

amdocs

AMDOCS 2011 ANALYST & INVESTOR DAY

AMDOCS > CUSTOMER EXPERIENCE SYSTEMS INNOVATION

Safe Harbor

This presentation includes information that constitutes forward-looking statements under the Private Securities Litigation Reform Act of 1995, as outlined below in greater detail. Please refer people to the Company's filings with the SEC for a discussion of the risk factors that may affect such forward-looking statements.

Throughout the course of today we will discuss certain financial information that is not prepared in accordance with GAAP. The Company's management uses this financial information in its internal analysis in order to exclude the effect of acquisitions and other significant items that may have a disproportionate effect in a particular period. Accordingly, management believes that isolating the effects of such events enables management and investors to consistently analyze the critical components and results of operations of the Company's business and to have a meaningful comparison to prior periods. For more information regarding our use of non-GAAP financial measures, including reconciliations of these measures, we refer you to SEC.gov on Form 6-K.

Also, today's presentations will include information that constitutes forward-looking statements. 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 and such other risks as discussed in our earnings release today and at greater length in the Company's filings with the Securities and Exchange Commission, including in our Annual Report on Form 20-F for the fiscal year ended September 30, 2010 filed on December 7, 2010 and in our quarterly 6-K filed February 8, 2011.

Amdocs may elect to update these forward-looking statements at some point in the future; however, the Company specifically disclaims any obligation to do so.



**DO MORE
IN THE
CONNECTED
WORLD**

**EXPAND QUICKER
DRIVE EXPERIENCE
RUN LEANER**

Amdocs: Market and Investment Opportunity

Eli Gelman, President & Chief Executive Officer

Agenda

Observations from My First 100 Days

The Opportunity in Our Market

The Opportunity for Amdocs

The Opportunity for our Shareholders



First 100 Days Findings – Highlights

Significant market opportunity in customer experience

- > Service Providers are investing to remain relevant and competitive
- > We are best positioned to benefit from the opportunity

Good execution in several core businesses

- > Emerging Markets
- > Managed Services

Amdocs has the right talent, assets, and DNA in place

First 100 Days Findings – Challenges

Communications industry growth has decelerated

- > Mature markets reaching subscriber saturation
- > Global focus on cost savings

Still experiencing residual impact from the recession

- > On our people
- > On our customers' behavior (and their customers)

Digital Services and OSS not firing on all cylinders

First 100 Days Findings – Opportunities

Continued growth engines

- > Managed Services
- > Emerging Markets
- > Converged BSS

Diamonds in the rough

- > OSS
- > Digital Services
- > European reacceleration
- > Cable transformation

Global Service Provider consolidation

Agenda

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Drivers of Service Providers Evolution

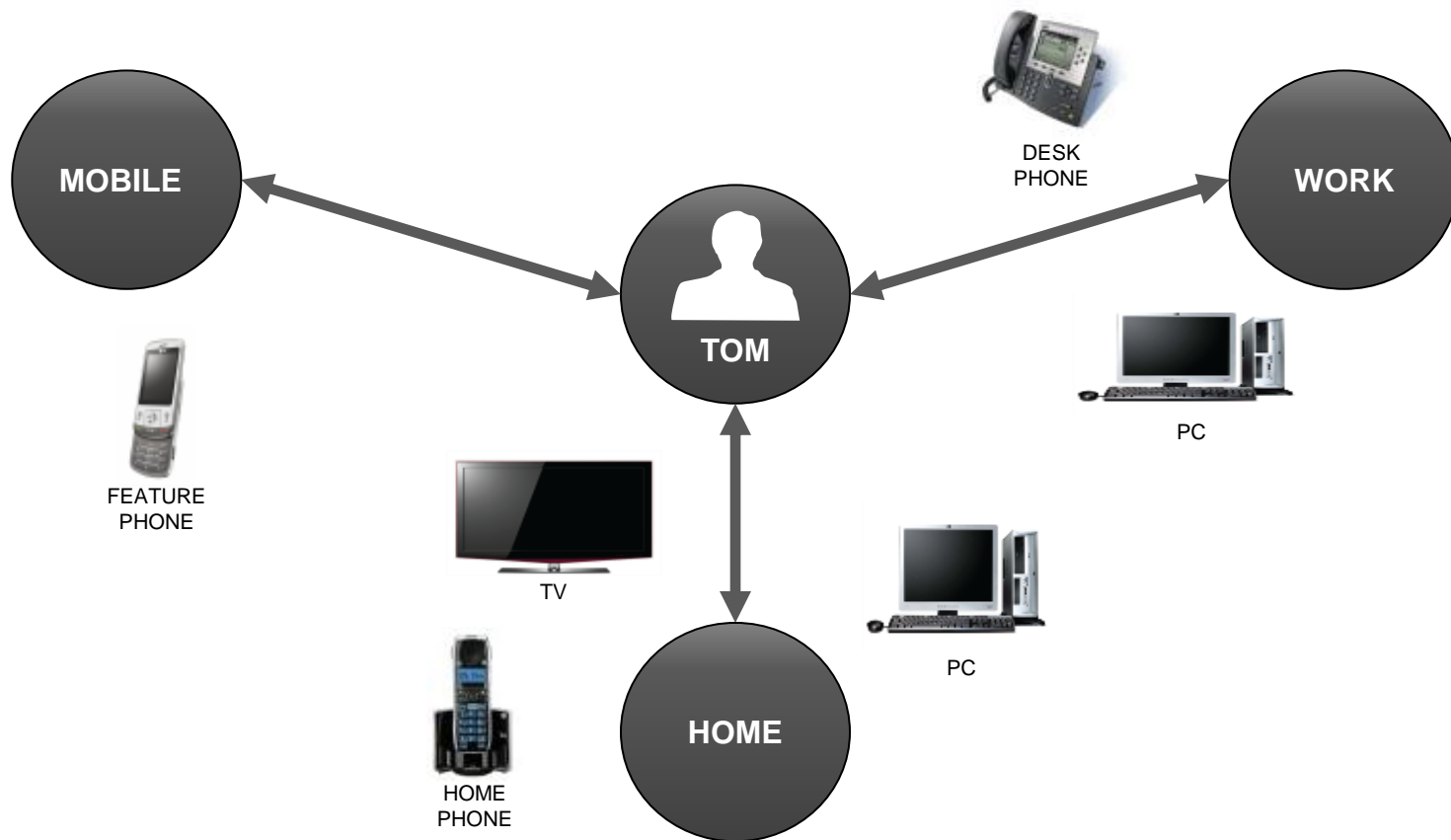
Meta-Drivers

Network & Devices

Competition

- > Service Provider Consolidation
- > High-Growth Market Segments
- > Need to Lower Cost Structures
- > New Offerings (Data Monetization, Machine-to-Machine)
- > Customer Experience

Not Long Ago... A Simpler World



SIMPLE SERVICES

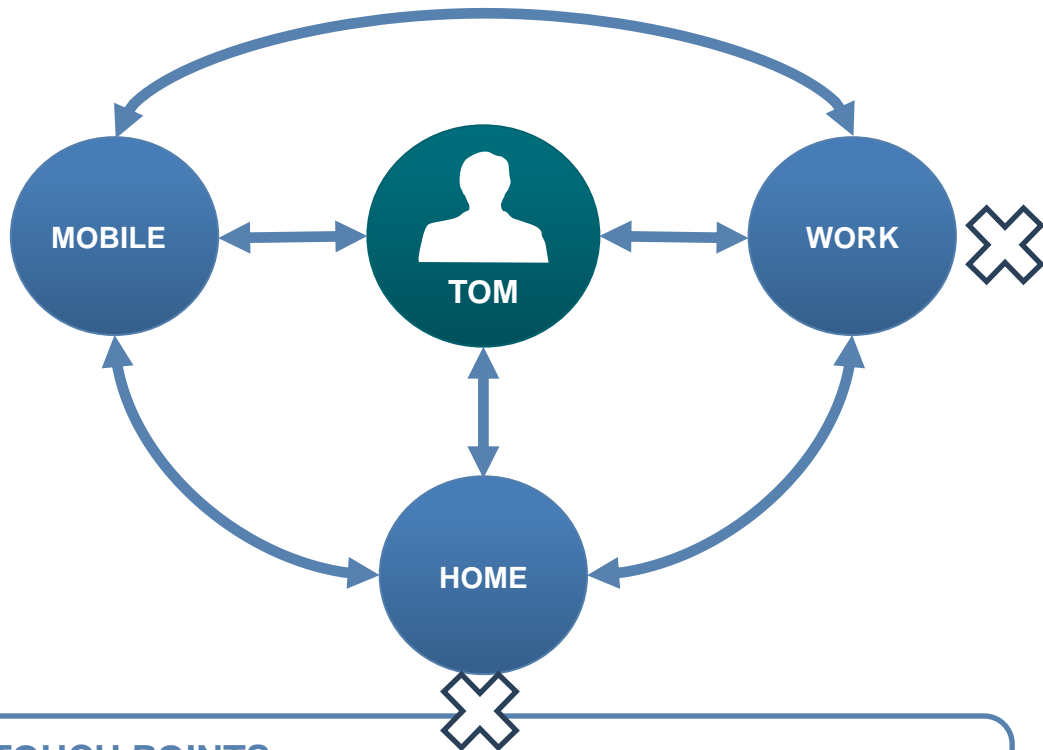


FEW TOUCH POINTS

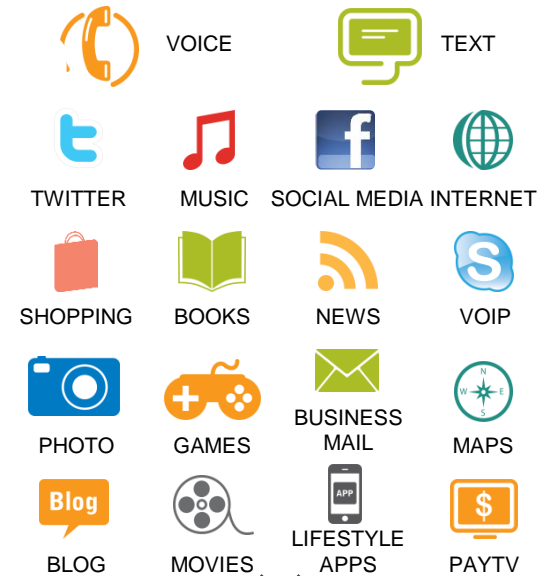
CALL
CENTER

STORE

Multiplying Factor for Interaction Points



SERVICES

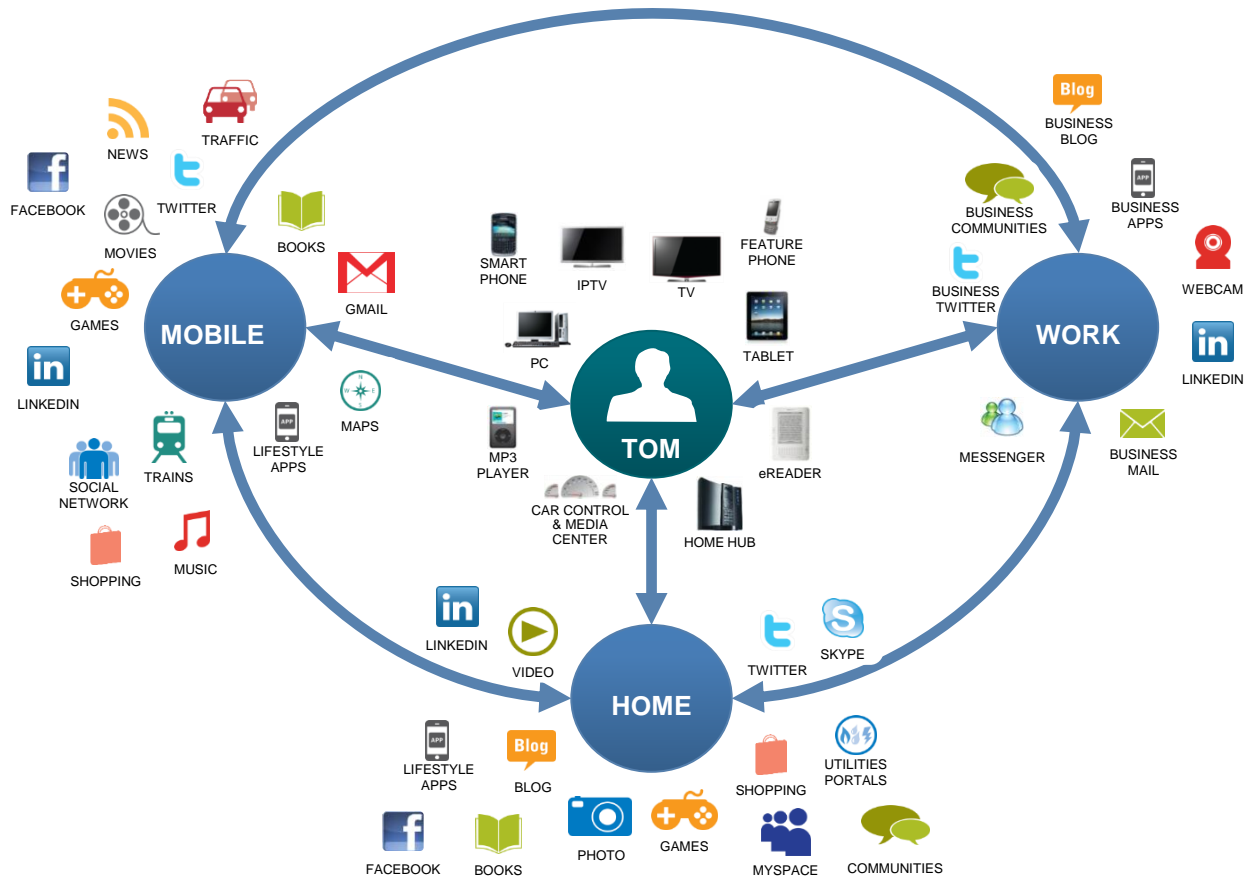


TOUCH POINTS



DEVICES







The Customer Experience

What customers want

- > Personalized customer experience
- > Reliable services available anywhere and on any device
- > Hassle free ordering
- > Simple, flexible billing

Examples of the customer experience gap

- > Identifying subscriber by telephone number vs. customer name
- > Measuring average handle time vs. customer satisfaction
- > Serving customer by line of business vs. full view of customer

What Services Providers Need to Close the Gap

Ideal customer experience

- > 360 degree customer view including services, devices, bundles
- > Consistent experience optimized by channel
- > Simplified, personalized user experience
- > Complete flexibility of offerings

Unified Application Stack and New Business Processes

Drivers of Service Providers Evolution

Meta-Drivers

Network & Devices

Competition

- > Service Provider Consolidation
- > High-Growth Market Segments
- > Need to Lower Cost Structures
- > New Offerings
- > Customer Experience

Need for Transformation

Transformation: A Gap That Cannot Be Walked



A Practical, Systematic Approach to Bridging the Gap

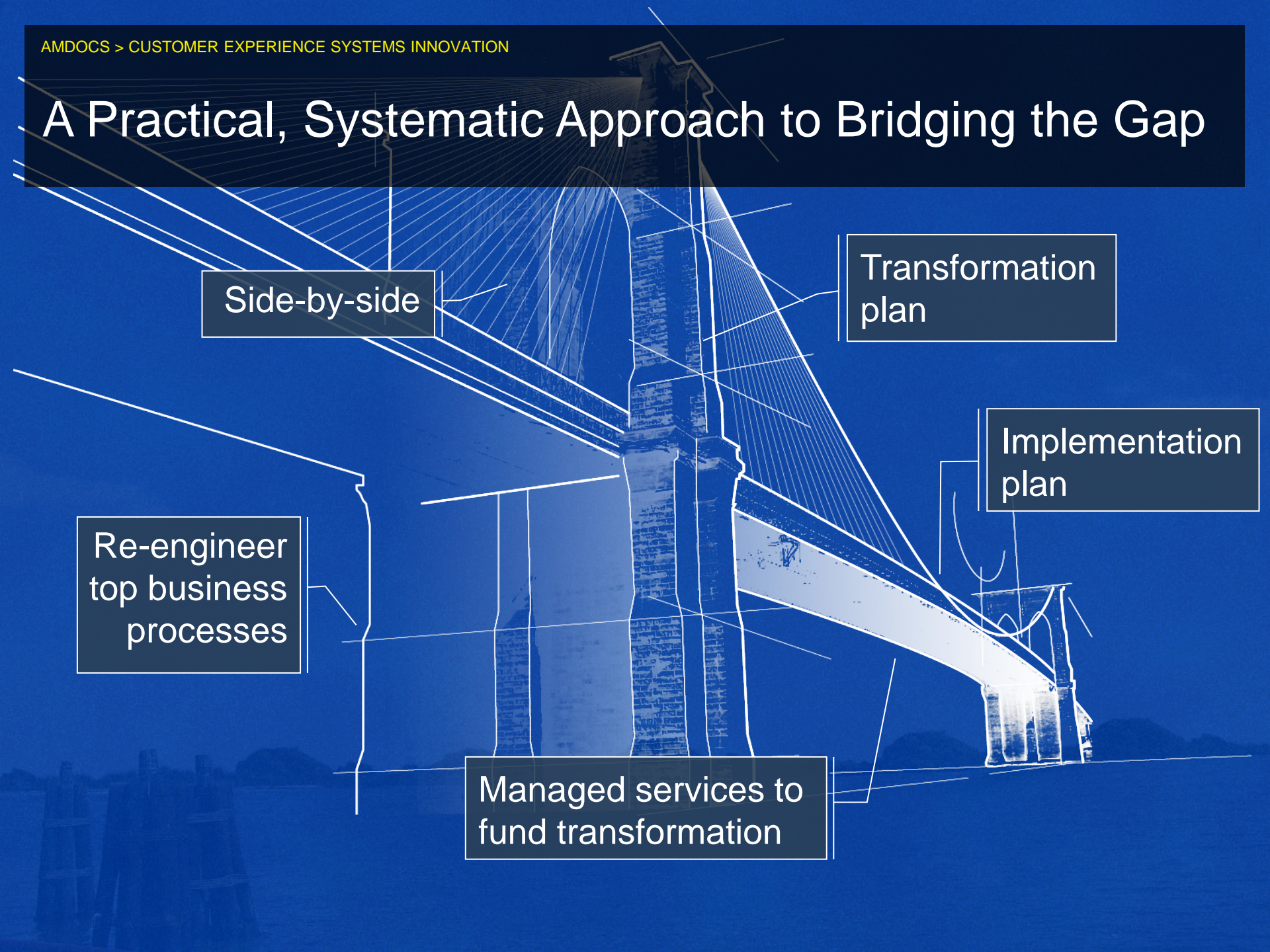
Side-by-side

Transformation
plan

Implementation
plan

Re-engineer
top business
processes

Managed services to
fund transformation



Service Providers Need a Partner in Bridging the Gap



Agenda

Observations from My First 100 Days

The Opportunity in Our Market

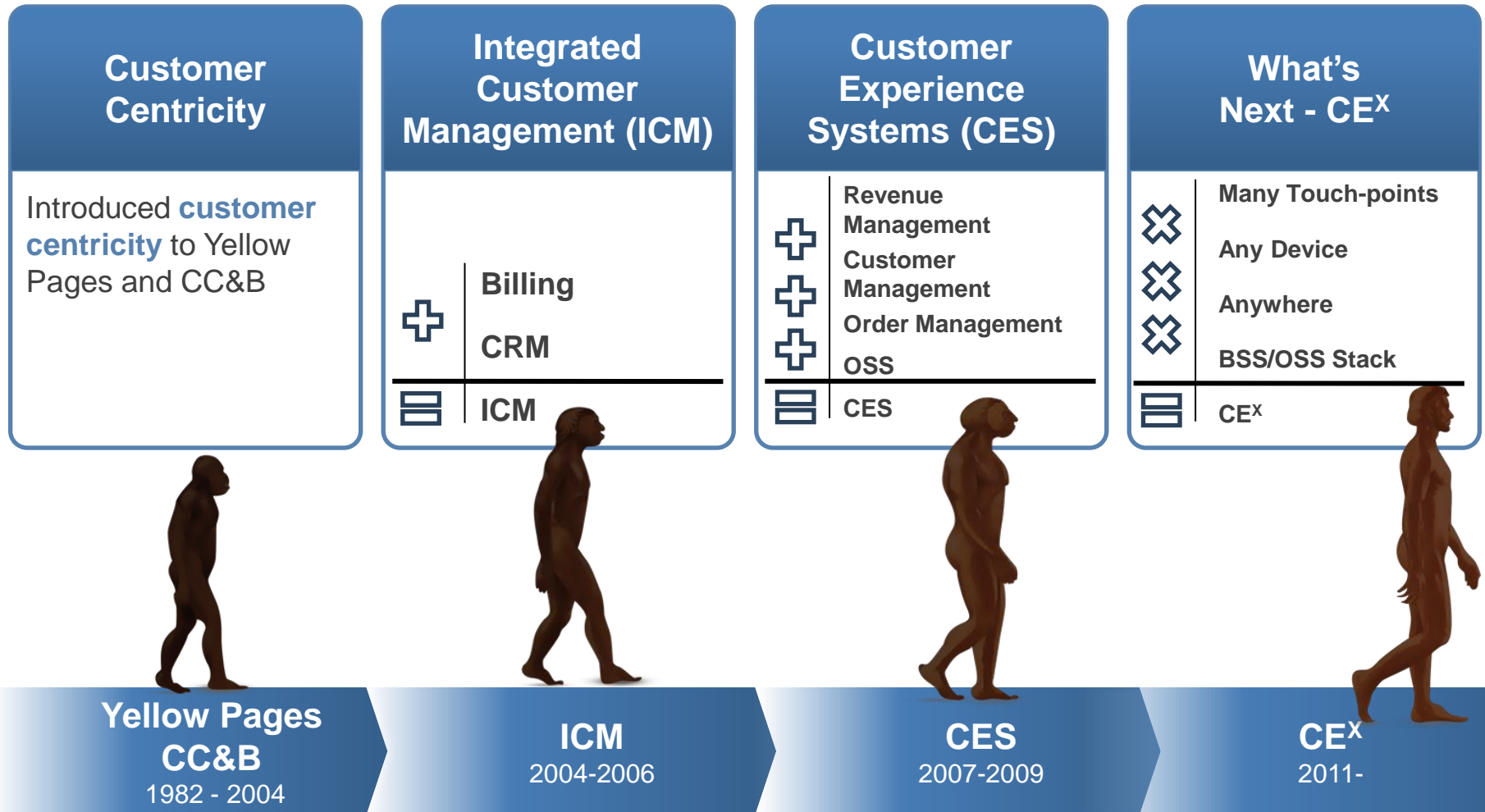
The Opportunity for Amdocs

The Opportunity for our Shareholders



Why Amdocs Will Benefit?

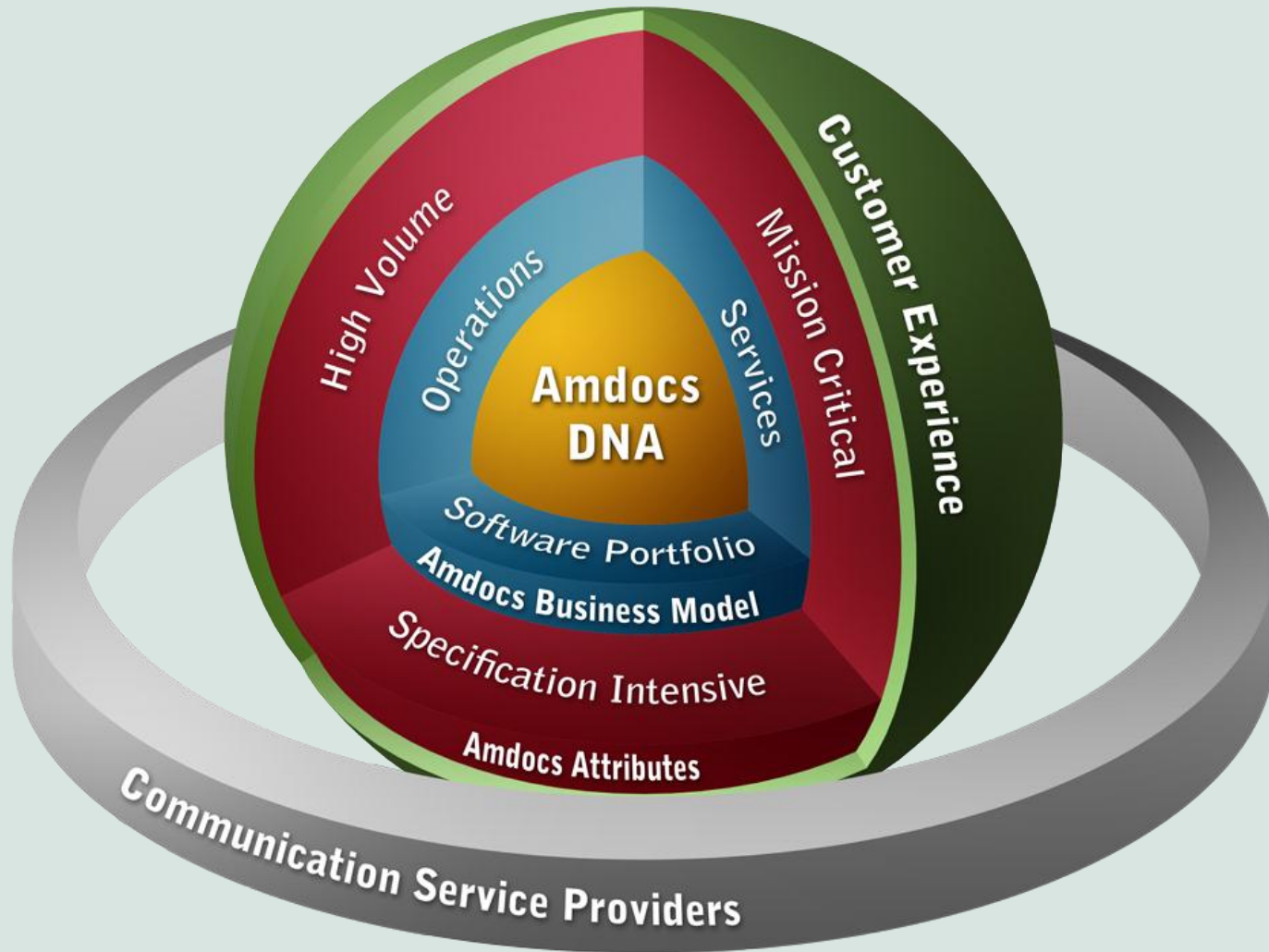
Customer Experience is the Focus of Everything We Do



Amdocs Market Differentiation



Amdocs



Agenda

Observations from My First 100 Days

The Opportunity in Our Market

The Opportunity for Amdocs

The Opportunity for our Shareholders



The Amdocs Investment Opportunity

**Highly Visible
Growth**

**Greater
Capital Discipline**

Potential Accelerators

The Amdocs Investment Opportunity

Highly Visible Growth

**Highly Visible
Growth**

Strong Market Opportunity



**Market Leading
Position**



**High Recurring
Revenue Base**



**4%-6% Organic Revenue Growth,
Stable Margins &
Strong Free Cash Flow**

The Amdocs Investment Opportunity

Greater Capital Discipline

**Greater
Capital Discipline**

**Enhanced Shareholder Returns
Through Repurchase Activity**



**Continued M&A
Discipline**



**Greater
Transparency**



**Double Digit EPS CAGR Over
Next 3 Years**

The Amdocs Investment Opportunity

Potential Accelerators

**Potential
Accelerators**

Breakthrough In Cable



Digital Services



M&A Program



Service Provider Consolidation

The Amdocs Investment Opportunity

**Highly Visible
Growth**

**4%-6% Organic Revenue Growth
Over Next 3 Years**

**Greater
Capital Discipline**

**Double Digit EPS CAGR
Over Next 3 Years**

Potential Accelerators

**“Call Options” On
Longer-term Growth**

Thank You



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Opportunities and Challenges for our Business

Ayal Shiran, Head of Customer Business Group

Agenda

Our customers are facing a dynamic set of opportunities and challenges

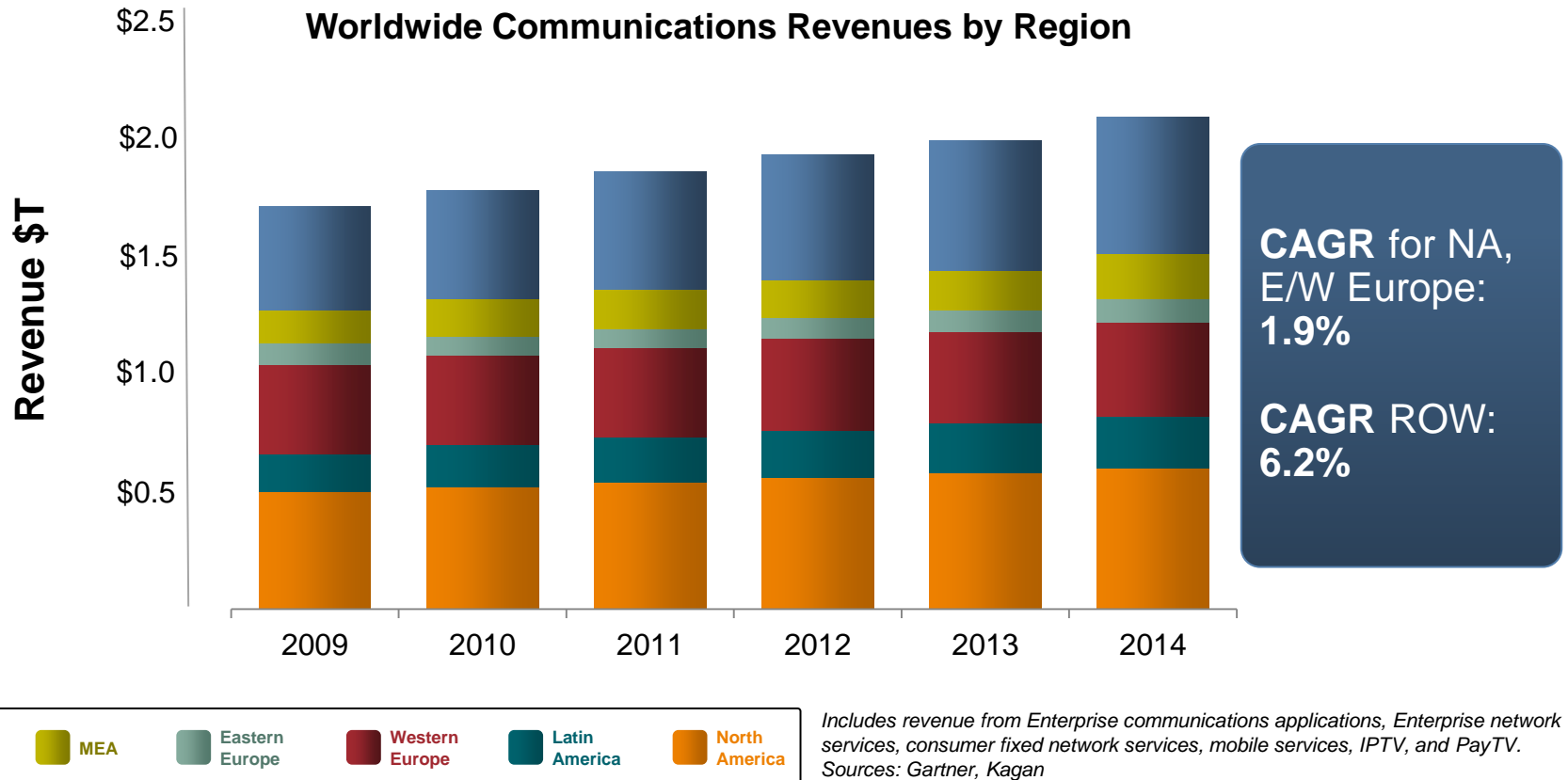
They are investing in targeted areas to address them

We are best positioned to help them in the journey and grow as a result



Current View of the Service Provider Market

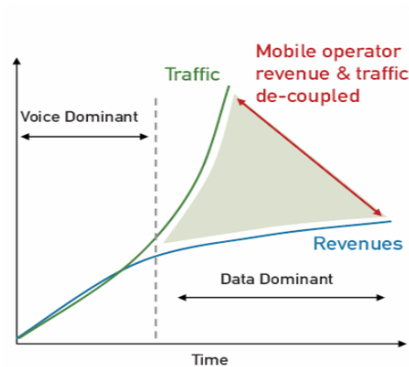
CAGR 2009-2014: 3.8%



The Service Provider Challenge

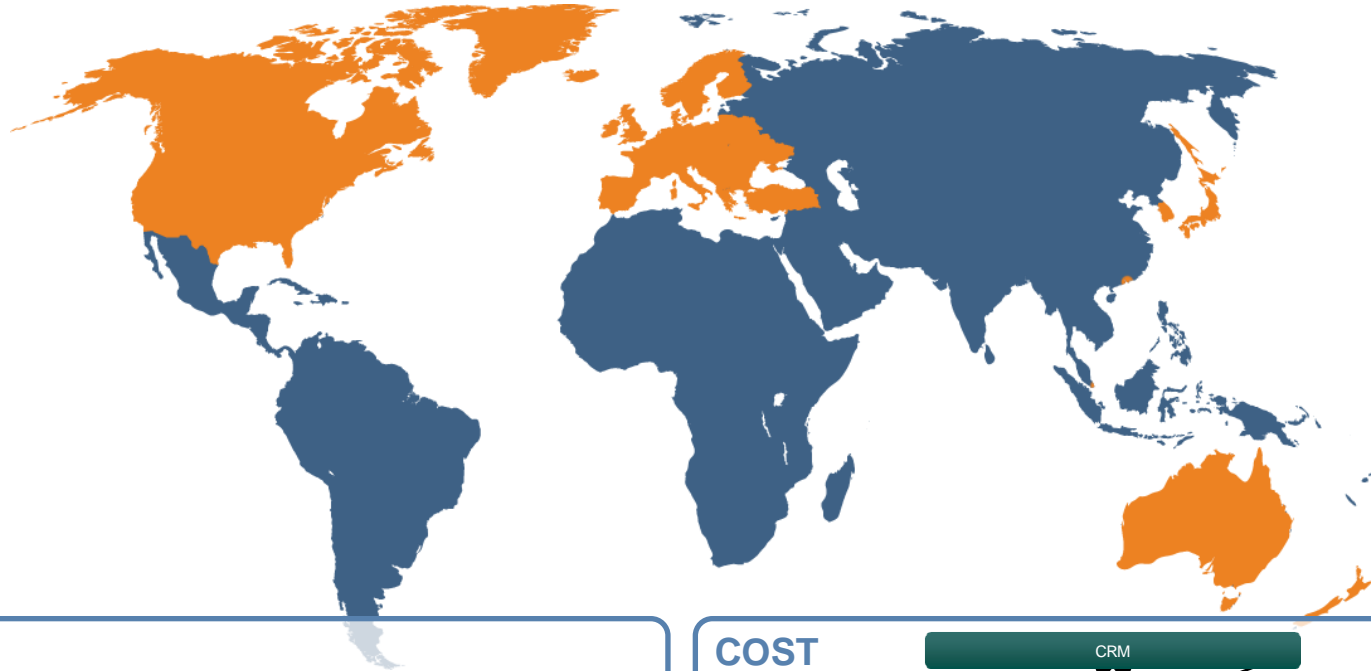


DRIVE GROWTH and profit
from the flood of data usage



REDUCE COSTS to effectively
manage the business

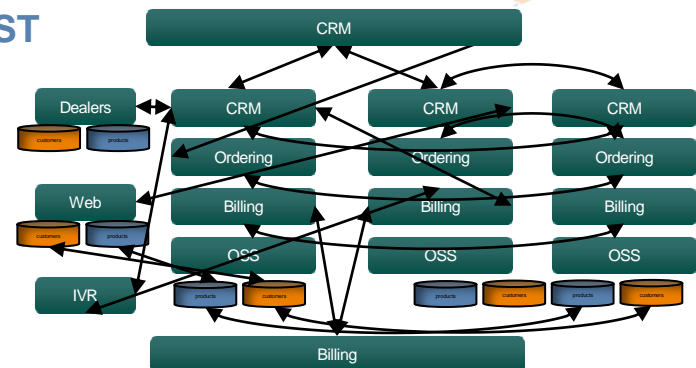
The Mature Market View



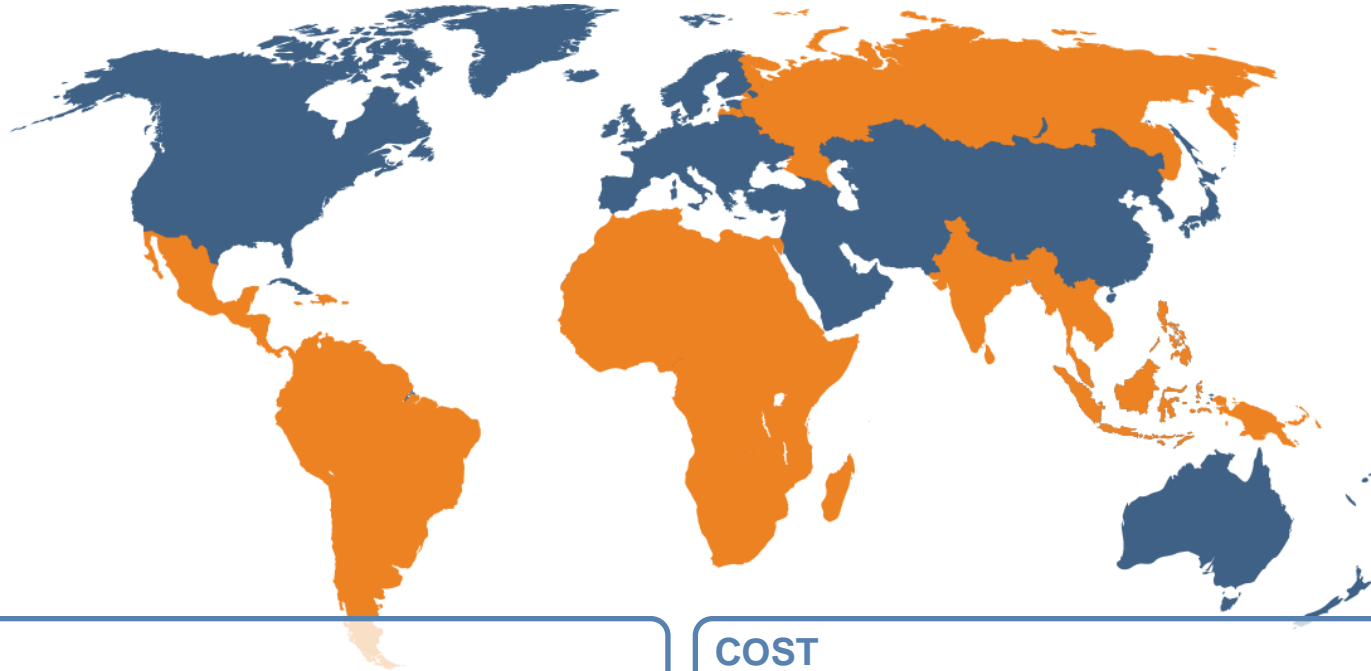
GROWTH



COST



The Emerging Market View



GROWTH



Multi-SIM Phone



COST



Our Customers are Investing to Meet these Challenges

Enhanced Customer Experience

- > Personalization
- > Simplicity
- > Consistency
- > Innovation
- > Multi-device
- > Multi-channel

Convergence/Transformation

- > Consolidation/ M&A
- > Systems and processes
- > Services
- > Lines of business
- > Operations

New Business Models

- > Connected devices
- > Machine-to-machine
- > New verticals (Healthcare , Utilities...)
- > “Co-opetition”

Operations

- > Managed services
- > Business processes
- > Legacy systems rationalization and modernization

Network Capacity & Monetization

- > Build-out (LTE, FTTx, HFC)
- > Capacity planning
- > Service fulfillment
- > New and dynamic services

Amdocs is Well Positioned

Strategic Investments and Capabilities

Enhanced Customer Experience

- > Customer interaction and management
- > Personalization
- > Multi-channel selling and support

Convergence/Transformation

- > Managed Services
- > Convergent charging
- > Multi-play bundling
- > TV/Video everywhere models
- > Convergent services delivery

New Business Models

- > Cloud-based delivery
- > Machine-to-machine
- > Connected homes

Operations

- > Managed services
- > Transformation/modernization

Network Capacity & Monetization

- > Capacity planning
- > Service fulfillment
- > Service monetization and control
- > OSS consolidation
- > Connected devices

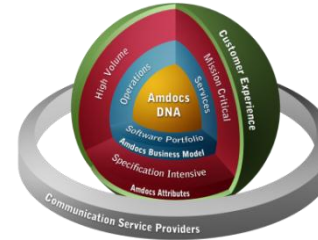
Our Focus is Paying Off



Serving more than 250 service providers worldwide

Summary

We have strategically invested to meet the needs of our customers



We are well positioned for multi-dimensional growth

We are seeing the results of our focus

Thank you



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Managed Services – A Growth Engine

Yona Ovadia, Head of Global Strategic Sourcing
& Delivery Groups

Agenda

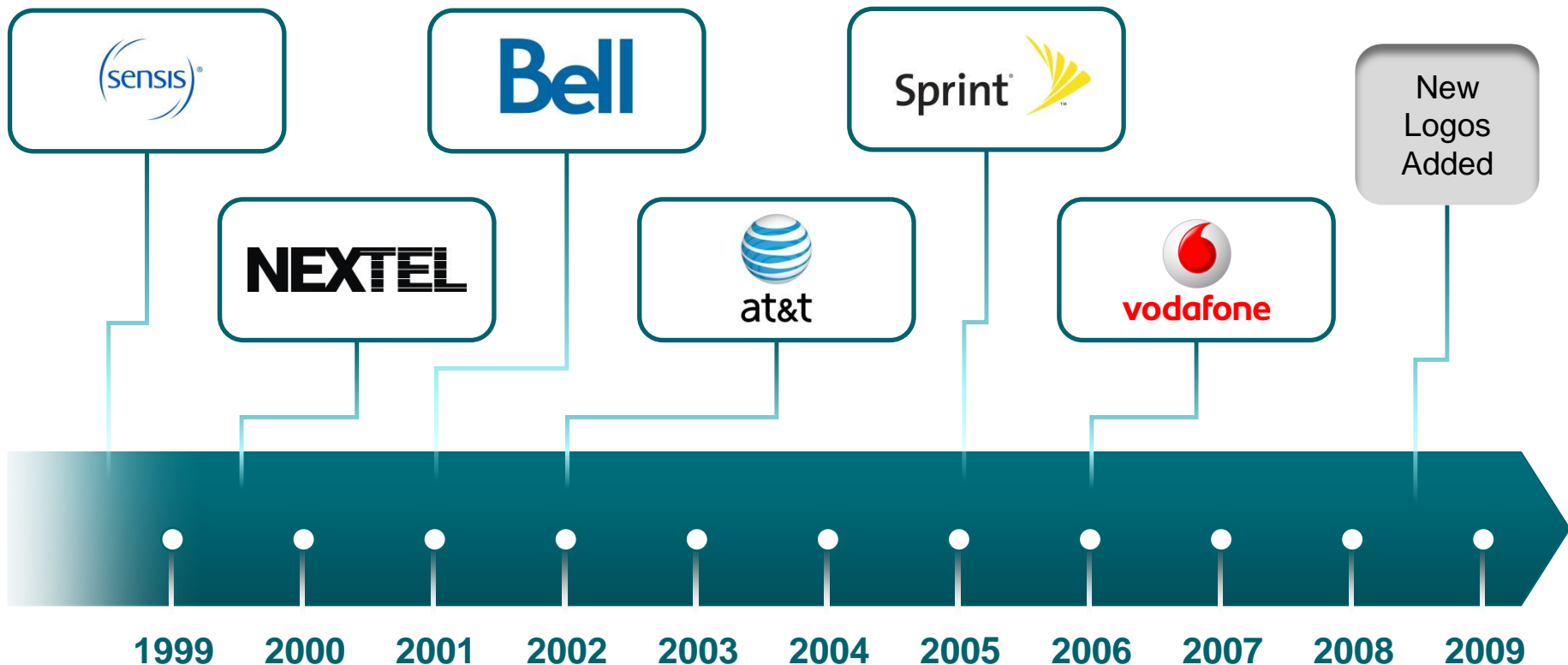
We are a major player in Managed Services for service providers

We have built unique and sustainable differentiators

We see continued growth in both traditional and new areas



Strong Heritage with Top-Tier Service Providers



Expertise We've Gained in Our Journey

INTIMATE knowledge of the Service Provider business

EXPERIENCE in large scale mission critical projects

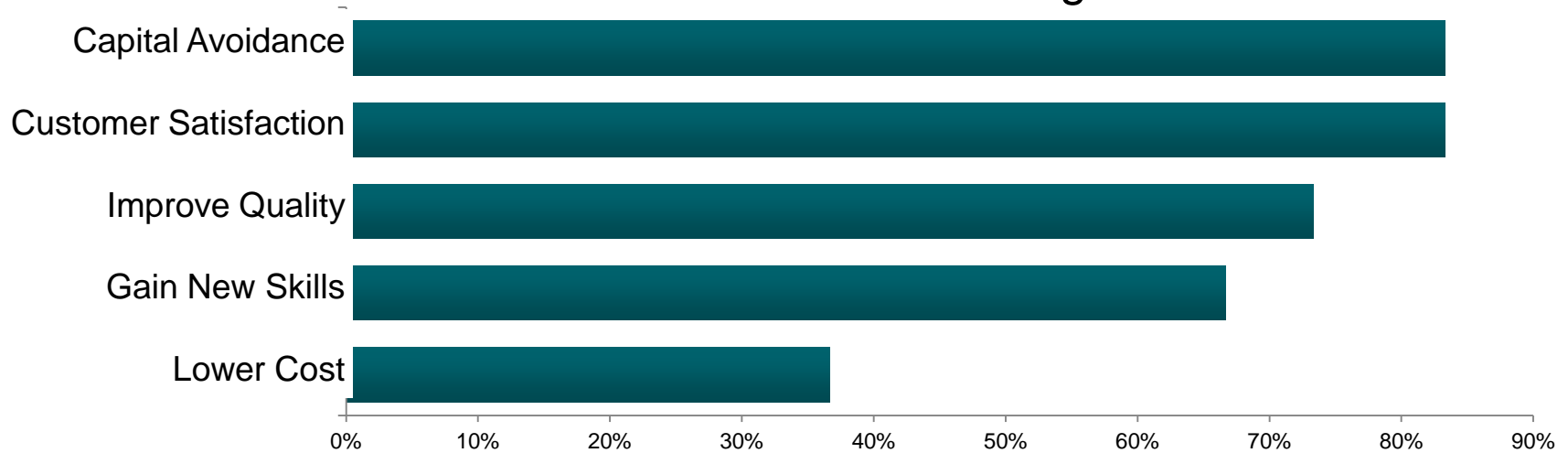
END-TO-END infrastructure, services, operations, and SLAs

CORE SOFTWARE capabilities to enhance the customer experience

DNA We deliver. Always.

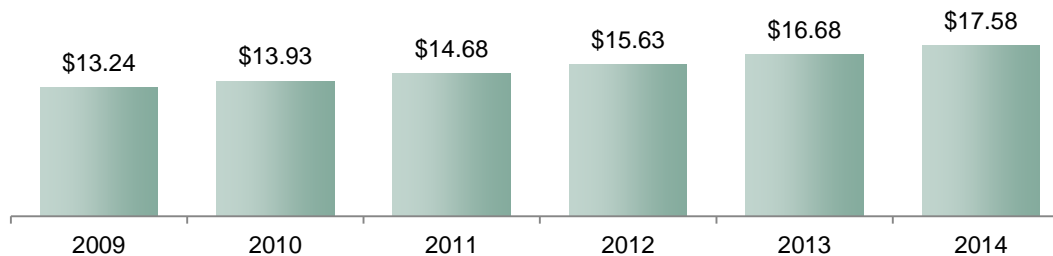
2008/9: Changes in Our Market

Main Reasons for Managed Services



*Source: tmforum survey, Jan 2011

B/OSS, SDP Managed Services Market (\$B)



5.8% CAGR

*Source: Gartner, December 2010

2008/9: Our Changes to Address this New Market

Expanded Market Reach

Multiple implementation models
Emerging Markets
Tier 2 and beyond



Flexible Business Models

Built to suit diverse geographies
Built to meet the needs of any type of service provider



Improved Efficiency

Truly global, price-competitive capability
24x7 global model (“follow the sun”)
Enhanced infrastructure and technology efficiencies
Lean methodology implementation

Proven Leader in Managed Services



Consistently named to the **Leaders Category** for “Outsourcing Excellence” in the IAOP Outsourcing top 100 Rankings

Massive Operations Established

200M subscribers supported

115B events processed per month

\$1.0B in digital commerce transactions per month

1,000+ legacy and 3rd party apps supported

Success in Action

Three Examples of the Results of Our Strategic Focus



Tier 2 North-American Service Provider

- > Modernization with end-to-end B/OSS solutions
- > Complete Managed Services operations
- > Record time – **9 months** to full migration



Indian Greenfield Service Provider

- > End-to-end B/OSS solutions
- > Complete Managed Services operations
- > **8 months** from contract to go-live
- > **0-9M** subscribers in less than a year

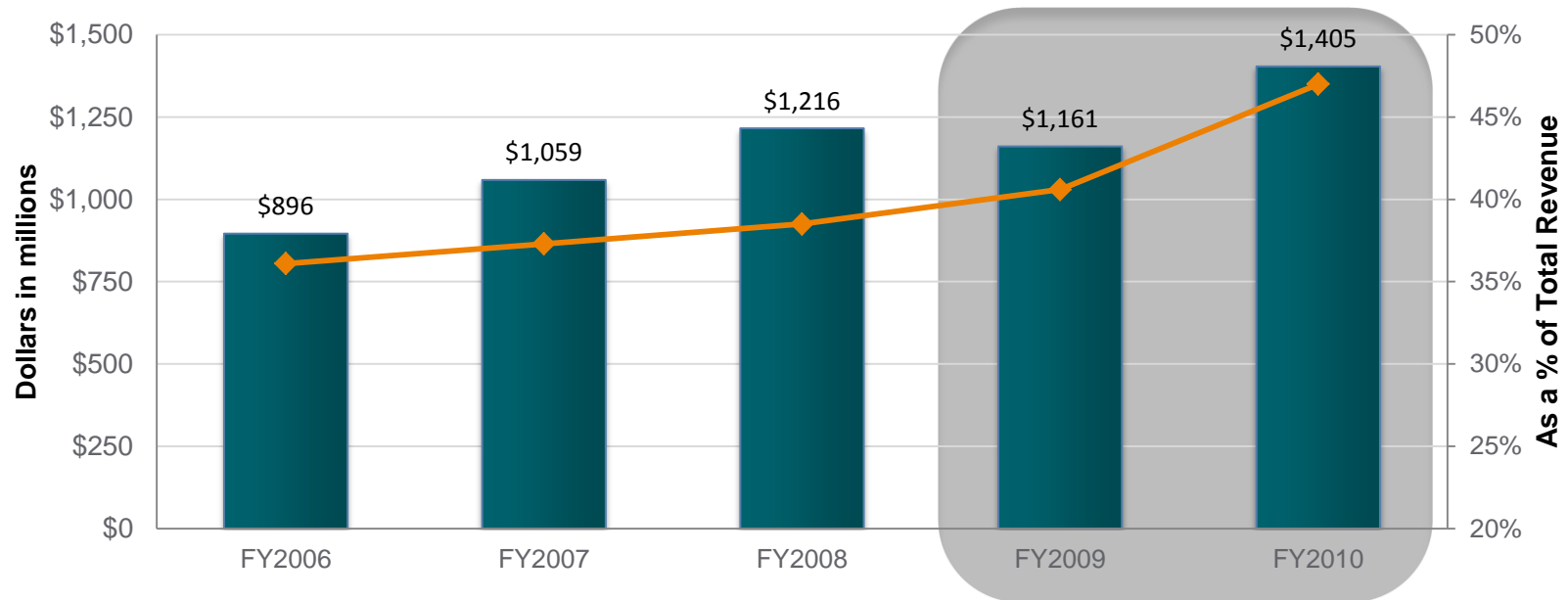


Tier 1 Indonesian Service Provider

Full story coming later in the day...

Accelerated Managed Services Growth

Revenue from Managed Services Arrangements



CAGR 11.9%

YoY Growth for FY10 +20%

The Path Forward

Opportunities for Continued Growth



TRANSFORMATION



CONSOLIDATION



NEW REGIONS



**NEW & EXTENDED
BUSINESS MODELS**

Software

Services

Operations

Global, Tier 0-3, Flexible Business Models

Summary

The Demand is Here and Growing

We Have the Experience + Capabilities + Innovation

We Have the Right Model – Software, Services, Operations

Thank you



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Broadband Cable & Satellite (BC&S)

Brian Shepherd, Group President - Broadband Cable & Satellite, Diversification and Global Marketing

BC&S Discussion Topics

Why is BC&S attractive?

How has Amdocs performed?

What is our path forward?



Multi-Play Convergence Is Here

Video

Multi-Play Convergence Is Here

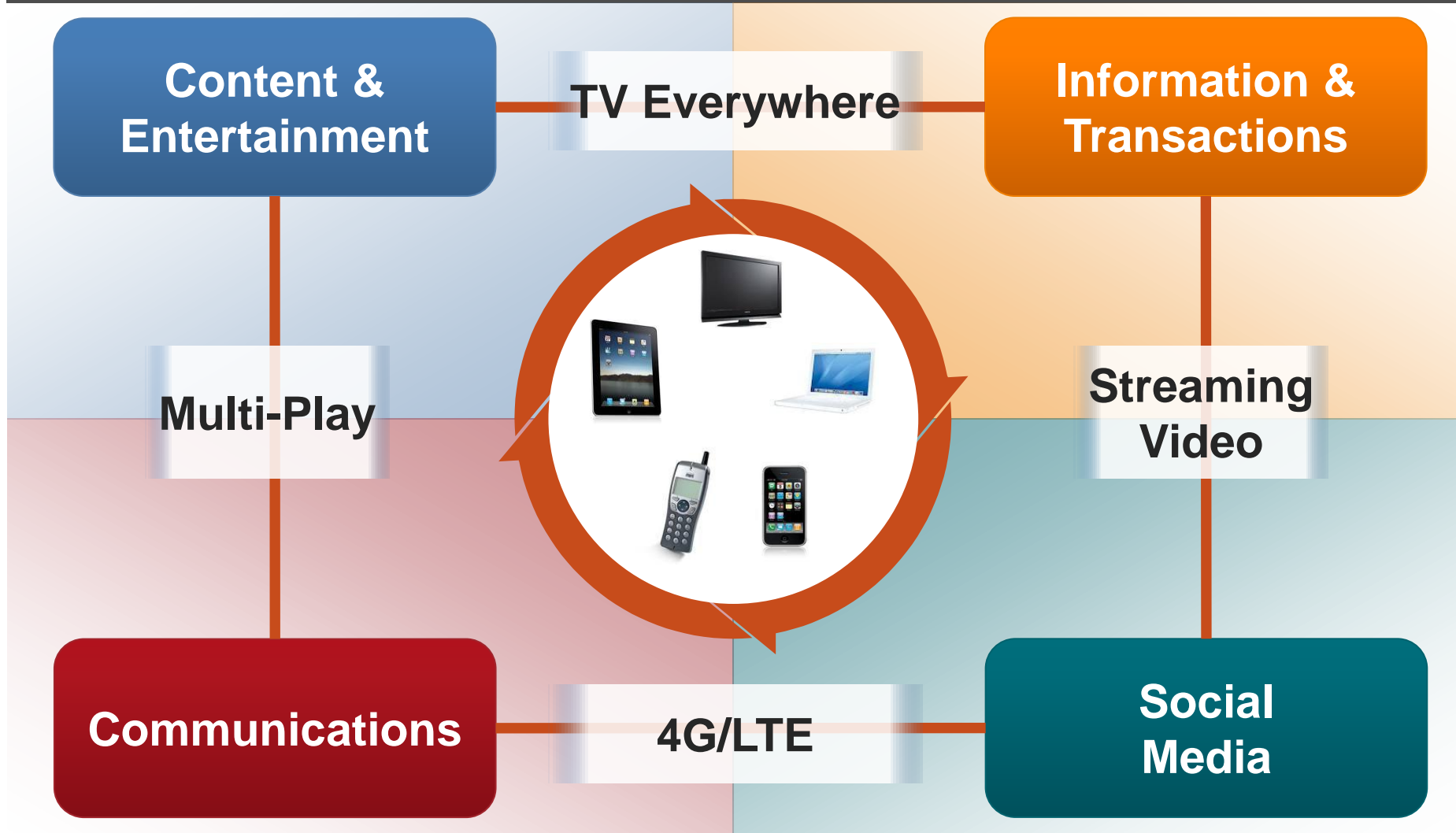
Customers Want: Any Content • Any Time • Any Device

Comcast is 4th largest U.S. wireline voice provider

Time Warner & Comcast have more broadband subs than AT&T, Verizon and Sprint combined

AT&T and Verizon each in top 7 U.S. video providers

Converged World Is Here



Amdocs CES Platform Supports Multi-Play

Wireline

Wireless

Broadband

Video

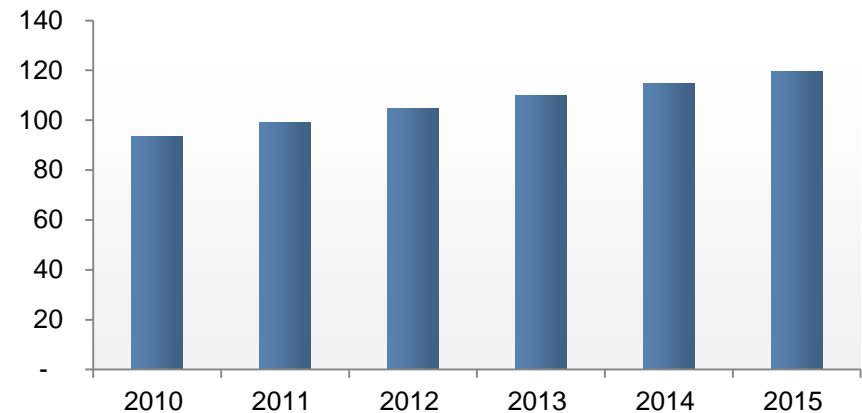


BC&S Market is Large and Growing

- > Industry CAGR 2010-14:
5.3%
- > New business models & more lines of business
- > Customer experience is critical to success
- > **15+** year old legacy BSS & OSS systems at limits

Source: SNL Kagan

U.S. Multichannel Revenue
(\$ billion)



	2006	2010
Triple Play %	<5%	34%
ARPU	\$87	\$125

Competitive Intensity Increasing Quickly

Traditional Competitors



Over-The-Top Players

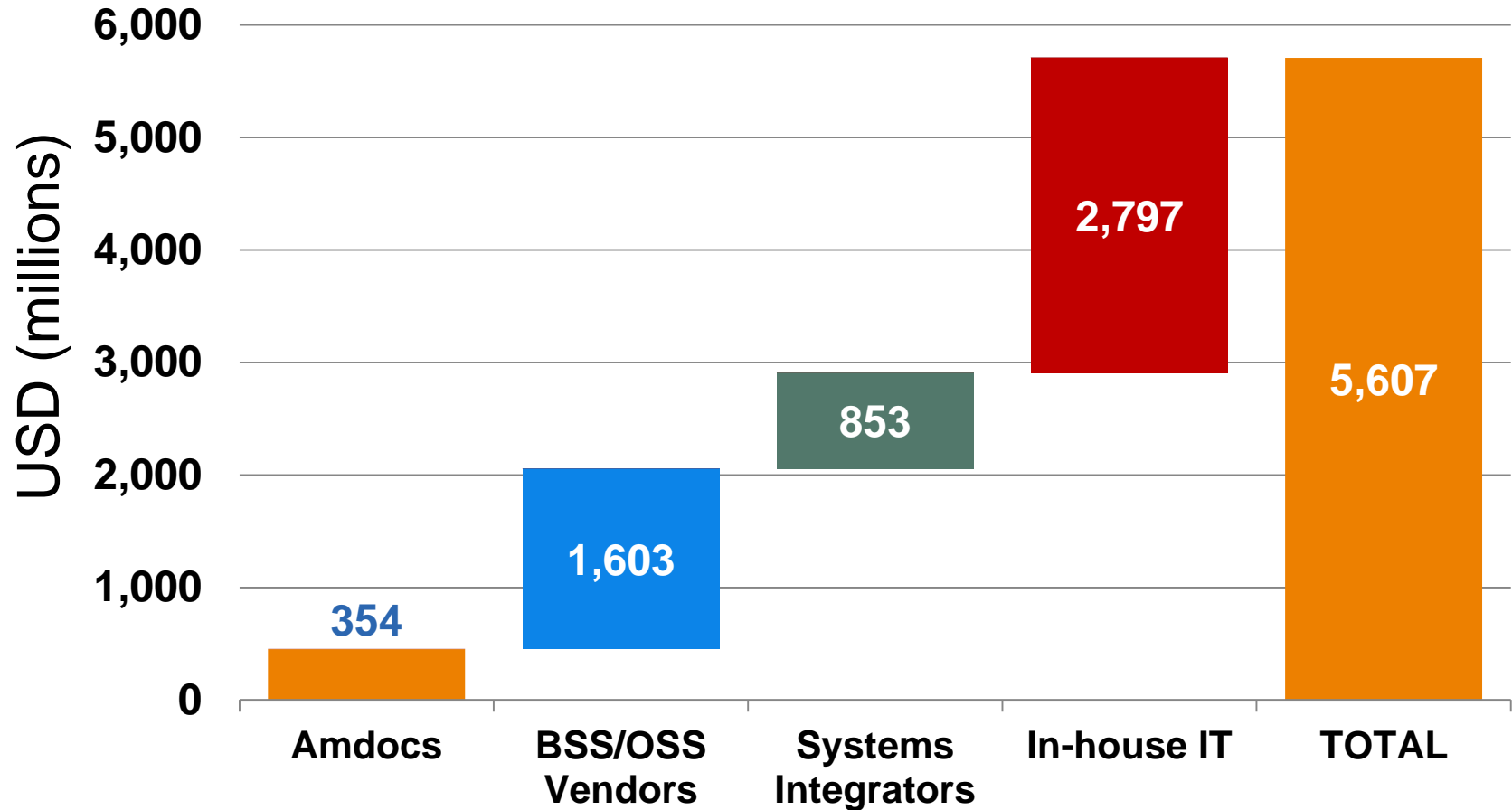
NETFLIX

hulu



ROKU

2010 Global BC&S BSS/OSS IT Spend



Source: 2010 Gartner TOMS Forecast

BC&S 101 – Where We Are Today

Amdocs has had good progress in BC&S

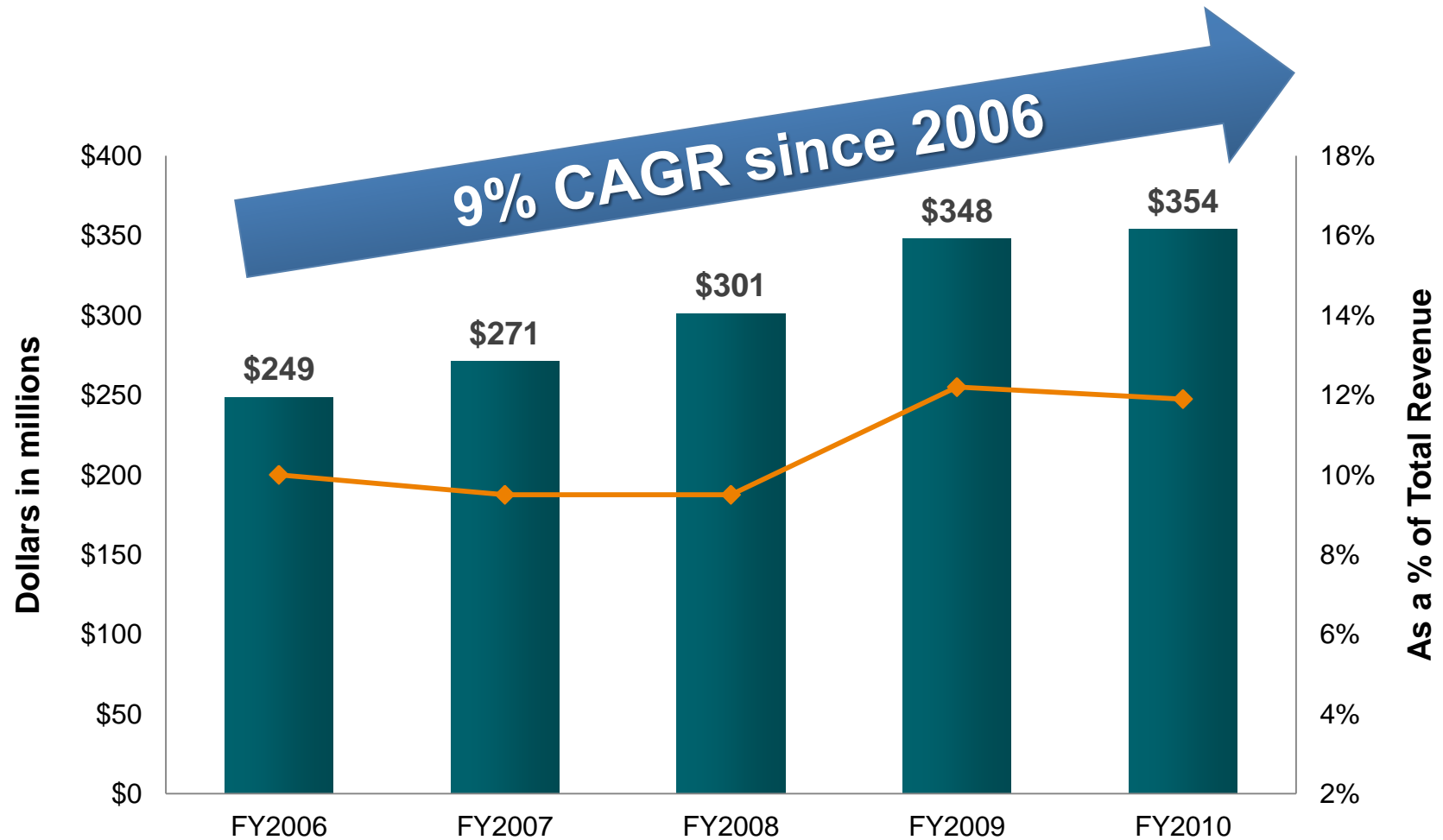
- > 9% revenue CAGR since 2006
- > Many deployments of CES modules
- > 2 smaller managed services deals signed

Transformation speed slower than hoped, but “tipping point” factors still present

- > MSOs proceeding cautiously
- > Need 1 – 2 successful deployments to “show the way”

Several drivers will contribute to continued growth

Amdocs BC&S Revenue History



Good Amdocs BC&S Momentum

APAC PayTV SP

Deployed CES BSS platform



Won two next gen transformations



Successfully deployed CES modules

- > CRM
- > OSS
- > Ordering
- > Self Service
- > Enterprise Product Catalog



Won two small Managed Services deals

Amdocs BC&S Differentiators

Integrated CES Platform



**End-2-End Delivery
Accountability to
Reduce Risks**

Strong Customer Base



**Managed Services to
Improve Cost & SLAs**

Summary

MSOs face high competition to monetize new business models & improve customer experience

Several drivers will contribute to Amdocs revenue growth – not just billing transformation

Industry “tipping point” factors are still present

Amdocs is well positioned to lead our customers



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AMDOCS > CUSTOMER EXPERIENCE SYSTEMS INNOVATION



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Emerging Markets Overview

The Asia-Pacific Perspective

Avi Schechter, President, Asia-Pacific Business Unit

Agenda

Emerging Markets – Busting the Myths

Addressing A New Emerging Market

Summary

Growing at an Amazing Pace...

800M

New subscribers since 2008

\$7.1B

Mobile broadband revenue in the developed APAC Region by 2015

20M+

Number of Facebook users in Indonesia (up 793% in 2009) making it #3 worldwide behind the U.S. and U.K.

~20%

Blackberry penetration

+280%

Smartphone adoption YoY

Amdocs in APAC

40+

Customers across **17** countries

7500+

Professionals in **17** regional offices

9

Operations and support centers

300M+

Subscribers supported
(100+ Million 3G subscribers)

Busting the Myths

MYTH	REALITY	RESULTS
Subscriber	SIMs	<ul style="list-style-type: none"> > +1 Billion SIM cards > Multi-SIM mobile phones account for 38.5% of Indian phone sales *
All Prepaid and Low ARPU	Highly Segmented Customers	<ul style="list-style-type: none"> > ~10% of subs contribute 55% of revenue and 66% of EBITDA ** > Smart phones are contributing to a surge in mobile data traffic
Unlimited Subscriber Growth	Rising Competition and Churn	<ul style="list-style-type: none"> > Focus on increasing customer experience and loyalty > 35% average penetration but highly saturated urban markets
Thin Margins for Service Providers	Very Lucrative and Profitable	<ul style="list-style-type: none"> > EBITDA higher than developed markets > CSPs require new BSS/OSS functionality to support complex real-time infrastructure

Addressing A New Emerging Market

New Emerging Market Penetration Strategy

- > 2007 - Amdocs engaged in a new 5-year strategy
 - > Product-led Services, Delivery Models, and Sales Process
- > Focus on strategic countries (such as Indonesia, Malaysia, Vietnam, and India) that can support double digit growth
- > In each country we focus on top Service Providers
 - > High number of subscribers
 - > Profitable companies
 - > Innovative market approach
- > Increase revenues from existing customers and expand to Managed Services deals

2008-10: Changes to Address New Markets

The Right Offering

Product-led service approach adapted to the needs of the market
Roadmap aligns to Customer's roadmap and challenges
Localization



The Right DNA

Investment in leadership, sales and marketing
Leverage Amdocs DNA/experience to support customers needs
Excel at high-volume, complex systems



The Right Results

Business model is the preferred model for leading carriers
Provide capacity to manage multi-vendor complex projects
Revenue Growth in double digits

2011 and Beyond

Where APAC Service Providers Will Invest

Customer-Centric Approach to Systems

Amdocs Customer Management
Amdocs Personalized Digital Services
and Amdocs EPC

Changes in Business Models

Amdocs Managed Services

Optimize Order-to-Cash

Amdocs Convergent Charging
BSS Pack
Amdocs OSS Solutions

Upgrade of Networks & Access

Amdocs Smart Network Solution
Amdocs Convergence Solutions

Summary

STRENGTH

Enhance our footprint in Emerging Markets

UNIQUE & SUSTAINABLE

Strong base to build upon

COMPETITIVE DIFFERENTIATION

Right products, services and DNA for Emerging Markets needs

Thank You



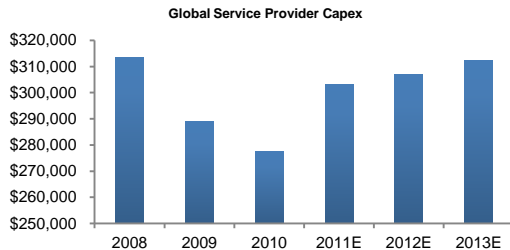
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The Amdocs Opportunity in OSS

Nick East, Head of Products and Offerings, OSS Division

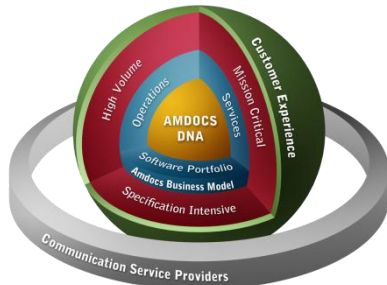
Past Challenges to Breakthrough Success



Recessionary
Spending

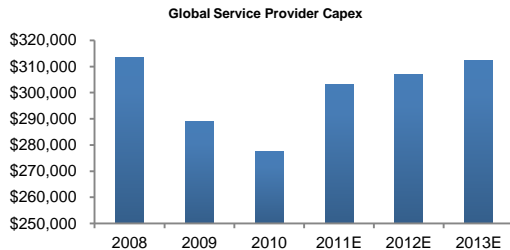


Proof of
Transformation



Fully Leveraging
Amdocs DNA

Market Dynamics Turning Favorable



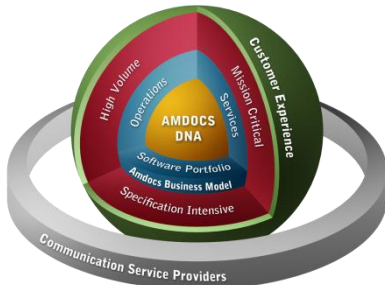
Recessionary
Spending

Customer
Experience



Proof of
Transformation

Transformation
Success



Fully Leveraging
Amdocs DNA

Business
Model

OSS is a Key Enabler for Customer Experience

Capacity Crunch

Expand, sweat and differentiate
New technologies: FTTx, LTE



Service Demand

Rapid new service introduction
Provision services in near real time
Smart pipe



Lean operations

Automation and reuse
Capacity planning and optimization



Telstra IT Transformation Business Benefits

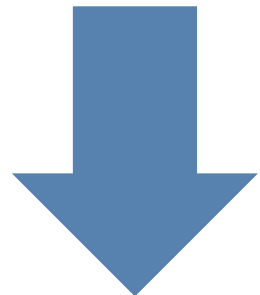
Decommissioned 500 systems & capped a further 200

Expecting benefits of \$790m in FY2011, \$1.23bn in FY2012



Field productivity by 20%

Customer experience through end-to-end visibility



Order to activation from 120 minutes to 4 minutes

Activation cost by 22%

Applying the Amdocs Business Model

From ISV to Full Product-led Services Offering

Products & Offering

- > Marketing & strategy
- > Product & Service Offerings
- > Research & development
- > Business solutions
- > Managed Services
- > Partnerships

Project Delivery

- > Delivery services (customization, configuration, integration, migration, and testing)
- > Professional services (change requests)
- > Post-implementation support

Business Enablement

- > Consulting
- > Center of excellence
- > Senior technology evangelists
- > Customer engagement
- > Solution architecture

Summary

OSS is a key enabler for Customer Experience in the next gen network

Amdocs has established strong credibility with proven success

Positioned to fully benefit from Amdocs DNA

Thank you



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Financial Update

Tamar Rapaport-Dagim, Chief Financial Officer

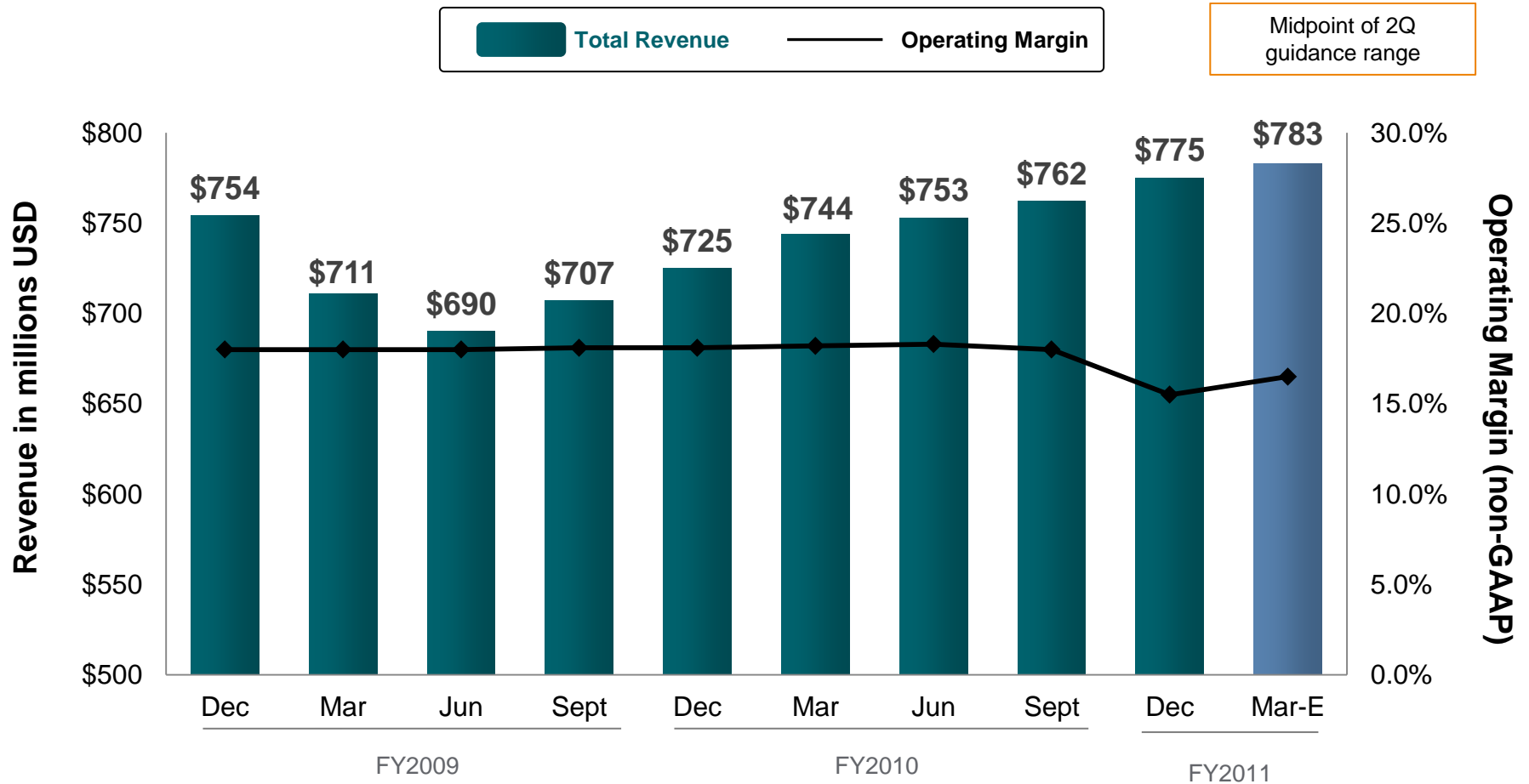
Agenda

**Current Financial Summary
and 2011 Outlook**

**Three-Year Outlook and
Capital Structure Discussion**

**Summary of the Amdocs
Investment Opportunity**

Current State of the Business



FY2011 Considerations

- > Key contributors to revenue growth outlook of 4%-6% in FY2011
 - > Emerging Markets continue to trend to double-digit growth
 - > Managed Services
- > Profitability poised to improve during the year
 - > In Q1, moved past two margin hurdles
 - > Won emerging markets customer with upfront charge in Q1
 - > Clearwire contract re-scoped and uncertainty removed
 - > Progress in knowledge build-up as a result of training initiatives
 - > Key customer implementations continuing to move forward

3-Year Outlook: 2011-2013

**Organic
Revenue Growth**

4-6%

**Non-GAAP
Operating Margin**

16-18%

**Non-GAAP
EPS Growth**

**Double
Digit 3-Year
EPS CAGR**

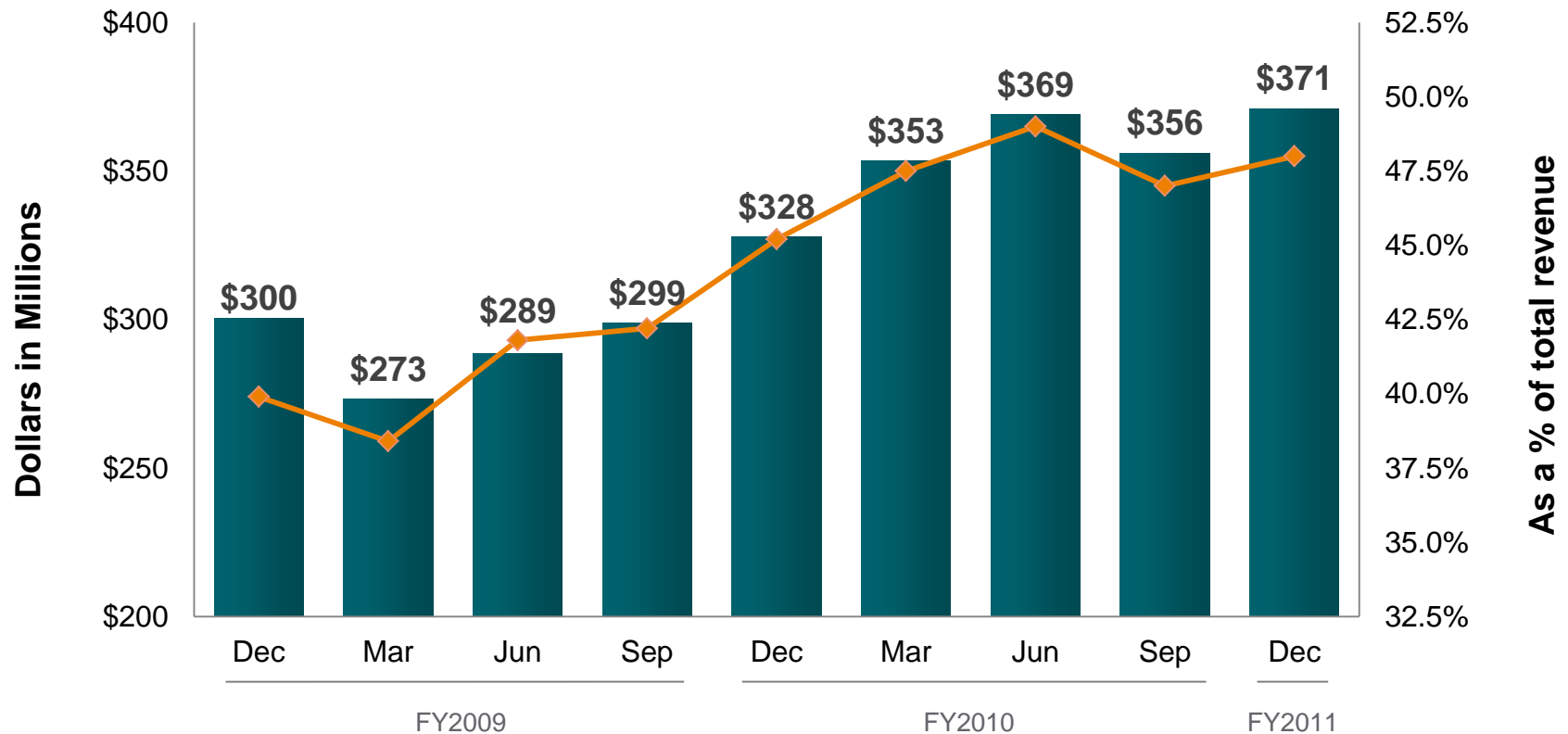
Assumptions in 4%-6% Organic Revenue Growth

- > Organic growth drivers in FY2011-2013
 - > Grow Emerging Markets in double digits
 - > New Managed Services engagements
 - > Positive trends in Europe
 - > Grow OSS and Digital Services combined at a double digit CAGR
- > Growth inhibitors
 - > Slow overall growth in Service Provider spending in mature markets
 - > Renewals of large Managed Services contracts
 - > Directories expected to decline by single digit CAGR

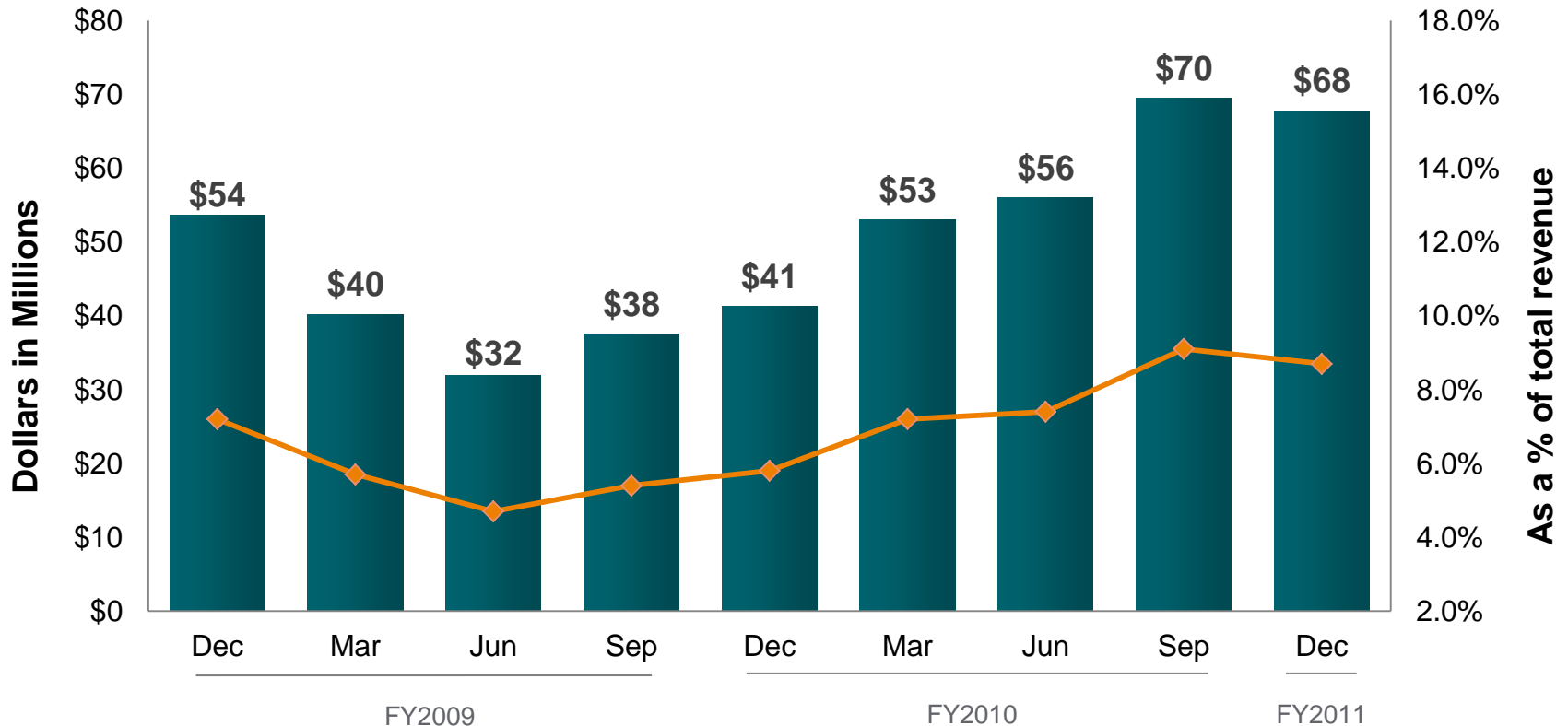
New Disclosure

- > To improve transparency in several of our growth drivers, disclosure will incorporate new metrics as follows:
 - > Quarterly revenue from Managed Services arrangements
 - > Quarterly revenue from Emerging Markets customers
 - > Annual revenue from Broadband Cable and Satellite customers
- > Provide an annual update on progress in OSS and Digital Services

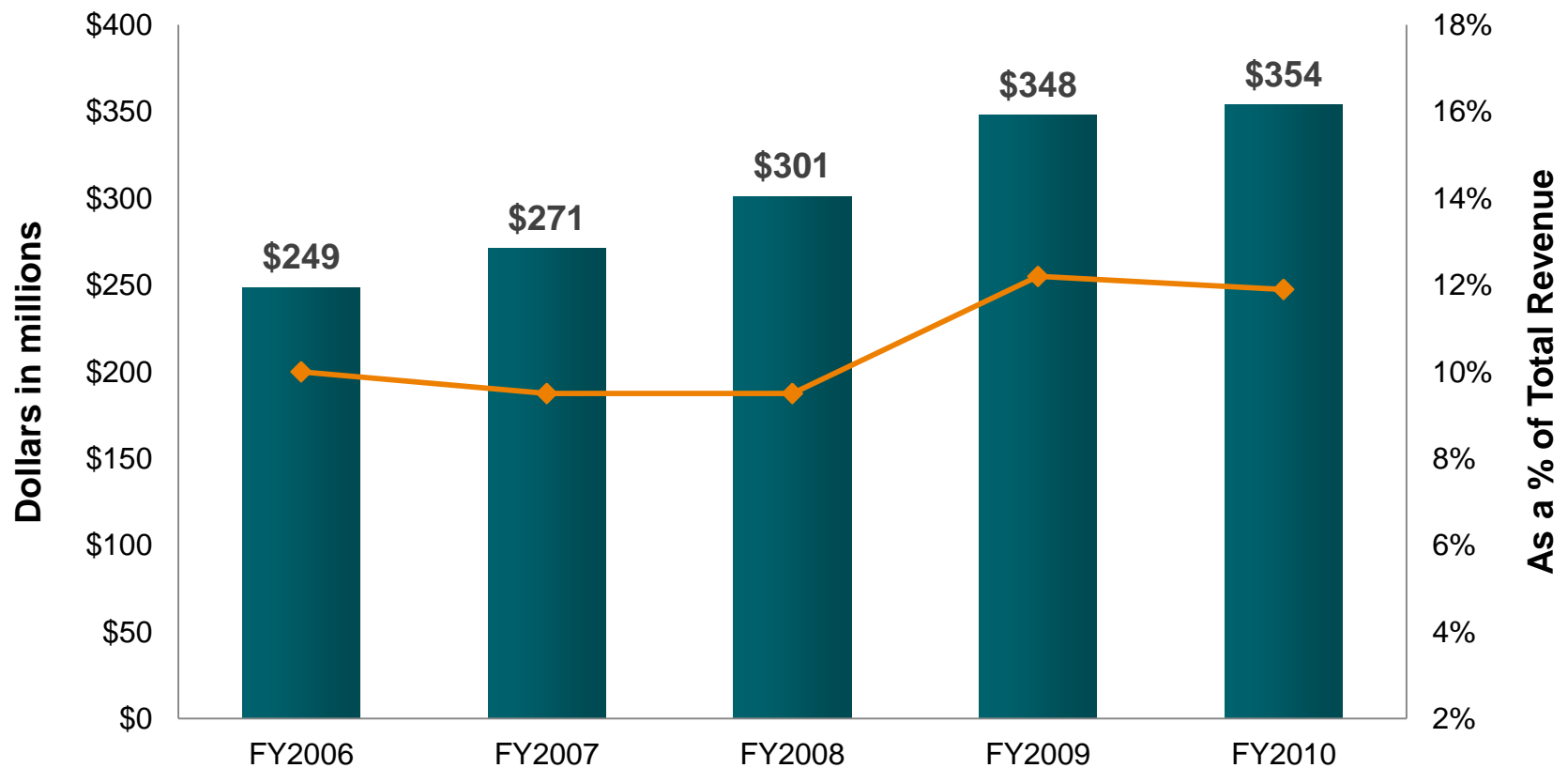
Quarterly Managed Services Revenue



Quarterly Emerging Markets Revenue



Annual Broadband Cable & Satellite Revenue

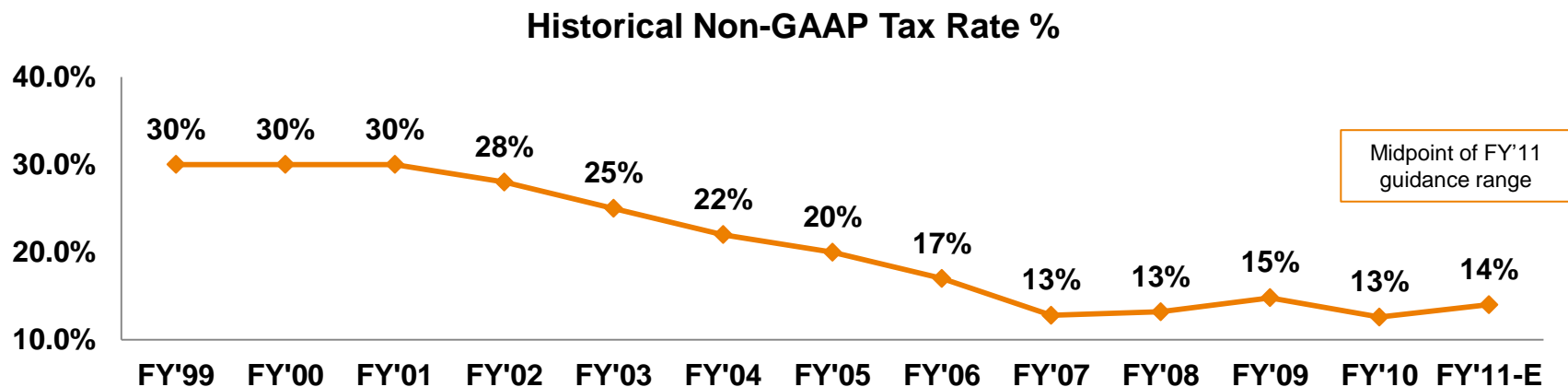


Long-Term Margin Considerations

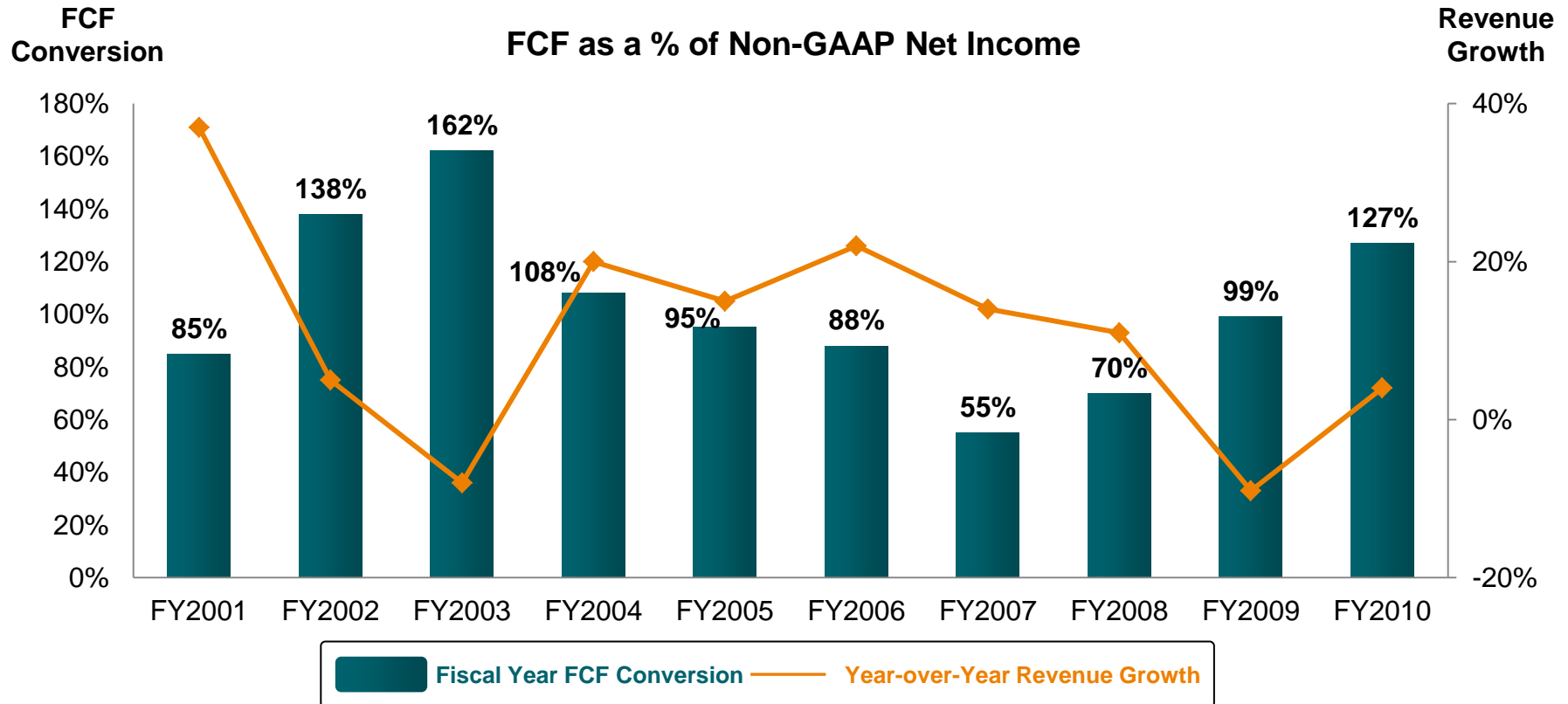
- > **Balancing profitability and revenue growth to maximize long-term EBIT growth**
 - > DNA of Amdocs drives us to invest in growth and not just harvest profits
 - > Potential for short term fluctuations in margin
 - > Long-term trend driving toward modest margin expansion, but not linear given business model
- > **Goal to further leverage the synergy between products, services and operations**
 - > Took initial steps over last cycle with centralization of R&D and Delivery
 - > Next level is enhancing collaboration and synergies across the company
- > **Improving scale in key areas of current investment**
 - > Emerging Markets, Digital Services and OSS are still in earlier stages of penetration

Tax Planning and Expectations

- > FY2011 expected 13%-15% range for non-GAAP taxes is consistent with performance in the past 5 years
- > Current tax structure is a result of more than a decade of deliberate planning and committed execution
- > Long-term tax planning goal of holding this range, but taxation changes are largely outside of our control and, at times, unanticipated



Free Cash Flow Conversion Trends



Cash conversion is inversely related to revenue growth and can be significantly impacted by certain large Managed Services relationships, as seen in 2007-2008.

Capital Structure Discussion

- > New strategy in place for long-term capital structure
 - > New approach of current management to focus on long-term capital planning and shareholder returns
 - > Better reflects the financial strength and visibility of Amdocs' business
- > Guiding principles for managing the capital structure:
 - > Decision process focused on all alternative uses of capital to support business priorities and optimize long-term shareholder returns
 - > Retain sufficient flexibility to fund Managed Services and M&A
 - > Reserve the majority of our debt capacity to fund strategic growth
 - > Preserve investment grade debt rating to ensure customer confidence
 - > Maintain at least \$500 million in gross cash to respond to business fluctuations and smoothly fund operations
 - > After adhering to the above principles, consistently use excess cash to enhance total returns on equity

Mechanisms for Enhancing Shareholder Returns

- > Today, we announced the authorization of an additional \$1 billion share-repurchase program over the next 2 years
 - > At current share price levels, we believe a repurchase program is the best alternative for us to enhance returns with our excess cash
 - > When fully executed, in combination with the \$700 million authorization from April 2010, this would represent the repurchase of roughly 30% of the company over 3 years at current levels

- > Longer-term, we believe our highly visible, recurring business model will likely enable the on-going enhancement of shareholder returns

The Amdocs Investment Opportunity

**Highly Visible
Growth**

**4%-6% Organic Revenue Growth
Over Next 3 Years**

**Greater
Capital Discipline**

**Double Digit EPS CAGR
Over Next 3 Years**

Potential Accelerators

**“Call Options” On
Longer-term Growth**

Thank you

Summary

Our market is big and growing

CE^x represents a natural expansion of the customer experience space

Service Providers must continue to transform

Amdocs is best positioned to enjoy this opportunity

Investment thesis is clear and the opportunity is compelling



**DO MORE
IN THE
CONNECTED
WORLD**

**EXPAND QUICKER
DRIVE EXPERIENCE
RUN LEANER**

Q&A Session

Eli Gelman & Tamar Rapaport-Dagim



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Appendix

Non-GAAP Financial Measures

This presentation includes forecasts regarding non-GAAP diluted earnings per share and non-GAAP operating margins. These non-GAAP forecasts exclude the following items:

- > amortization of purchased intangible assets and other acquisition related costs;
- > equity-based compensation expense; and
- > tax effects related to the above

These non-GAAP financial measures are not in accordance with, or an alternative for, generally accepted accounting principles and may be different from non-GAAP financial measures used by other companies. In addition, these non-GAAP financial measures are not based on any comprehensive set of accounting rules or principles. Amdocs believes that non-GAAP financial measures have limitations in that they do not reflect all of the amounts associated with Amdocs' results of operations as determined in accordance with GAAP and that these measures should only be used to evaluate Amdocs' results of operations in conjunction with the corresponding GAAP measures.

Amdocs believes that the presentation of non-GAAP diluted earnings per share and non-GAAP operating margins, when shown in conjunction with the corresponding GAAP measures, provides useful information to investors and management regarding financial and business trends relating to its financial condition and results of operations.

For its internal budgeting process and in monitoring the results of the business, Amdocs' management uses financial statements that do not include amortization of purchased intangible assets and other acquisition related costs, equity-based compensation expense and related tax effects. Amdocs' management also uses the foregoing non-GAAP financial measures, in addition to the corresponding GAAP measures, in reviewing the financial results of Amdocs. In addition, Amdocs believes that significant groups of investors exclude these non-cash expenses in reviewing its results and those of its competitors, because the amounts of the expenses between companies can vary greatly depending on the assumptions used by an individual company in determining the amounts of the expenses.

Amdocs further believes that, where the adjustments used in calculating non-GAAP diluted earnings per share are based on specific, identified amounts that impact different line items in the Consolidated Statements of Income (including cost of service, research and development, selling, general and administrative, operating income, income taxes and net income), it is useful to investors to understand how these specific line items in the Consolidated Statements of Income are affected by these adjustments.

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