



Third Quarter Results for Fiscal 2001

July 24, 2001

Revenue Increased by 36.0% to a Record \$404.0 Million

Earnings Release

St. Louis, MO – July 24, 2001 -- Amdocs Limited (NYSE: DOX) today reported that for the third quarter ended June 30, 2001, revenue reached \$404.0 million, an increase of 36.0% over last year's third quarter. Excluding acquisition-related charges, net income increased 44.4% to \$74.1 million, while earnings per share increased 43.5% to \$0.33 per diluted share, compared to net income of \$51.4 million, or \$0.23 per diluted share, in the third 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, and in fiscal 2000 also included in-process research and development write-offs and other indirect acquisition costs, was \$18.5 million, or \$0.08 per diluted share, compared to a net loss of \$67.2 million, or \$0.31 per diluted share, in the third quarter of fiscal 2000.

Avi Naor, Chief Executive Officer of Amdocs Management Limited, noted, "We had an excellent quarter. These results continue our consistent track record of strong business performance and stable growth. We continued to expand our penetration in both the wireline and mobile sectors for both voice and IP applications. We have great stability due to our business model, which emphasizes long-term customer relationships, as well as our extensive portfolio which includes CRM, billing and order management; the variety of service alternatives we offer including licensed solutions and outsourcing projects; and the geographic diversity spanning all major global markets."

Naor continued, "We continue to be very confident moving forward. For Amdocs, the market for customer care and billing systems remains strong. With our broad product offering and complete service coverage, Amdocs is uniquely positioned to leverage its existing relationships with Tier 1 and Tier 2 carriers, the strongest players in the market. Carriers recognize that powerful customer care and billing capabilities are mission-critical for their operations, and enable them to be more competitive. This also holds for our existing customers, where we have significant ongoing support programs and additional system expansion and enhancement projects."

Naor added, "Due to the slowdown in the global communications market, we have recently experienced a lengthening in our sales cycle, which means that it may take us longer to close deals for new business. Nonetheless, our future outlook is very positive. We continue to have a strong pipeline, and our visibility remains high. With our leading position among the top tier communications carriers, together with our long-term customer relationships, solutions-based business model and diverse product portfolio, our future business prospects remain strong in the current market."

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 8,450 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 July 24 at 5 p.m. Eastern Daylight Time to discuss the Company's third 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, 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 May 10, 2001 and in our Form 20-F/A filed on April 3, 2001.

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AMDOCS LIMITED

Pro forma Consolidated Statements of Operations (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		Nine months ended	
	June 30, (1)		June 30, (2)	
	2001	2000	2001	2000
Revenue:				
License	\$ 48,504	\$ 32,663	\$ 129,870	\$ 89,606
Service	<u>355,503</u>	<u>264,339</u>	<u>988,593</u>	<u>713,647</u>
	404,007	297,002	1,118,463	803,253
Operating expenses:				
Cost of license	1,772	1,715	4,725	4,346
Cost of service	220,834	167,686	618,776	462,425
Research and development	28,003	20,275	76,734	52,958
Selling, general and administrative	<u>52,727</u>	<u>37,321</u>	<u>144,344</u>	<u>97,868</u>
	<u>303,336</u>	<u>226,997</u>	<u>844,579</u>	<u>617,597</u>
Operating income	100,671	70,005	273,884	185,656
Interest income and other, net	<u>5,228</u>	<u>3,355</u>	<u>15,885</u>	<u>6,018</u>
Income before income taxes	105,899	73,360	289,769	191,674
Income taxes	<u>31,769</u>	<u>22,008</u>	<u>86,931</u>	<u>57,502</u>
Net income	<u>\$ 74,130</u>	<u>\$ 51,352</u>	<u>\$ 202,838</u>	<u>\$ 134,172</u>
Diluted earnings per share	<u>\$ 0.33</u>	<u>\$ 0.23</u>	<u>\$ 0.89</u>	<u>\$ 0.63</u>
Diluted weighted average number of shares outstanding	<u>226,942</u>	<u>226,304</u>	<u>226,961</u>	<u>213,898</u>

(1) Excludes \$55,807 and \$54,070 of amortization of goodwill and purchased intangible assets, \$0 and \$50,554 write-off of purchased in-process research and development, \$0 and \$5,187 of acquisition-related costs, and tax effects related to the above of \$(169) and \$8,700 for the three months ended June 30, 2001 and 2000, respectively. Including the above items, income (loss) before income taxes was \$50,092 and \$(36,451) and diluted earnings (loss) per share were \$0.08 and \$(0.31) for the three months ended June 30, 2001 and 2000, respectively.

(2) Excludes \$164,131 and \$56,870 of amortization of goodwill and purchased intangible assets, \$0 and \$70,430 write-off of purchased in-process research and development, \$0 and \$5,187 of acquisition-related costs, and tax effects related to the above of \$(7,774) and \$8,700 for the nine months ended June 30, 2001 and 2000, respectively. Including the above items, income before income taxes was \$125,638 and \$59,187 and diluted earnings (loss) per share were \$0.20 and \$(0.03) for the nine months ended June 30, 2001 and 2000, respectively.

AMDOCS LIMITED

Consolidated Statements of Operations (Unaudited)

(in thousands, except per share data)

	Three months ended		Nine months ended	
	June 30,		June 30,	
	2001	2000	2001	2000
Revenue:				
License	\$ 48,504	\$ 32,663	\$ 129,870	\$ 89,606
Service	355,503	264,339	988,593	713,647
	<u>404,007</u>	<u>297,002</u>	<u>1,118,463</u>	<u>803,253</u>
Operating expenses:				
Cost of license	1,772	1,715	4,725	4,346
Cost of service	220,834	167,686	618,776	462,425
Research and development	28,003	20,275	76,734	52,958
Selling, general and administrative	52,727	37,321	144,344	97,868
Amortization of goodwill and purchased intangible assets	55,807	54,070	164,131	56,870
In-process research and development and other indirect acquisition-related costs	--	55,741	--	75,617
	<u>359,143</u>	<u>336,808</u>	<u>1,008,710</u>	<u>750,084</u>
Operating income (loss)	44,864	(39,806)	109,753	53,169
Interest income and other, net	5,228	3,355	15,885	6,018
Income (loss) before income taxes	50,092	(36,451)	125,638	59,187
Income taxes	31,600	30,708	79,157	66,202
Net income (loss)	<u>\$ 18,492</u>	<u>\$ (67,159)</u>	<u>\$ 46,481</u>	<u>\$ (7,015)</u>
Basic earnings (loss) per share	<u>\$ 0.08</u>	<u>\$ (0.31)</u>	<u>\$ 0.21</u>	<u>\$ (0.03)</u>
Diluted earnings (loss) per share	<u>\$ 0.08</u>	<u>\$ (0.31)</u>	<u>\$ 0.20</u>	<u>\$ (0.03)</u>
Basic weighted average number of shares outstanding	<u>222,349</u>	<u>219,962</u>	<u>221,814</u>	<u>208,706</u>
Diluted weighted average number of shares outstanding	<u>226,942</u>	<u>219,962⁽¹⁾</u>	<u>226,961</u>	<u>208,706⁽¹⁾</u>

(1) 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)

	As of	
	June 30, 2001	September 30, 2000
ASSETS	(Unaudited)	
Current assets:		
Cash, cash equivalents and short-term interest-bearing investments	\$ 1,044,180	\$ 402,300
Accounts receivable, including unbilled of \$22,598 and \$4,203, respectively	329,333	263,100
Deferred income taxes and taxes receivable	34,021	35,179
Prepaid expenses and other current assets	39,291	34,327
Total current assets	1,446,825	734,906
Equipment, vehicles and leasehold improvements, net	167,257	128,081
Goodwill and other intangible assets, net	842,680	1,011,053
Other non-current assets	86,001	61,045
Total assets	\$ 2,542,763	\$ 1,935,085
 LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable and accruals	\$ 227,912	\$ 198,445
Short-term financing arrangements	9,522	28,713
Deferred revenue	147,029	133,546
Deferred income taxes and income taxes payable	67,278	55,197
Total current liabilities	451,741	415,901
Convertible notes and other non-current liabilities	597,869	88,412
Shareholders' equity	1,493,153	1,430,772
Total liabilities and shareholders' equity	\$ 2,542,763	\$ 1,935,085