tax effects, was \$26.4 million, or \$0.12 per diluted share, compared to a net income of \$15.4 million, or \$0.07 per diluted share, in the second quarter of fiscal 2001.

Avi Naor, Chief Executive Officer of Amdocs Management Limited, said, "This quarter, we continued to meet revenue and profitability targets and our ability to generate cash remains very high. In light of the current economy, I am very satisfied with the results. We expanded our customer base and had a very strong presence with wireline customers. We leveraged our outstanding set of offerings, including billing for next generation services and outsourcing services. We saw particular momentum in the CRM area with several new customer wins reflecting our unique ability to offer both full integration with our customer care and billing product and standalone offerings. Notably, our pipeline of new prospects continues to grow reflecting our ability to offer customers the products that meet changing market needs."

"Carriers are being very careful about committing to new capital expenditures. During the second quarter, we encountered further delays in customers finalizing their buying decisions, even for mission-critical software. We see more decisions being made in a phased approach, with some customers committing only to project elements that are immediately essential. This reflects a more prolonged and deeper market deterioration than had been originally anticipated," Naor noted. Amdocs expects that revenue for fiscal year ending September 30, 2002, will be approximately \$1.73 billion, with pro forma earnings per share for the fiscal year expected to be approximately \$1.40, excluding acquisition-related costs and nonrecurring charge.

Naor concluded, "Many procurement decisions for new systems are currently postponed, but the demand is still there, resulting in an expanding pipeline for Amdocs. We believe these mission-critical systems remain a top priority for carriers and will be the first projects to benefit from a recovery in capital spending. Carriers recognize the growing need for the market differentiation offered by Amdocs systems. Leveraging our strong offering and broad, high-quality customer base, we are poised for accelerated growth as the industry emerges from the current transition period. Due to our market leadership position and proven business model, we are very confident of our long term business prospects."

The Company also announced that its Board of Directors has expanded the existing stock repurchase plan to authorize the purchase of up to 20 million shares, or approximately 9% of the Company's outstanding common stock. This represents an increase from the 11 million shares originally authorized when the plan was instituted in November 2001. These purchases may be made on the open market, or in privately negotiated transactions, at times and prices considered appropriate by the Company, which intends to fund the repurchases with available funds.

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 9,100 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 April 23, 2002 at 5 p.m. Eastern Daylight Time to discuss the Company's second 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 Annual Report on Form 20-F filed December 27, 2001 and our Form 6-K filed on January 30, 2002.

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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		Six months ended	
	March 31,		March 31,	
	2002 (1)	2001 (1)	2002 (2)	2001 (2)
Revenue:				
License	\$ 45,528	\$ 43,290	\$ 87,818	\$ 81,366
Service	409,741	328,999	790,092	633,090
	<u>455,269</u>	<u>372,289</u>	<u>877,910</u>	<u>714,456</u>
Operating expenses:				
Cost of license	1,433	1,295	2,413	2,953
Cost of service	249,204	206,154	479,807	397,942
Research and development	30,902	25,152	59,459	48,731
Selling, general and administrative	61,023	48,168	114,802	91,618
	<u>342,562</u>	<u>280,769</u>	<u>656,481</u>	<u>541,244</u>
Operating income	<u>112,707</u>	<u>91,520</u>	<u>221,429</u>	<u>173,212</u>
Interest income and other, net	2,383	5,096	5,710	10,658
Income before income taxes	<u>115,090</u>	<u>96,616</u>	<u>227,139</u>	<u>183,870</u>
Income taxes	32,225	28,985	63,599	55,161
Net income	<u>\$ 82,865</u>	<u>\$ 67,631</u>	<u>\$ 163,540</u>	<u>\$ 128,709</u>
Diluted earnings per share	<u>\$ 0.37</u>	<u>\$ 0.30</u>	<u>\$ 0.73</u>	<u>\$ 0.57</u>
Diluted weighted average number of shares outstanding	<u>225,488</u>	<u>227,213</u>	<u>225,275</u>	<u>226,994</u>

(1) Excludes \$61,894 and \$54,164 of amortization of goodwill and purchased intangible assets, and tax effects related to the above of \$5,470 and \$1,946 for the three months ended March 31, 2002 and 2001, respectively. Including the above items, income before income taxes was \$53,196 and \$42,452 and diluted earnings per share were \$0.12 and \$0.07 for the three months ended March 31, 2002 and 2001, respectively.

(2) Excludes \$118,676 and \$108,324 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 \$16,622 and \$7,604 for the six months ended March 31, 2002 and 2001, respectively. Including the above items, income before income taxes was \$77,752 and \$75,546, and diluted earnings per share were \$0.14 and \$0.12 for the six months ended March 31, 2002 and 2001, respectively.

AMDOCS LIMITED

Consolidated Statements of Income (Unaudited)

(in thousands, except per share data)

	Three months ended		Six months ended	
	March 31,		March 31,	
	2002	2001	2002	2001
Revenue:				
License	\$ 45,528	\$ 43,290	\$ 87,818	\$ 81,366
Service	409,741	328,999	790,092	633,090
	<u>455,269</u>	<u>372,289</u>	<u>877,910</u>	<u>714,456</u>
Operating expenses:				
Cost of license	1,433	1,295	2,413	2,953
Cost of service	249,204	206,154	479,807	397,942
Research and development	30,902	25,152	59,459	48,731
Selling, general and administrative	61,023	48,168	114,802	91,618
Amortization of goodwill and purchased intangible assets	61,894	54,164	118,676	108,324
In-process research and development and nonrecurring charge	-	-	30,711	-
	<u>404,456</u>	<u>334,933</u>	<u>805,868</u>	<u>649,568</u>
Operating income	50,813	37,356	72,042	64,888
Interest income and other, net	2,383	5,096	5,710	10,658
Income before income taxes	<u>53,196</u>	<u>42,452</u>	<u>77,752</u>	<u>75,546</u>
Income taxes	26,755	27,039	46,977	47,557
Net income	<u>\$ 26,441</u>	<u>\$ 15,413</u>	<u>\$ 30,775</u>	<u>\$ 27,989</u>
Basic earnings per share	<u>\$ 0.12</u>	<u>\$ 0.07</u>	<u>\$ 0.14</u>	<u>\$ 0.13</u>
Diluted earnings per share	<u>\$ 0.12</u>	<u>\$ 0.07</u>	<u>\$ 0.14</u>	<u>\$ 0.12</u>
Basic weighted average number of shares outstanding	<u>222,995</u>	<u>221,884</u>	<u>222,844</u>	<u>221,546</u>
Diluted weighted average number of shares outstanding	<u>225,488</u>	<u>227,213</u>	<u>225,275</u>	<u>226,994</u>

Condensed Consolidated Balance Sheets
(in thousands)

	As of	
	March 31,	September 30,
	2002	2001
	(Unaudited)	
ASSETS		
Current assets		
Cash, cash equivalents and short-term interest-bearing investments	\$ 1,040,940	\$ 1,110,067
Accounts receivable, including unbilled of \$26,762 and \$23,272, respectively	406,588	384,851
Deferred income taxes and taxes receivable	54,868	38,916
Prepaid expenses and other current assets	54,968	38,045
Total current assets	<u>1,557,364</u>	<u>1,571,879</u>
Equipment, vehicles and leasehold improvements, net	171,496	173,695
Goodwill and other intangible assets, net	874,200	788,187
Other noncurrent assets	122,816	90,675
Total assets	<u>\$ 2,725,876</u>	<u>\$ 2,624,436</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accruals	\$ 340,888	\$ 270,517
Short-term portion of capital lease obligations	10,286	10,400
Deferred revenue	136,140	140,033
Deferred income taxes and income taxes payable	104,635	91,026
Total current liabilities	<u>591,949</u>	<u>511,976</u>
Convertible notes and other noncurrent liabilities	608,333	600,369
Shareholders' equity	1,525,594	1,512,091
Total liabilities and shareholders' equity	<u>\$ 2,725,876</u>	<u>\$ 2,624,436</u>