



## Fourth Quarter Results for Fiscal 2001

November 6, 2001

**Fourth quarter revenue increases 31.9% to \$415.4 million**

**Annual revenue tops \$1.5 billion**

**Board of Directors authorizes stock repurchase**

St. Louis, MO – November 6, 2001 -- Amdocs Limited (NYSE: DOX) today reported that for the fourth quarter ended September 30, 2001, revenue reached \$415.4 million, an increase of 31.9% over last year's fourth quarter. Excluding acquisition-related charges, net income increased 39.8% to \$78.3 million, while earnings per share increased 40.0% to \$0.35 per diluted share, compared to net income of \$56.0 million, or \$0.25 per diluted share, in the fourth quarter of fiscal 2000. 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 \$19.9 million, or \$0.09 per diluted share, compared to a net income of \$13.0 million, or \$0.06 per diluted share, in the fourth quarter of fiscal 2000.

Avi Naor, Chief Executive Officer of Amdocs Management Limited, noted, "We achieved strong revenue and operating results this quarter. Our ability to achieve stability and growth in the current business environment is based on our long-term relationships with the market leaders, which generate a solid, constantly expanding flow of recurring revenues. Our extensive portfolio of products and services, together with our global presence, adds stability by allowing us to adjust to shifting needs and opportunities within the evolving communications market. Moreover, in the current environment, Amdocs' reliability and stability have become decisive criteria in vendor selection. These factors are fueling continued growth through new sales in both the wireline and mobile sectors."

Naor continued, "We are focusing efforts on further strengthening our leadership position in the market. These initiatives encompass products, expanded customer base and operations. Through our strong R&D program, together with the pending acquisition of Clarify, a leading CRM vendor, we are expanding our market coverage and enhancing our product line. This is helping us drive the expansion of our customer base. We believe these initiatives can significantly strengthen our leadership of the communications CRM and billing market and will facilitate continued growth moving forward."

The Company also announced a stock buyback program. Earlier today, Amdocs' Board of Directors authorized the repurchase of up to 11 million shares, or approximately 5% of the Company's outstanding common stock, on the open market, at times and prices considered appropriate by the Company. The Company intends to fund the repurchase with available funds.

Mr. Naor stated that the repurchase reflects management's confidence in the Company's future. Naor said, "The underlying fundamentals of our business are excellent. CRM and billing systems are mission-critical for our customers as they seek, for example, to improve customer retention, enhance productivity and support advanced data services. Even in today's environment, we are experiencing strong demand for our offerings. As the vendor of choice for the world's leading communications providers, we have a full, diverse pipeline and high visibility. While we have encountered longer sales cycles, the fundamentals of our business are compelling – we are the foremost vendor in an outstanding market. Looking forward, we are very confident regarding our future business prospects."

The Company also noted that for the fiscal year ended September 30, 2001, revenue grew by 37.2% to a record \$1.53 billion. Excluding acquisition-related charges of amortization of goodwill and purchased intangible assets and related tax effects, and in fiscal 2000 also in-process research and development and other indirect acquisition costs, net income for fiscal 2001 increased 47.8% to \$281.1 million, while diluted earnings per share increased 40.9% to \$1.24.

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 8,600 information systems professionals, Amdocs supports a global customer base. For more information visit our Web site at [www.amdocs.com](http://www.amdocs.com).

Amdocs will host a conference call on November 6 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](http://www.vcall.com) and the Amdocs website, [www.amdocs.com](http://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, 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 6-K filed on August 9, 2001 and in our Form 20-F/A filed on April 3, 2001.

### Contact:

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## Pro forma Consolidated Statements of Income (Unaudited)

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

	Three months ended		Twelve months ended	
	September 30,		September 30,	
	2001 (1)	2000 (1)	2001 (2)	2000 (2)
Revenue:				
License	\$ 41,560	\$ 35,216	\$ 171,430	\$ 124,822
Service	373,887	279,851	1,362,480	993,498
	<u>415,447</u>	<u>315,067</u>	<u>1,533,910</u>	<u>1,118,320</u>
Operating expenses:				
Cost of license	926	1,278	5,651	5,624
Cost of service	228,814	177,475	847,591	639,900
Research and development	29,073	21,894	105,807	74,852
Selling, general and administrative	51,248	39,136	195,592	137,004
	<u>310,061</u>	<u>239,783</u>	<u>1,154,641</u>	<u>857,380</u>
Operating income	<u>105,386</u>	<u>75,284</u>	<u>379,269</u>	<u>260,940</u>
Interest income and other, net	6,400	4,716	22,288	10,734
Income before income taxes	<u>111,786</u>	<u>80,000</u>	<u>401,555</u>	<u>271,674</u>
Income taxes	33,536	24,026	120,467	81,528
Net income	<u>\$ 78,250</u>	<u>\$ 55,974</u>	<u>\$ 281,088</u>	<u>\$ 190,146</u>
Diluted earnings per share	<u>\$ 0.35</u>	<u>\$ 0.25</u>	<u>\$ 1.24</u>	<u>\$ 0.88</u>
Diluted weighted average number of shares outstanding	<u>225,716</u>	<u>227,227</u>	<u>226,832</u>	<u>216,935</u>

(1) Excludes \$55,857 and \$54,329 of amortization of goodwill and purchased intangible assets, and tax effects related to the above of \$(2,488) and \$11,348 for the three months ended September 30, 2001 and 2000, respectively. Including the above items, income before income taxes was \$55,829 and \$25,671 and diluted earnings per share were \$0.09 and \$0.06 for the three months ended September 30, 2001 and 2000, respectively.

(2) Excludes \$219,988 and \$111,199 of amortization of goodwill and purchased intangible assets, \$0 and \$70,319 write-off of purchased in-process research and development, \$0 and \$5,298 of acquisition-related costs, and tax effects related to the above of \$5,286 and \$2,648 for the twelve months ended September 30, 2001 and 2000, respectively. Including the above items, income before income taxes was \$181,567 and \$84,858 and diluted earnings per share were \$0.29 and \$0.03 for the twelve months ended September 30, 2001 and 2000, respectively.

## Consolidated Statements of Income

(in thousands, except per share data)

	Three months ended		Twelve months ended	
	September 30,		September 30,	
	2001	2000	2001	2000
	(Unaudited)			
Revenue:				
License	\$ 41,560	\$ 35,216	\$ 171,430	\$ 124,822
Service	373,887	279,851	1,362,480	993,498
	<u>415,447</u>	<u>315,067</u>	<u>1,533,910</u>	<u>1,118,320</u>
Operating expenses:				
Cost of license	926	1,278	5,651	5,624
Cost of service	228,814	177,475	847,591	639,900
Research and development	29,073	21,894	105,807	74,852
Selling, general and administrative	51,248	39,136	195,592	137,004
Amortization of goodwill and purchased intangible assets	55,857	54,329	219,988	111,199
In-process research and development and other indirect acquisition-related costs	-	-	-	75,617
	<u>365,918</u>	<u>294,112</u>	<u>1,374,629</u>	<u>1,044,196</u>
Operating income	<u>49,529</u>	<u>20,955</u>	<u>159,281</u>	<u>74,124</u>
Interest income and other, net	6,400	4,716	22,296	10,734
Income before income taxes	<u>55,929</u>	<u>25,671</u>	<u>181,567</u>	<u>84,858</u>
Income taxes	36,024	12,678	115,181	78,880
Net income	<u>\$ 19,905</u>	<u>\$ 12,993</u>	<u>\$ 66,386</u>	<u>\$ 5,978</u>
Basic earnings per share	<u>\$ 0.09</u>	<u>\$ 0.06</u>	<u>\$ 0.30</u>	<u>\$ 0.03</u>
Diluted earnings per share	<u>\$ 0.09</u>	<u>\$ 0.06</u>	<u>\$ 0.29</u>	<u>\$ 0.03</u>
Basic weighted average number of shares outstanding	<u>222,560</u>	<u>221,105</u>	<u>222,002</u>	<u>212,005</u>
Diluted weighted average number of shares outstanding	<u>225,716</u>	<u>227,227</u>	<u>226,832</u>	<u>216,935</u>

## Condensed Consolidated Balance Sheets

(in thousands)

	As of	
	September 30, 2001	September 30, 2000
ASSETS		
Current assets		
Cash, cash equivalents and short-term interest-bearing investments	\$ 1,110,067	\$ 402,300
Accounts receivable, including unbilled of \$23,272 and \$4,203, respectively	384,851	263,100
Deferred income taxes and taxes receivable	38,916	35,179
Prepaid expenses and other current assets	38,045	34,327
Total current assets	<u>1,571,879</u>	<u>734,906</u>
Equipment, vehicles and leasehold improvements, net	173,695	128,081
Goodwill and other intangible assets, net	788,187	1,011,053
Other noncurrent assets	90,675	61,045
Total assets	<u>\$ 2,624,436</u>	<u>\$ 1,935,085</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable and accruals	\$ 270,517	\$ 198,445
Short-term financing arrangements	10,400	28,713
Deferred revenue	140,033	133,546
Deferred income taxes and income taxes payable	91,026	55,197
Total current liabilities	<u>511,976</u>	<u>415,901</u>
Convertible notes and other noncurrent liabilities	600,369	88,412
Shareholders' equity	1,512,091	1,430,772
Total liabilities and shareholders' equity	<u>\$ 2,624,436</u>	<u>\$ 1,935,085</u>