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EDITED TRANSCRIPT

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PRESENTATION

Elizabeth Grausam - *Amdocs - Vice President, IR*

Okay. We will get started. Welcome all to this very beautiful and festive room here at the New York Stock Exchange. I'm Liz Grausam, the head of Corporate Strategy and Investor Relations for Amdocs. And we thank you all for attending our Analyst and Investor Day today.

If we could great through to the next two slides, you'll have the opportunity to thoroughly read our Safe Harbor and non-GAAP statements and reconciliation. Whoever is controlling the slides, you could just flip through them because I know everybody wants to avidly read those both here on the webcast.

On your tables just logistically, there should be wireless Internet access code. The username is relatively straightforward. The password just so everybody knows the first letter is a capital I, not L or a 1, in case you're having trouble logging in. That seems to have caused a little bit of confusion this morning, so we apologize.

And you also have an agenda in the packages in front of you. I'll just quickly run through the agenda for today -- set the stage here what you're about to here. We have 5 Amdocs executives here with us today to help present various parts of the business. As well very excitedly one of our customers, Rogerio Takayanagi from TIM Fiber, part of TIM Brasil. So, we're very excited for that.

Eli Gelman will open the day -- our CEO, obviously, as most of you know at this point quite well -- talking about the long-term strategy of the Company moving to Rami Schwartz to focus on the Product Division of Amdocs, and what we're trying to accomplish in the coming years with our new releases.

We'll take a short break after that. And our breaks are only going to be about 10 minutes just to give everybody some relief. We'll come back then with a focus on the Americas. First on North America -- Eric Updyke is here, our Division President of North America to talk about all the dynamics we're seeing here.

And then Patrick McGrory, who is our Division President for the Caribbean and Latin American Division to talk about the very exciting trends we're seeing south of the border. And then, we'll turn it over to talk about our project with Rogerio to talk about our project with TIM Fiber. We'll take another short break after that. Return some of the day with Tamar, and some closing remarks from Eli and then Q&A.

So with that, I will gleefully turn it over to Eli Gelman, who will kick us off. Thank you very much.

Eli Gelman - *Amdocs Limited - President & CEO*

Thank you very much, Liz. Good afternoon. First of all, I want to thank everybody for showing up, taking the time to be with us this afternoon. We don't take your presence for granted. And we definitely don't think that you came here for this fantastic lunch. In order to make your time worthwhile, we'll try to give you a deep, clear [virtual inspiring] presentation on Amdocs, what it actually Amdocs under the hood, if you will.

And, more importantly, we'll try to give you a better, clear view of what is DOX; what do you own; where the Company is going strategically operationally; what we have achieved in the last 18 months since we met here actually in the New York Stock Exchange about a few months ago, and where we are heading; what do we see happened in the last 18 months, and what do we actually predict to see in the next couple of years. So that will be my presentation. I would come back at the end of the day for some summary, remarks and for Q&A, of course.

I will start with kind of a review of the market, the way we see the market today, the different vectors and the different forces that [works] on our industry, the CSP, the service provider, and how Amdocs is actually addressing this changes that they have. And I will continue with a simple but quite detailed scorecard comparing what I said 18 months ago to what we achieved in the last 18 months. And I'll talk about the future as well, our strategy, our product set offering and the way we see the market going forward.

With that, let me start with the market. When we analyze the market, we see the service providers facing with many, many challenges. But if we need to simplify for your sake but also for our sake, we kind of summarize it into four pillars of avenues to success. Let me go one by one because we're going to use it for throughout the day and it's important that you all be on the same page with us.

The first one is called, simplify experience. The overall problem is -- this is a topic that I called last time CS, or customer experience at the power of X. Overall, we're talking about consumers, small, medium businesses and enterprises that are having more and more services and using more and more devices and they more and more touch points.

The cost of every touch point service indicates the [solvent case] is actually going up all the time. It's not a sustainable model. So the carriers must simplify the experience. In general, they have to push for resolution of touch point cases from the high cost, call center, retail all the way to the device or to the IPTV, iPad or whatever it is. This is the problem.

And they need to simplify the experience. They need to personalize it because everybody feel that there are unique on there, and they had to do it in a seamless way across multiple channel. So that's the number one challenge of the CSP, the service provider regardless if it's an (inaudible) cable and satellite or wireless broadband carrier (inaudible).

On top of it and somewhat related they had to deal with the insatiable demand for data. Data is exploding. We know the statistics; I wont repeat them. But the number one issue that they have is actually they have a non-sustainable model. The cost to support this data demand goes up almost exponentially, with that their investment in base stations, LTE, bridges, switches, anything else.

But, on the other hand, they do not monetize this data services at the same pace. So we are talking about a growing wedge -- a growing difference between revenue and income -- expense and income. So, this is not a sustainable model.

What they need do, they need to find new ways to monetize data on a value-based, selling different bits for different prices, different packages and they need to optimize their use of their data network. These are two challenges that are related to the harness data pillar here.

While doing these two, they have to keep on finding new revenue streams -- new revenue from different aspects. Now keep in mind that we all know that in the near future, actually machines would generate more data and more traffic than people. People are - we are limited -- let's say, 7 billion people. Half of them are still not on the grid, but they will be.

But machines -- we're talking about cars and refrigerators, irrigation system, everything. So they want to see if they can cope with this demand, as well as monetize it for a new revenue stream. So we'll talk about that as well, and how they are addressing the new business model.

And on top of all that they have to be efficient. The cost per bit, or the price per bit I would say is going down all the time. And there's a huge competition. Now there's a dichotomy here because the growth comes in a low ARPU wages and in the mature market when you have high ARPU, you have a very high competitions. So they have to cross -- they have to push down the cost structure of the organization in order to cope with these things.

So these are four pillars that will, again, we'll have to deal with. And I will show how Amdocs is actually coping with that and how our product set, services, and our entire offerings is addressing these four pillars. So it's simplified experience, harness data, stay ahead in new business model and be efficient at all time.

So this kind of the [ground base]. We'll come back to that point later on in the presentation. I want to switch to the scorecard and then come back to this and see how Amdocs is dealing with these pillars. If eventually you think that we are missing something here, you need to tell us later in the Q&A because we believe and our market interaction believe that we're actually right on the money with this analysis of where the market is going and what the market is facing.

In terms of the scorecard, 18 months ago, I gave basically seven promises or directions and one prediction. That includes the growth engines; managed services, emerging markets and converged BSS.

Converged BSS, meaning the BSS that they are not simple BSS either prepaid, postpaid convergence, voice data convergence, different persona convergence, different angles of what BSS convergence is which is the core business of Amdocs, of course. By the way, BSS, OSS combined is a business convergence as well.

So these are the three growth engines that we predicted. I'm going to go through the details in a minute, but I give Amdocs full V on all three. The other four is what I called diamond in the rough. In other words, area that we think we can do better. We have some assets; we can improve them. On two of them, I think we did right quite well on the OSS and the European acceleration, [OE] acceleration.

And two of them I gave only half taken -- I'll get to the details in a minute -- the digital services and the cable and satellite transformation.

And we made one projection. We don't have really a crystal ball, but we said that we believe that world will continue -- the communication world will continue to consolidate both in North America and internationally. We have a half tick there because we predicted right, but we didn't predict the regulation and the government getting involved in some of those. So, we'll get to the details in a minute.

Before I go to the details, though, I want to share with you my view that's -- actually FY '12. The last 12 months have been a very successful year for Amdocs. When you look at the overall picture, what we had is we had a one major, really how to predict downside or headwind of AT&T, almost of the size of 3% in a company overall growth of almost $100 million. And we have the predictable headwind which is directory.

But as a matter of fact, every single other item of the Company, every domain, every dimension outperformed. By that possibly compensating for the headwind from AT&T and directory. So altogether, we have it very successfully and we managed to cope with the storm quite well both on the revenue side and kept the possibility and where it should be.

But let's go into the details as part of the scorecard review. Let's talk with the first component which is the growth engine. On the managed services, we did really nice in the last 18 months. We had in Europe managed services deal with Vodafone Netherlands with another carrier -- a wireless carrier that we did not mention by name. We had a major win in TIM Brasil. You will hear some of this angle today. That's a BSS, OSS transformation. It's a new managed services concept for us.

We introduced a new managed services concept in Globe in the Philippines, which is managed transformation. In the old days we would go through a project -- go through a delivery project, we'll produce the product, put it in production and only later on after a few of the stabilization and comfort level will go to managed services. In Globe, we actually started with managed services from day one. We hope to repeat that because it's a very powerful proposition.

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We mentioned Sprint and Comcast throughout the last two quarters. These extension and expansion of managed services are significant achievement for the Company. We managed to renew contract in a very -- good conditions. This is nothing that will resemble Bell Canada or anything like this. This is a really good win-win for all customers and for us. So managed services altogether is a big green V.

In terms of the emerging markets, we did quite nice. On the numbers, we did 37% year over year. I don't know and I don't think that it is sustainable for the next couple of years, but we actually think that we'll keep on growing for the next 2 or 3 years and you'll see it in Tamar's presentation in the prediction going forward -- double-digit growth in the emerging market.

But the emerging market in general has been a very -- a sweet spot for us. What we proved in the emerging market is that you can take all of Amdocs' offering, the same product set, the same offering, the same services, managed services, long-term relationship, everything that we build in the Company for the last almost 30 years, we applied in the last couple of years in the emerging markets with a great success.

Now this a penetration mode, so obviously the EBIT is not as high as the mature market, but we don't see any reason why it wont get there over time. And actually, mature accounts within the emerging markets we see them improving on the profitability side as well.

Altogether we mentioned Excelcom in Indonesia, Globe in the Philippines. We announced this morning a very important project, Telefonica in Argentina. It sounds like another project. We were working on Telefonica and Latin America to penetrate Latin America Telefonica for about 7 years. So, for 5 years they didn't talk to us. In the last couple of years they're talking to us more and more intensively.

And today we manage to announce the very important transformation deal. I hope it won't be the last one. Patrick we'll talk about Telefonica team and other companies in the region later on.

In terms of the converged BSS, we came up with version 8.1. It's not just another version. This is probably the best ever produced BSS OSS [spec] in the world, definitely the best product set that we had in years, and we are suppose to be the number one in the world. It's a highly integrated, full spec of applications from the mediation and rating and charging all the way to the CRM and anything in between including some components are highly integrated like the policy.

And (inaudible) that we release this version -- early release was about a year and half ago official release about a year. We have dozens of customers that are using 8.1 today in production. This is an amazing achievement for any company. You need to understand we don't sell a shrink wrap software, we sell very highly sophisticated software. So, dozens of customers on one version is a major achievement.

Just to give you some statistics, we have a customer that are using 8.1 with more than 100 million subscriber -- 100 million subscribers. That is the size of AT&T Plus, and it's not AT&T although AT&T is using 8.1 as well. We are processing in every given day in some customers more than 4.5 billion infliction a day -- 4.5 billion infliction a day. You look at Google, you look at Bing, you look at everything, this is really, really high volume. No blink, no issues, we're just processing all this information.

We have a BSS, OSS 8.1 [working in TIM] in production in 6 months. In general, BSS transformation that used to take in the industry 3 years and used to take us 3 years we now can do it in one year. Vodafone Netherlands is one year, 12 months from design to production. US Cellular the same thing.

We're talking about half the time, and obviously reducing dramatically danger zone -- danger zone for us, meaning, all the open issues in an engineering project comes when you start from the design and you need to get to the production. After you are in production it's usually augmentation those things that you have done before.

So shrinking this period to half is a major achievement that has been achieved by version 8.1. So altogether we're talking about a fantastic achievement and the results were accordingly.

Last, but not the least, it allowed us to have a very, very high hit rate and win rate against our competitor. So we know competitors are coming and going and they are changing all the time. We always had competition, probably will always will be. We're the number one, so everybody is trying to imitate us.

But with 8.1 we really have a significant uplift in the win rate against competition regardless if it's a CRM-only BSS application, OSS application, converge services, whatever it is, that's our leading product. You need to know that Amdocs is a product led service company so we might as well start with a great product, and that's what we have with 8.1.

So that's the growth engine, and we perfectly execute on those -- or close to perfectly, okay. On the diamond in the rough, we did very well on the OSS, especially in certain areas that really demanded OSS transformation. I would call out CALA -- Patrick will talk about it as well. CALA is under transformation. When you have companies on transformation, build up things like this, we're talking about the need for operating support system, the OSS system. So it is very well there, and we'll talk about some details later on.

In Europe, despite economic bleak conditions, let's put it this way. You read the same papers and visiting the same places that I do. We manage to have a 10% year over year growth in Europe. I'm not sure again that this is a sustainable next year, but we will have growth in Europe in the next year as well.

So we see Europe as a growth engine for the Company. We don't see Europe as a disaster zone, partly because we have the right offering and we have the right relationship, partly because for many years we are concentrating on the more mature Europe, UK, Scandinavia, Germany, France. We have very little business in Greece and Italy and other places like this.

The digital services is actually half ticked because of one reason. It doesn't really produce the revenue yet. We realigned a lot of our offering Qpass and other offering on the payment, and we introduce three new products Machine-to-Machine, Connected Home and Mobile Payments. Now this is our basically nascent market. So until we really get real revenue out of them, we didn't expect anything more. But until we really get sizeable revenue, I'll still keep it as a half tick.

And last, but not the least, cable and satellite. In North America, we didn't see the transformation coming. I still believe it will come, may take another year, another 3 years, it will come. When your television would like to start looking like an iPad and iPhone, it will come quick. Up until then, what we did we expand our businesses in North America, cable and satellite, and we expanded our relationship.

So, I'm really thrilled the fact that we have another 7 years with Comcast, with DIRECTV with these carriers. So by the time that we'll have to cope up and understand how to deal with their competition, their business is more or less secure data. On the international front, actually we had quite a lot of success and I'll mention some of them later on. We have good progress on the international front on the cable and satellite. So, that's how we rank two Vs and two half ticks.

When it comes to consolidation, again, we don't have a crystal ball, the reason by the way why it is very important for us to predict the market about 1 year, 2.5 years ahead is because that's more or less the time it take us to product very good software. It takes us about 6 to 12 months to produce software in the land and another at least 6 months to [harden] it to make the production ready.

So we have to understand where the market is going all the time in our product side, including consolidation because we need to prepare certain account in different way if they're going to consolidate. So truly, we predicted this in the right time. One thing did not happen AT&T and T-Mobile had the major affect on Amdocs, as I mentioned before, but actually, it has a major effect on the industry in general.

I mentioned that in some of our calls, but I will repeat it. The non-merger of AT&T and T-Mobile put the entire North American market into stagnation. Nobody is doing anything because there is no [shot] around it. Nobody is going to flirt in the business, Sprint or any others.

As time goes by we start seeing some new signs of wakening up of the North American market. You see new declaration of M&A, T-Mobile, Metro, Softbank and Sprint. We see investment -- actually acceleration of investment of CapEx on LTE. We see data packages. So we see some signs of this market North America waking up.

We have -- again, we don't know how it will evolve short term in might present some, let's say, challenges for us. But long term, based on the Company history, we believe that over time these are actually good things for Amdocs long time.

Being the best and the moment and the most mature IT company for transformation and for consolidation, we have done almost any consolidation in the market in the last 10 years, regardless if it was Sprint Nextel, it was Singular AT&T Wireless getting into [SPC] at that time and many, many others.

So altogether the consolidations actually are happening, and we predict that it will continue to happen both North America internationally. International field, it's quite interesting. You see really interesting model. You see Deutsche Telekom, France Telecom not the best friend naturally, combining their forces together to create EE what used to be everything everyone in the UK to complete the Vodafone and O2 -- Telefonica O2.

They're not replacing [money] but they co-created the new company. They will have to go through a transformation, of course, in order to leverage the power of these two companies and change the [vacant] system.

Vivo is bought by Telefonica in Brazil. Oi bought by Portugal Telecom PT in Brasil. So, the European (inaudible) is going to South America. So pricing in South America coming to you. America mobile is buying interest in Telekom Austria in Austria and there are subsidiaries of A1, Bulgaria, Czech, other places and the same thing with KPN, the Dutch company.

So, we see these activities. Altogether these are good dynamics for Amdocs. Again, on average we don't know that we can win each one of them. We hope so. So that's why we gave it half a tick because, again, some of it did not work for us, short term. I think that long term, this is a transition or a phenomena in the market that will be very good for Amdocs' business.

Moving on, let's see the same view -- what Amdocs did in our success, organized by the four pillars that I talked about before. That will give you an opportunity to relate to some of the offering that we have based on each one of these pillars.

Let me give me some examples and it's examples only, but these are important examples. Sprint i-Care, this is a project that Sprint went to with 8.1, our CRM project. It single-handedly -- this product and this implementation -- brought Sprint by J.D. Power from their almost last -- actually some people say last -- to the first position, from almost position on the sixth to the first position in American Customer Satisfaction Index.

This is a major, major achievement. And you will hear a clip later on from Eric and his customer talking about it, but operationally in any other aspect cost wise and so on an so forth, this is a brilliant project that helped Sprint overcome some of their issues in their call center in the customer management.

US Cellular is actually implementing our call center and RIM, Retail Interaction Manager, the application in the store at the same time -- seamless operation between two channels, something that was only a dream about a year or two years ago. JCOM the cable company in Japan implemented our 8.1 CRM again -- cable and satellite broadband. As a fringe benefit we also replaced Siebel at the same time. This is a very good example of high quality implementation, as you would expect from a Japanese customer.

In terms of harness data, few examples, we enabled through our applications and Bridgewater applications. The first VoLTE, Voice over LTE, in this case the first one in the world is MetroPCS, our customer. In Europe, I cannot mention the name, but this is a conglomerate in Europe, multiple carriers that is implementing our policy across Europe and across their world in terms of standardized policy for every operators at this specific galaxy has. Very important project for us and for them.

On stay ahead, we are behind the implementation of many iPhone 5 launches in North America, in Europe, in other places. In AT&T we will show you later on a demonstration of an innovation partner of us, and how we're enhancing AT&T customers experience in this specific case. And two other examples in APAC. One is mobile payment project that we did not announce, and the other one is a prepaid TV which is an innovative idea how to do prepaid on TV and satellite services which is fairly unique.

Be efficient -- we won the number one outsourcing award for the project that we have in Vodafone Netherlands, so a very nice testimonial for this achievement and I mention TIM and Globe -- maybe just to say a few words about the Globe. We're not talking about manage transformation. We're talking about a project that we started about 9 months ago only. We mentioned that in one of the calls.

We are talking about ramping up in Manila from 0 to 200 people in 4 months -- the last 4 months. We're talking about us managing as a prime [SI] 11 different companies -- 11 different sub-contractors, including all the big nines that you know. We are the head of the three of companies in this complex projects.

This is a full BSS -- full BSS, NBI, and few other things implementation. A to Z including new software, new business processes, new applications, new training, new everything. This is what we are talking about large scale transformation. There's only one company actually in the world who can actually do that. And if I go into more detail you'll understand why it's more and more and more complex. So, we are very proud of that as well.

So the bottom line that I'm trying to predict in this page -- or depict in this page is that I would say that we are -- we understand the market quite well. We predicted right so we came up with the right product. 8.1, right services to support it, to address the market need on this -- all four pillars. And (inaudible) is quite well on all of them. So altogether, that's kind of the summary of this part.

We took the opportunity of this success and we rebranded the Company about 6, 9 months ago. It's basically a new branding that is mainly shifting from what we do, customer experience and stuff like this to who we are. We are a company that embrace challenge and experience success.

That's actually what our customers are going through. If you remember last time, those of you who have been here 18 months ago, I use the bridge analogy going for one bank to the other without falling in the Rubicon, I would say. That's the bridge -- to embrace challenge and experience success.

In a way that's what we did to the Company against headwinds that we have this year. But that's the way branding of Amdocs. This is well accepted by the market, well accepted by the industry analyst and well accepted by our customers and our employees.

We use the opportunity to launch net because we celebrated in the beginning of the year 30 years of existence. For IT guys, 30 years is a long, long time. Some people say that we need to measure in dog years, I'm not sure about that. But definitely 30s in IT is a very long time.

And we have seen many, many, many major names coming and going, and we still out there producing good software and good services. And I will try to explain to you at the end of my presentation, this part of the presentation, what is the underlying philosophical strategy of Amdocs underneath all of it. So, I'll get back to some angle of it later on.

So let's talk a little bit about the future, where we're going and where we're heading. I would use the same four pillars. Why? Because we believe they are also relevant for the next 2 or 3 years. But they would have different angle and different content to them.

Under simplified experience, we have to accelerate the seamless omni-channel transaction. That means that we need to have a seamless transaction across all devices, across all touch points. Anyone wants to start a transaction on a self-service or whatever it is ordering something very quickly on their iPhone, let's say. Go to Samsung tablet. From there going to IPTV or calling the call center because they are stuck on something.

And all of that has to be seamless for them. You don't have to either we key or we call again. More than that, people want to have it personalized. They need to know that you know as a carrier what they want ahead of time. So it's personalized and predictive.

So before your call you need to know -- Rami later on will give some examples of use cases for applications and how we combine all of it; the omni-channel, multi-channel, seamless, personalized and predictive. These are very, very important and very complex. I don't think that anyone is even getting close to our thinking not to mention that we're on high level of execution on this field.

The second one harness data, we're talking about really new implementations of how to optimize a heterogeneous network, how to offload to Wi-Fi, how to offload to Microsoft. That's new technology that telephone companies do not have today at all. We're talking about acceleration of data packages. So Rami would talk about later on BBB, which is the Business Building Blocks. We're talking about business terms that is translating into value-based data packages, very sophisticated way to address the new need of data services and data packages.

On stay ahead, mainly we need to monetize some of the new product that we have, but we have some new innovations -- new [incubation] projects Rami will talk about them really, really briefly. Especially we're accelerating what we call small and medium businesses. Small and medium business is a sweet spot for the carriers. The reason is very simple. The consumer, all of us can churn quite quickly between carriers relatively quickly, they move around.

The big enterprise customers have a major economy of scale and leverage power on the carrier. Most of the world is the small and medium businesses. They have 5 to 50 lines, sometime it's stretched to 200 lines -- most of the corporate of the world in this space.

These are people that are really -- for them it's very costly to move from one carrier to another. On the other hand, they have complexity that they need to deal with. So we're expanding and accelerating our offering there, that's part of the -- I think that Rami probably would talk about later on.

And be efficient, we are talking about many things. I would say in general, we are talking about the step change in the cost of running their systems. So it's good that we'll talk some of it today, but you need to know that it's very much under our radar.

So, all of that is like what we do right now that will serve us in the next couple of years in terms of product and offering. But, we still keep on investing in new directions, not necessarily in product, not necessarily in a -- we have a dated GA, general availability of a certain offering, but I would mention -- callout here big data and insight; how to monetize and how to get best information. We own the best information on consumers, or businesses in general.

Usage [database] what they consume -- usage database. Which are you already have been to, how long call session, data session, downloads everything? And we own the payment history. If this individual is paying, not paying, and so and so on. If you combine the two, it's an enormous amount of information that the carrier actually should monetize in a better way. So all this area we have some application there. We're accelerating this application.

Heterogeneous network -- I mention that before. We need to understand we're going to live an heterogeneous network in the future. Used to be 2G moving to 3G, moving to 4G -- most likely in the future you'll see hybrid of many, many networks at any given time.

Mobile payments I mentioned. And last, but not the least, expanded services. This is huge. This is a little box. It's huge. We are finding out as we're moving forward there is more and more demand and request for our services and for us taking overall responsibility of major things. We are trying it -- as I said we are pushing the limit a little bit, like Globe is a good example, of elevating our services to the prime sites. We want to be the resident SI on each one of the carrier.

By that, being a trust advisor, telling the carrier where to go and how -- in each application, how to solve each challenge, whatever, happened to be that we are also equipped with the best vehicle to address this challenge. So this could be a fantastic model to expand our business everywhere we go. So expanding our services from project to managed services, to prime SI is a major [face] forward.

The same goes to the other side. Outsourcing. If we did carefully -- and we are painfully aware of the fact that you have to be very careful when you're talking about going into new services. We would not get services with a low margin. But we did a great job in using the one thing we own and others do not, software.

IBM do also managed services and [Accenture] would do some [managed] services, we can do as good as they do but probably we could do better because we must software and a certain domain expertise. We're a custom experience application company and we understand well the issues. We come from the software and everything that we've been on top of it; services, managed services, operational services, it's all around the software.

So just to give you an example how software -- sophisticated software can propel us followed in expanded services, I will give -- and something that we are releasing this month, which is how to do managed services globally following the [sun] because we have so many, such a great presence in the world, and we decided to be in software that is actually managed the entire case resolution around the globe. So, just as an example.

(Video Plays)

Eli Gelman - *Amdocs Limited - President & CEO*

So that was one example of (inaudible) and developed our own mechanism to address global issues. Obviously, we can charge higher prices for value of this kind. And that's why we always saying we are starting everything from our software including managed services. It's a software-based managed services and anything else that we'll do around expanding the services will follow the same logic.

Let's talk a few words about the opportunities for the next 2 or 3 years. In a way, I'm creating the next scorecard for the following Analyst Day, if you will. So we believe that we'll have growth engines through CES 9. CES 9 is under construction right now. Rami would not talk about you today because we're not releasing it, but that's what we are doing right now that will -- going to be the next version after 8.1.

We are moving the entire suite to real-time. There is a blurring lines between IT and [IN] a blurring lines. We believe that this intelligence of the network, the intelligence of the customer, the intelligence of the carrier resides within the IT. What is the customer, what do they buy, how do they pay, how they consume, how they order, how to provision, all that. So harnessing the network in real-time to the IP means that we need to do more things including buying companies like Bridgewater and changing all of our IP stack, all of our BSS OSS stack to real-time. This is a major heavy lifting, has to do obviously with CES 9, but I think that's enough to talk about that here.

Emerging markets we believe will keep on growing double digit in the next 3 years. And software-based as I mention before managed services. We will expand managed services in different directions. Again, all the time software-based we won't go with what is called in the industry, your mess for less. Just give me your mess, we'll do it in India, whatever and it will save 10% and share the saving. No.

We go to the software, tweak the software, that's all the main expertise. Either it's in our software, or the main expertise. We change the software, we reduce the number of errors, fallouts, whatever it is by 40% then you can have 20% EBIT and 20% savings to the customer. That's software-based managed services.

We are going to try to maximize their service provider consolidation phenomena. I talked about it before. We believe it will continue, and this is an area that we would like to have or maximize, I would say, because it's happening right now. I mentioned a little bit of that. I would not exclude, by the way North America carriers eventually getting out of North America as well and activities of this nature. Nobody knows, but [it's] a possibility.

We would like to monetize the emerging device -- emerging applications, Machine-to-Machine, Connected Home, Mobile Payment. I mentioned three of them. We have couple more coming our way.

And last, but not the least, I would say in general we want to expand the services to prime SI to the top end of the service food chain, if you will, and to new operational managed services as well, taking responsibility of all the activation, new other end to end application set that we believe that we can do a better job than anyone else.

We are going to enhance our video offering in preparation for more transformation in video space, cable satellite and in between, mobile, video, whatever. I like to call it all around video offering. And we are going to address new markets with direct synergies to our core. I'm not talking about the diversification per se here. We are not confined - you need to understand, we are not confined by the industry boundaries. We are confined by application set, by capabilities, skill set.

So we are not going to have something that is completely (inaudible) to everything that we are doing in terms of our skill set and applications. But whether we find it within telecom, adjacent to telecom and in other markets, that's something that we are going to explore in bigger ways. And this is in a way the scorecard for you to look at and watch us as we move forward.

So to finish my presentation as I promise before, I want to show you maybe a very simple presentation of what is the underlying strategy of Amdocs throughout the years and definitely in the last 2 years, probably can be very applicable in the next 2 years.

Amdocs is a multi-dimensional expansion company. When you think about these are three dimensions; our offering product, services and line of businesses. If you look at the Company over the years, we started with mobile and revenue management what is used to be call at that time billing.

Today, revenue management is at least five different applications. It's charging, billing, mediation, provisioning. So we're talking about expansion even in each one of the core but mobile was the first one. Then went into wireline and broadband, went into video MSO, went on to multi-play, triple-play [quadri] play, whatever. We move on to MVNO, MVNE. Major transformation in the world is happening today through MVNO and MVNE. Every supermarket is becoming a micro carrier, if you will.

Going on to mobile payment, and go on and go on. So that's kind of one dimension of the line of business.

On the offering we went from revenue management to customer management to operational and support system, OSS, to policies and a new incubation project that I mentioned before like Machine-to-Machine and others. Again, this is an expandable dimension they're offering.

And on services we went from pure delivery implementation, licenses, to managed services, to consulting. We have the largest consulting group on earth today for CSPs and growing all the time. And we went to expanded mangers or management services, as I mentioned before, prime SI other activities as well.

So what is Amdocs basically? Is this, if you will, this expanding -- ever expanding cube. We call it the cube strategy. So the thing about Amdocs and what we are doing all the time, we're expanding in three dimensions. And arguably, I think we are the best on each one of the axis. We are unarguably the best on the combined. And when I talk about complexity of applications that we deal with and the industry that we are in, we are the only one that can actually provide this thing.

So we can offer unique offering services capability -- unique accountability model to carriers that are going through changes. And luckily, changes is not something that is missing in our space. As I was saying, the one thing I don't like is to have stagnation in our business -- I don't think it's coming anytime soon in communication.

So remember that, and we do that worldwide. So we did that several years in North America then in Europe, now in the emerging markets, and we will expand, keep on going. You need to understand that even when we're talking about Europe we have maybe one-third of the carriers in Europe working with us today, maybe one-fifth or maybe less than that in the emerging market.

And obviously, when we penetrate one of those you can understand that we have a very wide breadth of offering and services to offer and grow from any penetration. So don't expect a lot of new [logos] per se, but expect a lot of expansion once we are starting with the customer and we can go on.

With that, let me introduce the next speaker which is Rami Schwartz. Rami is actually the newest member of my management team. He was briefly in the Company about 10 years ago. We know each other for quite some time. I managed to convince him to rejoin the Company after I joined the Company, so about 2 years ago.

He already left a significant mark on our offerings 8.1 is Rami written all over the place. We can actually replace the name, but we don't personalize things. So the amount of time people are in the Company not always represent the influence that they have in the Company. And I would say that anything that Rami is doing is doing in an amazingly high quality.

You also need to know that we live in an environment of change. I mentioned before it used to [first G] -- first G with GSM or TDMA in this country, then we went to a GPRS 2G, 3G is the Edge, now we have 4G LTE. You need to know that Rami is an air -- ex-air force pilot. So, he is certified until 9G. So, we have a long way to go.

And with that and with a lot of pleasure -- and Rami actually put the jacket for you guys, he needs to be honored, and nice (inaudible) nice. Rami, come over.

Rami Schwartz - *Amdocs - President, Product Business Group*

Thanks, Eli. Hello, everybody. When I joined Amdocs, I had an agreement with Eli, but I'm allowed to come with jeans all the time, so --. But he insisted that I buy jacket -- and this is like 2 years. But I also bought a tie. As you can see, it's been in use for many occasions, but you will excuse me. Now that I saw that I got the jacket.

Okay. So, what we would like to do is I will walk through a very small amount of presentation. And really we believe that seeing is believing, seeing is understanding is better than everything, so we'll try to go some kind of two scenarios that give you really what it is all about.

So, Eli mentioned the four pillars of simplifying the experience harnessing the data and so and so forth, but we need to understand -- you need to understand that what Amdocs is doing today and this is part of the cube is not billing. What Amdocs is doing today is really everything from the device itself all the way to the network.

So whatever we are going to have on the device whether those are phones, tablets, set of boxes, et cetera, et cetera, all the customer experience -- all the billings, all the [SCPs] all the policies or whatever you have in mind this is part of our business now.

Not only that we are doing all of that, we are doing all of that throughout all channels. And this is important -- I'll try to demonstrate it for you later on. Well, we're all familiar with the fact that we are living in a very demanding, ever changing world. If you look into where we are today compared to where we -- this industry was just few years ago, it's very, very different.

And what I mean by very different -- we are all customers. I'm a customer as well. We are using different service providers. I'm sure that you are using different type of self-service on your devices, whatever the device is -- I am as well actually, I left it in the other room.

There is one thing common to all those service providers and all the self-service that we are using, I think they are all awful. They are all awful, very, very difficult to find what we are looking for, extremely difficult to find what you are looking for in real-time, and so on and so forth.

What we are trying to do honestly, sincerely with all our capacity and budget and so on and so forth, is to change and redefine what customer expense is -- fundamentally change to what customer expense is, and I'll try to prove it to you.

So Eli touch into those pillars, and I would like to talk a bit what is multi-channel. Eli explained it, but let me give you some kind of definition or goals, what is multi-channel self-service. First of all, as I said we want to completely redefine the way people, us, interact with our service provider. By the way, it does not matter whether we are a part of a family, means consumers or we are part of a business or whatever you have. We want to completely change the way we interact with our service provider.

We want to make sure that every piece of information is available at your fingertip within three gestures or less. Think about it, 80% of the information available at your fingertip in three gestures or less, it's quite amazing in a very simple way -- intuitive way that is pretty much similar across all those channels.

Now, if we do all of that, pretty much we are redefining and all of that in real-time -- if we are doing all of that pretty much we are redefining what intuitive simple, real-time interaction is all about.

When we are talking about harnessing the data, think about data services. Now we are all talking about data services in the states -- really first sales glimpse of new dimension of data services started to happen this summer with Verizon and AT&T moving from flirt all-you-can-eat into shared data plan, more complex data plan, and so on and so forth.

This is just the beginning. We are talking to all of them. We are seeing their plan. We are seeing where they are heading. Go and see what Japan is doing. It's very, very complex type of innovative type of services. By the way, I do believe that part of the impact Softbank is going to have in the US is to take the whole dynamic of this market to totally different direction.

So, in harnessing the data this is where we are heading. Multi-line of business, dynamic services that is available in very short period -- time to market. When I'm talking to customers and I'm talking to CMOs as well, my message is very, very simple. You guys need to dream about services because this is what they are selling. You are selling services.

Dream about it and it should be in production in a very, very short period of time. This is our promise to the market. This is our promise to you and this is our way to make money out of data services otherwise, you will not make money.

In addition to that, we want to make sure that all those data services that I'm talking about are available immediately with any new technology that is available out there. What it means, LTE, small cell Wi-Fi, Hotspot 2.0 (inaudible) whatever you have in mind we should be available and ready for it.

Acceleration to innovation, really few direction. Eli mentioned Machine-to-Machine. So you talk to some of our customers in APAC. They forecast in 3 months -- I'm sorry in 3 years, not 3 months of course, to have about 10% to 15% of their revenue coming from Machine-to-Machine -- from their revenue. We must be there.

You're look into AT&T recent press release list from Randall. He is talking about Connected Home, Home Security and so on, $100 million AT&T (inaudible). This is the focus that they are heading. We're all going to be there.

You look into cable industry in the states they are talking about remote health, providing care to elderly or to chronically diseased people. We want to be there, and this is the opportunity that we are talking about. We are talking about MVNO, MVNE. The micro -- macro supermarkets that has all become. This is where we want to be, and so on and so forth. This is part of our innovation.

Eli also mentioned the Enreach -- this is not working. Okay. The Enreach. Enreach is a program. We understand that the market is moving faster than we can -- anyone can keep pace with. And the ecosystem is always going to be bigger than where we can put our resources. This is why we are enrolling startup small, medium size companies to work with us and expand our ecosystem. This is our Enreach program, Eric I think later on you'll show them.

And so on the Be Efficient, I am going to show you -- we are talking about big data, the whole industry is talking about big data. The difference is that we are going to show you some big data in action.

Maybe one word about the heterogeneous network because Eli touched into it. Heterogeneous network obviously is the combination of the 2G, 3G, LTE, the small cell, Wi-Fi and so and so forth. But heterogeneous network is much more than that. Think about user expense.

You get into a hotel, whether this is (inaudible) network, whether this is the hotel network, whether this is AT&T network in the hotel all combination by the way available, you want to be sure that you get the quality of service that you signed for in the right time of the month, and so on and so forth.

And when you are moving out from your room into the cab or whatever your uploaded, if you would like, again into the mobile network and your quality of service is maintained and so on and so forth. So heterogeneous network, we are not talking about the underlying infrastructure. It's going to be there. The network equipment provider are going to provide it. This is not our role. Our role is to provide the seamless, user-experience across all of those.

So, with that, I said that I'm not going to use too many slides. I'm going to take you to two scenarios. So, the first one is really I would like to introduce you to this person. And it's relatively simple, but it's not that simple. You will see it in a minute.

So we have a gentleman here. Call Mr. Smith. He is, of course, consumer. He's also own a firm -- a law firm -- few teams of lawyers, not a big deal. He is a sports fan. By the way, he's like he's like all of us, he wants everything here and now. Zero tolerant type of a customer. We are all zero tolerant customers. I don't know you personally. One thing that I know you are zero tolerant customer, for sure. And so, is he. So no service failure is acceptable.

Now, I said that (inaudible) as well, and by the way you also have a shared data plan, similar to AT&T, Verizon released over the summer. We see some across devices, almost very simple. Let's keep in mind the major provider in the US -- the major providers in the world released it only this summer. And to us this is like something which is very, very simple.

So, let me take you through the journey. What you're seeing here on the right-hand side is our new multi-channel self-service -- on tablet in this case. And what you see here that in addition to data package, you are also here a sport package. I mentioned before that the all idea with version 8 and version 9, later on is to provide ability to bundle in every package. It can be sport, and it can be kids, it can be combination of sport and kids. It can be whatever the CMO is dreaming about.

Well in this case, we have a multi-channel self-service and also for Mr. Smith we have a sport package. This is just to give you the dimension we will stop talking with the tablet in the beginning. We will move later on to the iPhone, and so on and so forth. This is (inaudible).

So with that, I am going to -- as I said I am a sport fan. I'm going to watch the Manchester City game. I'm starting to watch the movie. And immediately once I start watching the game, I get this type of a message.

And what the message is saying here is that based on my previous consumption of the sport package, based on my current this fault package, and based on some estimate of our system that the system is aware of a major league game that is going to happen in 2 weeks from now, I don't have enough money in my eWallet, if you would like, or in this package in order to watch the game into two weeks from now.

So the system automatically, while I watch in the game right now come and say, Rami, you need to be aware, or in this case Mr. Smith, you need to be aware, if you want to see the Major League Game two weeks from now, you need to add some more money. If you want -- and by the way, you also get 50% off if you'll decide to do it.

So, I'll go and do it, and I will go into the [top up] that you see here and just click on that in order to start and -- adding more money to it. You see how easy it is. And by the way, it's happening in real-time. I'm watching the movie right now, and I get the notification right now and I'm doing it all right now while I'm watching the game.

And you'll see here that I am adding 50 minutes and this is the 50% discount that I have, and I confirm. And then, I want to view my package. And, as you can tell, we are going from 150 minutes back to the 200. Now I have enough minutes to watch the next game. Soccer game, by the way, for those of you that don't know -- 90 minutes.

Now, what we try to show here. First of all, the flexibility of data packages, everything that you dream of allows our -- customer dream of is available, and available in the market in a very short period of time. Second is the interaction. Everything is simple. Everything is the context and everything is ready for the customer in real-time.

This enable upsell opportunities all about making money. It's all about making money. This interaction that we saw before is enabling our customer to interact in the right time, in the right context to their customer in order to make money so very, very simple. Now it's very successful - we are successful. The equation is simple as that.

Let me take you now into the next step of this scenario. So, as I said before I have the tablet, I use it. I have the iPhone, my son use it. It's a shared package so I go, I start to see a major movie here, and my son start to see the Spiderman movie on his iPhone.

And after a while, we will both because it's a shared plan -- we will both get the message that you'll see here. Basically what is happening, while we're enjoying life and watching the movies -- might be in the same place in the world or different places in the world doesn't matter at all -- we get the notification.

And the notification says, guys, based on your consumption there is a better available package for you. Now think about it. It's like trivia -- a better, available package for you. Now it means that all this [suite], the billing system the charging system, the interaction with us as customer, different people in different places on different devices (inaudible) based on the catalog -- unified catalog [opened] an alternative, a best available alternative.

If this is not different way to interact with customers in real-time, I don't know what will be a different way. So but anyway, it makes a lot of sense and the system recommend that I could save money if I select a different package and this is exactly what I'm going to do.

So now, I'm moving into working on my iPhone just because I want you to see how it all working on different devices. We say that everything is multi-channel. So, this is the only reason why we are moving now to iPhone. And what you see here that my son and I cost the boundaries of our data package, and there is the system recommendation here to go to the next available -- or to better package.

Before doing it, before just clicking this update which is very, very easy, I want to tell what's going on here because Eli mentioned the complexity of the system that we are dealing with. Think about the 100 million subscriber company that Eli mentioned.

In this case, the system for everyone, every single person out of the 100 million in real-time need to analyze where I am right now to come with the best available package. And if I select it, and I'm going to select it, the system need now to go in real-time and adjust my usage. Right? This is what this means.

I selected the better package for me and my family. System now need in real-time to for each of the 100 million potentially, and readjust the usage, the bill, whatever you have. This is a huge gap compared to everyone in the industry. None of our competitor can do it now. Why I'm saying it? It's not because it's a feature that we call real-time rating, and so on and so forth. Because if you don't have this type of sophistication in your system, you cannot have real-time interaction. As simple as that.

I know we already said that we must have real-time interaction with our customers and we must have real-time interaction in the right context with our customer. So this is why this is that important to understand. If you don't have those types of capabilities, you cannot live to the promise.

So with that said, I hope I convince you. I will go here and click on that. And you see here that I have the 4 gigabyte and I change the plan, and I want to view it right now. And again, in real-time immediately, I said that the system is going to 4 gigabyte and the data chargers -- the overcharge was totally adjusted, as I said in real-time.

Now, we are moving here slides, and so on and so forth. Trust me that this was taken from a working system that actually we showed it a couple of weeks ago.

I would like now to take you to the next scenario. And the next scenario is about iPhone 5 and I want to tell you a story. And the story is a real-life story. Okay? Verizon launched iPhone 5 two or 3 months ago, I think, in the US. And they have a very interesting issue with this launch.

Apparently, some of the models of the iPhone 5 would not connect right into the Wi-Fi. Their indicator would be that they are connected to the Wi-Fi, while at the same they are connected to the mobile. I see that you are looking to see if you have this type of a model. But what happened is consequently at the end of the month -- at the end of the month, not immediately, Verizon was swamped by angry customers calling into the call center because they were heavily overcharged -- heavily overcharged. It's bad for your reputation. You don't make money. It's bad for customer interaction. It's bad for every reason.

Let's see how it could work differently with our proactive care. And proactive care is big data oriented product, it's a new product, it's collect the information from different sources of information, customer interaction, the network, usage, and so on and so forth, in order to come with proactive real-time recommendation to the customer.

So, I will just mimic that I go and buy the iPhone 5. I'll start buying the iPhone 5 following the recommendation. Here I am on the iPhone, and now I'm moving to continue the same transaction from the web. And just because I want to show you channel hoping.

Eli talked about starting activity in one channel, moving and continuing in another channel and so on and so forth. This is what you see here. We started the purchase of the iPhone 5 on the iPhone, now we are moving into the web. We select the device, we confirm this is the purchase and we start using our iPhone.

And shortly after we get this type of a message. This is the message from our proactive care -- means system automatically identify that we have this type of an issue with our iPhone 5. We don't need to wait until the end of the month to get the angry call from the angry customers, and so on and so forth that cost, by the way, $11 on average to the call center -- we all know that.

Rather than that, you'll get this type of a message to your multi-channel self-service saying, Mr. Customer we admit that we are a failure, and we automatically adjust your balance. Think about what type of customer interaction, what type of customer experience it is, very, very different, very different. And this is what we are talking about.

So with that, this conclude. By the way, not only that I said that 80% of the information is available to you in your fingertip, also we are enrolling their voice recognition of the new devices so that you can start talking to your self-service application. And this what we have here. So you'll just say usage and you go and see whatever you want to see.

What is so important about it? So first of all, we were showing that every service, every date of service, every package is available to you to our customer immediately. So time to market and the ability to monetize is there.

Second, upsell opportunities. Throughout the interaction -- because we are interacting in the customer in the right context, in the right time on the personal level that you saw here it's endless -- almost, endless amount of upsell opportunities that are business [walls] dependent. Means that the business people in the customer can grow and define those walls. They don't need to go to developer. They don't need to come to Amdocs. They just do it relatively easy.

Third thing is real-time interaction -- respective and predictive customer care. [This couple] care and sale, and you saw both. You saw with the care and you saw the sale.

Not only that we are coming with this very strong and very sophisticated suite, let's talk a bit what's the benefit of where the money is, if you would like. So we see our customers due to the fact they must, must have a better way to monetize date of services, they come to us and they would like to modernize, if you would like to call it that way, their older system. What you are seeing here is our way help them take older system and modernize. Telefonica that Eli mentioned before is a good example of that.

But there are additional two types of customer. Legacy customer, whether Amdocs or not Amdocs, by the way. Some of them would like to transform -- this like Telefonica, some of them cannot; either they don't have the funding, they don't have the runway, whatever.

We can -- and we designed it that way that some of the new product that you saw here and you were exposed to here can be up-sold into those customer, whether Amdocs or not Amdocs customer in a way that they are [added] into their legacy systems in order to keep those systems relevant, let's call it that way. It will not pay, it will not turn a Toyota into a Mercedes. But it will turn the Toyota into something in between. I don't know what is between Toyota and Mercedes? I don't know. Volvo. Okay, Eli said a Volvo. Okay, you got the idea.

Let me take you now to another second scenario. Second scenario is about small medium businesses, SMB, Eli mentioned the importance of SMB before. Actually, the biggest profit pull of our customer is coming from the SMB, small medium businesses customers, not from consumers. So we want to make sure that whatever we deliver in our solution for consumer is at least as good for SMB as well, if not better for SMB. This is the one thing that this important.

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Second thing that is important to note, we are seeing a trend in which SMB by concept start to have this similar requirements that we saw before, plus additional -- a new functionality that is relevant to them being businesses and so on.

One of those is bring your own device -- what's happening here? Okay. One of those is bring your own device, you're all familiar with BYOD. Basically, it's a concept -- you bring your own device, you have your application, you have your own music, you have your picture. You don't want to give this away just because you will joined a new firm.

It's also give the employer the benefit to make sure that whatever we do as personnel in our -- which is outside of the business folder is accumulated against our personal account; whatever we do from the business folder is done toward the corporate account.

And what we are seeing here is exactly that there is a -- you don't see it probably from the distance, there is a folder called business on the go. Everything that the employee is doing toward for folder is accumulated to the business, everything that is done outside accumulate to his personal account.

In this example, and since we want to show you convergence in action, we also selected the personal account to be a prepaid and the corporate account to be a postpaid. This is not that important, just keep it in mind. But, more important, is to discuss for a few seconds who is the customer.

So, who is the customer when we are talking about some of the scenario that we saw here? Is it me being individual that I have more than in one device, let's say? Or, is it me that is the head of the household, if you would like, that I have some family members that each of them have multiple devices and we might have shared plan or not?

And some of us, by the way, can be prepaid because they are teenagers and I don't want them to overspend. And some of us can be on postpaid. Or, is it me or my wife being at the same time employee of a company? Different persona. So the definition of customer, who is the customer? It is complex. And why I mention it? Because we need to take care of this complexity and still be a very, very simple.

So in this case I'm going to do some restaurant -- I demo it, you need to -- excuse me, I demo it 2 weeks ago, 3 weeks ago in Prague. So the restaurant here are in Prague but except for that everything is walking.

So we go into a Prague restaurant and I'm going to take this restaurant and see some movies and some writings that is related to it. And navigate to the restaurant, and so on and so forth. At the same time, what you're seeing is two things. First of all, since I'm the personal persona, I'm the consumer right now, I'm being assigned with a certain quality of service, in this case 4 MB per second.

And whatever I'm doing is charged to my personal account, and only to my personal account. And I will continue and navigate to the restaurant, and so on and so forth. And after I'm doing that, I'm going to get into my video folder where I've kept some videos and I would like to start -- I already told you that I'm a lawyer.

So what can I do, I'm looking into some kind of law movies about ethics and so on and so forth, very boring. But after awhile I decided I want to upload it into the company site. Up until now I was working on my personal. So I will go now to business on the go that you see here, and I'll get there.

And you see here that I have a share [app] application, which I will open, and go into the videos here, and into the video that I saw before and upload it into the Smith and Smith [corporate] that I belong to. And when I'm doing it, you'll need to see that now, everything that I do is charged to my corporate account not to my personal account to the postpaid which is a corporate account. And by the way, at the same time I'm being assigned with quality of service which is much higher, which is the 10 MB per second right now.

Why this is important? Think about it. It's one device, one person, multiple persona. Each of the persona is assigned with different quality of service, different payment method, different usage. All the combination that you can think about in a relatively simple scenario. Of course, this scenario can get more and more complex.

The whole idea was to show you how things look like from the consumer point of view and from the small medium business point of view and why and where the business that we bring to the table reside.

With that let's move on. So now, I uploaded the video into my corporate site, into my firm site and then I get a phone call. And the phone call is coming from my Hong Kong office and saying no, no it's great. You put the video there, but we don't have VPN access from Hong Kong.

Now, if your SMB and you want now to add a [trunk] to your Hong Kong office -- a VPN to your Hong Kong office and you need to talk to a service provider, this is going to take time. Time is anything between weeks to months, by the way. It's complex.

SMB services or the services that service provider need to provide to SMB is complex. There is a lot of churn, lot of mistakes, lot of fallout on the process. We came out with totally different way to do it which I'm going to show it to you. But more importantly, that what you are seeing right now is part of our OSS which we call business service scripture, it's part of our OSS suite. And Eli mentioned OSS being diamond in the rough, but diamond in the rough was not the half tick, with the full tick or whatever.

The importance of what we are showing here is basically the pool of the business, if you would like. We have so many customers that we are very, very strong with our BSS suite. And they use our BSS in order to service their consumer and their SMB. We want them -- we want to leverage it in order to sell the OSS on top as well. And this is what we are doing here.

So it's a close and very tight integration of the OSS and BSS all together. This is the key here. And they're all walking with the same foundation, the same catalogue, and so on and so forth.

So what we are going to do is really getting into the Hong Kong office here. And you see that we get all the details. And we get into the IP backup, we see immediately that we get the response from the catalogue which what is available to us as being a Smith and Smith. And this is the 20 MB and gold quality of service and we hit the okay.

And then we go in order to provision the VPN and the intranet by business on the go folder that you saw before. And we see that the intranet here is missing, so we are going to edit. And basically this is it. We are going to close and we are going to submit the design. And the design is submitted okay, and the order has been captured.

Now, what I've show you here when we are talking in reality takes weeks to months -- weeks to months. Now, you can say how come? In a relatively reasonable size the OSS inventory, you have few billions of different entities, just to search whether there is a trunk available between Hong Kong to your office in London or whatever. It's going to be a nightmare.

And if you would like to make sure that you have now the quality of service that you saw with the 20 MB and so on and so forth, and correlate it into a product catalogue, it's a nightmare. And this is the complexity that we are solving with the integration of BSS and OSS in real time. And whether they're spending weeks with the customer, now we are spending few hours, you still need to ask the customer a lot of questions. But it's turning weeks into few hours.

So, what is coming out of that? The potential in small medium businesses, we believe, is huge; not only that it's huge for us, the need is there for our customers. All of them need what you saw here today -- all of them. And by the way, later on maybe we will have a poll. I do believe that all of you also need what we show here being customer of those service provider.

So this is where we are trying to take this industry to lead this industry and leverage our controlling heals of the BSS whether this is [CES] 8.1 or previous version and so on and so forth, in order to first of all upgrade, modernize and pull the OSS into our install base. Huge potential there.

I'm almost done. I would like to introduce -- Eli mentioned the term, we coined the term BBB, Business Building Block. Data services is not a product. Data services, if you would like, is a concept that we are providing to the industry.

Basically the combination of everything that you saw here, the charging, and the billing, and the CRM, and the self-service on the mobile and the proactive care, everything that you saw here are the enabling infrastructure product in order to deliver data services.

Data service can be a day pass. Data service can be international roaming if you are a frequent traveler and you roam a lot -- a shared data plan with your family member and so on and so forth, a sport package that you saw before, whatever that you can think about.

We are coming with a notion of what we call the BBB which are recorded, retested, reintegrated packages that we are up-selling on top of everything that you saw before in order to accelerate time to market. At the end of the day, I said that from the time that the CMO dream about something, should have it in production in a very short period of time.

This way to help the industry move much faster in order to be a more competitive and so on and so forth is our way in order to ensure that our customer are successful. By the way, we do have a customer in APAC that release on average 80 new plans per month -- 80 per month. So in average, three per day, let's say. It's quite crazy. This is the type of flexibility, dynamicity and so on and so forth that you can have with our system, not necessarily I think that anyone in the US is going to do the same.

I think that this pretty much summarize where we are. Eli talked about version 8.1 -- dozen of installation within relatively short period of time from GA. We are heading with everything that you saw to a new horizons, new dimensions.

With that, we are sure, I would say, at least I'm sure that we are going to redefine the customer experience, we are going to redefine what data services are, how to monetize those, how to extract revenue for what we have today, which is our BSS and OSS. How to drive revenue from our customer that -- all of them by the way, all of them are servicing small medium business customers.

Maybe the last thing about modernization of system because I don't have more slides is what we are seeing in addition to everything that I mentioned is that the traditional IN systems are pretty much too old and customer is starting to replace those.

Now, when customer start to replace the IN system, usually they go to convert system because today you can. 10, 15 years ago when those IN systems were installed, we didn't have the technology that we have today. That we can deal with 100 million subscribers in real time in one system. We didn't have it as industry. Today we have it. We can do it. And I think Amdocs is extremely well-positioned to take strong and big bite in this market that is changing.

And with that, thank you very much.

Elizabeth Grausam - *Amdocs - Vice President, IR*

Okay. With that we will take a quick -- about a 5-minute, grab another beverage. I think there's look like some cookies. A pregnant lady can always find cookies in the room -- and the restroom is outside the door. But we'll make is short so we stay on track. Thank you.

(Break)

Okay, we're going to start back up now. Next, we have Eric Updyke, who I mentioned earlier, is the president of our North America Division. Eric joined the Company about 3 years ago first to help us with the Sprint and Clearwire accounts which is obviously the large part of our business, and has consistently assumed more responsibility, it feels like as each quarter passes in the Company.

And when we say the president of our North America Division -- just to define that for everyone in the room, it involves everything in North America that we do other than AT&T which is a separate division, as well our cable customers which are managed out of our broadband cable and satellite.

But to say the least, that leaves a lot of responsibility in Eric hands as the largest division in the Company with accounts that you're all familiar with -- Sprint, Bell Canada, T-Mobile, Verizon, MetroPCS. The list is very and he will walk through that.

Eric joined us from Nokia Siemens network. And prior to that, from AT&T wireless where he was responsible for the entire 3G network build at AT&T wireless with about 15 years at AT&T. So, a very, very strong reputation in the market, a very key addition to our management team and, obviously, a person that is seeking over more and more responsibility with each day that passes at Amdocs.

And with that, I will turn it over to Eric. Thank you, very much.

Eric Updyke - *Amdocs - President, North America Division*

All right. Thank you, Liz. So I am excited to talk about the North American market with you today. I think you know that we do enjoy a nice position within the North American market. And one of the things that I want to convey over the course of the next 20 minutes or so is that we still think there's a lot of opportunity left for us. And we're quite optimistic about the prospects.

So when you -- we painted this picture and sort of the metaphor we wanted to create with the sunrise in here is that we think there's a lot of bright sunshiny days that still remain for us in North America.

But we'll spend a little bit of time talking about the market forces that we see at work. There's a lot going on here as you all know, as folks that I assume predominantly live in this market. I will review with you our current footprint, and try and delve into the different strategies that we try and apply depending on where we are for each of these customers because each one is unique.

We've got some successes to report upon, fortunately. And then, I wanted to spend as well looking back at the way consolidation has affected our position within the market in the past that might be instructive around what we think could happen going forward, and then summarize and look forward.

All right, so we talk about the market forces we've got the same four pillars that you've seen throughout the day. You know, I think the thing that we're all aware of it, it's quite a competitive market place that our service providers, customers operate in here. And so, they're continually needing to find new and different ways to differentiate themselves and continue to try and grow. So as it relates to these pillars simplifying the experience, what do we see that's happening here?

Well, it wasn't too many years ago when smartphones were really only in the hands of tech savvy or early adapters. And now, they're really in the hands of the masses. And one thing that creates is a lot of pressure of on service providers related to the cost to care for those customers.

So with a 35% rise in care cost, obviously revenue is not going up with that clip. Right? So this is a severe pressure point for them in an area, obviously where Amdocs can provide a lot of help.

The other thing that Rami had alluded to -- or spoke directly to I guess related to multi-channel self-service and online channels. They're increasingly important channels to serve customers for our service provider customers, but they're not working very well today. Right? Rami said, maybe they're awful today, but there's certainly room for improvement. I think these stats bared out that there's a lot of improvement just based on the failure rate that consumers experience when they try and use those channels.

And then this notion that our tolerance in general is just going -- is less and less. We expect things in real-time. You know, we don't want to talk to somebody, a care rep. Frankly, I don't want to talk to a care rep ever. Right? So real-time demand -- we want immediate issue resolution.

When we look at the data domain, we all know that data is continuing to experience explosive growth -- much of that had been driven by video services in particular. The thing that I think is so significant that happened recently and we saw with the shared family data plans is, again, it wasn't too long ago we thought, jeez, it's just going to be too difficult for people to digest what a gigabyte is or a megabyte and they actually get them into usage based plans.

But I really believe that that mode is now been broken. That mode of thinking has been broken and the world of possibilities, it's really limitless. And frankly, it's an opportunity that service providers have to see is to find new and creative ways to actually capture this growth in data.

We look at the investment that's been made to roll out 4G. Again, you can't live in this market without being inundated with messaging around my network is fastest, I was the first to 4G, I have the biggest 4G network. You know, I think the thing that I -- my belief is it doesn't all that much in that in the not too distant future, they'll all going to have their 4G rolled out. They're going to have the ubiquitous coverage. And then what? And the then what from our perspective is they're going to have to differentiate on something else.

And I think that's where Amdocs come in, whether it's the unique customer experience and customer value, the services and applications that can be offered. But that's really going to be the enabler and the drive for them to get a return on that massive capital investment that they're rolling out, which leads to really the next point that we are in such a spectrum constrained market with this growth and demand.

They've got to find new and creative and smart ways to manage their traffic between their macro network and maybe Wi-Fi networks. And, again, that's an area where we've got solutions to help.

So in terms of staying ahead and growing their businesses, the old tricks aren't going to work anymore. Right? Contract subscriptions are really flattening. So you see much more focus around no contract customers, around second brands, around MVNOs. And the notion of the items that we've got here, machine to machine so not just person to person sort of communications.

The fact there's indication in the market that people would pay a premium to actually get TV on additional screens. And then this whole battleground, if you will, the threat that service providers face from over the top providers.

And really what it means in terms of new opportunities and new services that we can help service providers launch to combat that threat. So rich communication services where they launch brand new platforms to try and offer services to compete against over the top, so instant messaging and presence and location based services, et cetera.

And then you can imagine very different charging models as well as maybe there's a different way that service providers and over the top players actually cooperate in some dimensions. So I'm on my mobile phone and I want to access Amazon's website, if they know enough about me as a user, they may actually say they're willing to pay for my connection charges to their website because they want traffic directed there. They want to incent me to get to their website and to shop.

But, it requires a lot of sophistication in the back end to actually enable in real-time again -- really the person who's requesting the service is not the customer who's paying for that access in that instance.

And on being efficient, we talked about big data. The fact that we are in a unique position, we've got all these usage data. We have all these billing data. But really, to make it actionable and for service providers to make good use of it to proactively offer solutions to customers, identify a problem, you really got to crunch through and be very intelligent with software solutions to manage that big data. That's one of the things that Rami and his team are working very hard on.

The regulatory environment in North America, it's led to some uncertainty and so one of the things that's brought about is people still understand that they've got to change and they need to modernize their systems, but they've taken a little bit more of a careful approach, more of a phased approach transformation as opposed to the big bang, more certain ROI, biting things off in smaller chunks.

And then we've had a continued great amount of success with managed services. It's really a great proposition. You saw the scale advantage that we enjoy, the best practices that we demonstrated with the video earlier.

And the fact that we've put in place an accountability model that actually puts our incentives directly in line with those of our customers has made it a very compelling proposition.

All right, so looking ahead, the other big factor in our market is consolidation. I looked back in the last 12, 18 months frankly it was a little bit frustrating. Frustrating in the sense that with the prospect of consolidation looming out there, it actually tends to make some of our customers slow down their spending, right, and not make decisions as quickly.

And so, we had the AT&T, T-Mobile non-merger. We had Sprint and Metro rumored to be dancing around. And none of that happened over the course last year. But then within the last 60 days or so, things have really busted loose. You know as Sprint taking over, controlling stake in Clearwire. T-Mobile and Metro announcing plans to combine. Softbank injecting $20 billion to take control and create the new Sprint. And then Leap saying, all options around the table for them as well.

So this entire dynamic we think is actually very positive for Amdocs. As Eli said, the last thing we want is stagnation in the market. So the fact that this going to spur some, we think we got a great track record of success when you look at prior M&A activity to point to that actually is going to put us in a great position to help these customers through this transition that's upcoming.

All, so let's talk for a moment about footprint with North America. So what we try to do here is plot -- it's not perfectly accurate maybe, but if you just move up into the right, you see a list of logos that as you move further to the right, the breadth and the depth and the strategic nature of our relationship increases. Right? So our invest customers are up in the upper right-hand side.

But I wanted to explain is that regardless of where we are in this continuum, we believe we've got opportunity up and down the spectrum. Right? We're not done by a long stretch within North America. So those -- that were dissatisfied with our current position, where we have low existing market share of maybe very low market share are down in the bottom left-hand side.

And that's for myself and my team spend a good amount of our time trying to figure out how can we compel these customers that we really got a value proposition that other have taken advantage of. But what's the way in? What's the way that we can really demonstrate that we can add value to their business as well?

Frankly, anything that we can achieve that's meaningful. And that segment of market, it's all 100% upside. Right? That's all new relationships that we would hope and we would expect would have a long continuing tale associated with them.

If I look at the middle part of the picture and I pick out a customer like CenturyLink. This is a customer that' been a great long-standing customer of ours. But they're a very different customer today than they were a couple of years ago. Right? They acquired Embarq and then Qwest and then Savvis.

And so, in terms of putting all those pieces together, it's -- there's a lot of challenges. And you may have seen in your packet a press release that we announced earlier today. One of the ways in which we're helping CenturyLink cope and deal with all that complexity, we're going to give them the single operational support system for all their network asset, a single inventory system, a single ordering front end which together is going to help them reduce cycle time for new services and reduce cost pretty significantly.

If we continue up into the right, at Metro and T-Mobile as they combine, we really believe we've got -- because we have a significant relationship with both of those customers and unique insight, we think we're in a very good position to help them again navigate through this journey that has contemplated with their announced merger.

Comcast is a customer where we had some great news to report recently. We expanded and extended our managed services relationship with them. But we don't think we're done there by a long stretch. There's still the opportunity to transform and modernize their systems. And we don't yet have a 100% of their subscribers in our systems. So it's one where we're going to keep banging away. And we expect that there's continued upside there.

And with Sprint, again we've got a lot of positive momentums. Sprint has been a great customer. I'll talk about the case study in a moment. But with $20 billion being injected into Sprint with the Softbank acquisition, I mean they operated in a mode where they've had some affordability constraints in recent years. Right? So we really believe there's a lot more that we can do together at Sprint also.

All right, let's chat for a moment about some of our successes. All right, the first one that I want to point to is related to Sprint. And as always said, it was about four years or so ago that Sprint was at about the bottom of the heat from customer service point of view. Their care cost were high.

Their churn was high. And from the top of their company, and they basically said that one of their top corporate priorities is going to be to turnaround customer satisfaction and go from worst to first.

I'm proud to say that we've been a huge part of how they've achieved. This iCare program that we speak so affectionately about where we re-architected their entire consumer front end dramatically reduced call holing time. And we reengineered all their business process flows. It was a huge enabler to improving their customer service. But as always, it's one thing for me to talk about it, but I've got my good friend [Gerard] who's going to show up on the screen here in a moment, who actually runs that business and run this program from Sprint.

I'm going to ask to say a few words about how we work together and how we helped achieve them achieve that success.

(Video Plays)

Eric Updyke - *Amdocs - President, North America Division*

(Inaudible) estimates they put in their original business case. We manage to help them beat all those estimates so they overachieved all their objectives.

When we look at MetroPCS, we've got this very deep relationship with Metro. We're a significant part of their IT organization. And you could think, jeez we could -- there's maybe not a lot else we can do. But frankly, it puts us in a very different position as their strategic partner that when they want to continue to innovate and they know they need to continue to push the envelope for the North America, they were the very first to push rich communication services over LTE.

They called in Amdocs to help them achieve that. Right? We are a huge part of the ecosystem they called upon to get that to market recently. And I want to just again, John Olsen who was CIO and Senior VP and a very close partner of mine and of our teams. He said a few words for us and our customer event a few months ago about how we work together and how we collaborate that I want you to hear about.

(Video Plays)

Eric Updyke - *Amdocs - President, North America Division*

All right, moving on to our friend at AT&T, when we think about how we help them stay ahead and innovate. And Rami talked about our enrich program which is really where we scout innovative company startups to see how maybe they can work with us and with our service provider customers to come with new solutions.

What we've done with AT&T is create a specific innovation collaboration where they actually has space that's in our (inaudible) campus. It's an AT&T outpost, if you will. It's on our campus, an AT&T lab. It's an extension of our R&D facility. Well, we collaborate in this fashion and we work with startups. Here's an AT&T video to talk about one of those specific successes that has come out of that collaboration with a company called SundaySky for a video billing application.

(Video Plays)

Eric Updyke - *Amdocs - President, North America Division*

All right. And then, finally, related to being efficient, as I mentioned we did some great work for Comcast to expand and extend our relationship there on managed services. It is, I think, this accountability model, the fact that we've added value to their business over the last several years that incented them to want to stick with us and expand and extend the relationship. And it's just one of the few examples that I could site in that regard.

THOMSON REUTERS

All right, shifting gears just a little bit, I wanted to look back and actually with what we talked about in terms of the change that's underway in the market, look back a little bit and reflect on some similar change that's occurred over the last several years and how that affected our position with some specific customers.

So if you look at sort of where we are today with Sprint and then we reflect back on where we were 11 years ago, it began around 2001 with Nextel, you can see over the course of time, the depth of our relationship has expanded consistently as they went through some very significant change.

It began with Nextel as about a 6-million subscriber company that needed to integrate 14 disparate billing systems into an integrated billing system. We helped them achieve that. A couple of years later they acquired Boost. And then in 2005 timeframe, Sprint and Nextel actually came together which was a huge catalyst and a huge moment for us.

We put in place the unified billing platform that exist today, wrapped it into 7-year managed services agreement, and gave them a combined single view of the customer with our [sView] customer care system.

Some time went on, they acquired Virgin Mobile in 2009. And as you saw quite recently we announced another 7-year of our managed services relationship with Sprint which takes us all the way out to the year 2021. We have this iCare success that I just spoke to a moment ago and we're in the midst of converting all those Virgin Mobile subs.

So the takeaway for me is we've learned a lot through instances like this story. Similarly, with AT&T wireless and Cingular we really believe that we are more expert in helping companies navigate through the risk and the challenges that come with combining their operations.

And we think it's a very compelling value proposition that we can put forth for others that are going through the same kind of change in the coming months and years. It takes some time. It's not easy. But we think we're very well positioned to help in that regard.

All right, so looking ahead, the priorities for us and the areas that we're focusing on -- we're such a great foundation of trusted relationships and of credibility that we enjoy in this market. It is the perfect foundation for us to expand our service offerings. Right?

Why not take a broader role and be in the prime SI for major projects and managing things that aren't exactly within Amdocs domain and expanding our managed services offerings off the footprint we've got. Around data modernization, as I said we really believe it's only just the beginning - right -- what we're seeing in the change in the market, so it's a huge area focus for us.

No contract brands and the growth of second brands, MVNE, MVNOs and so forth will continue. A lot of the work that we've done in the consumer domain is very portable to the kind of scenario that Rami demonstrated for enterprise and small, medium business. And we believe that as customers go through this change, we will help them transform, we will help them modernize so they can continue to compete going forward.

So to wrap up, I have to change the shape of my bullets here. You know I work in a global company as you well know and sometimes people get a little bit confused about what a football or what a football isn't. Some and other parts of the world have a different perspective. But nonetheless, in summarizing kind of where we are, yes, markets mature but if we think, there's still very significant opportunity ahead for us.

The fact that we have such a strong position we think is the foundation that allows us to break new strategic ground and be in a set of discussions with our customers that others are not in. And we really believe that we've got a unique value proposition, a unique set of differentiators that are going to allow us to continue to grow.

With that, I will I think pass the baton on to my good friend and colleague Patrick McGrory. Let me say a thing or two about Pat. He's an industry veteran, over 20 years of experience in the telecom industry. Before he joined Amdocs, he actually founded and was the CEO of a company that became listed in the Australian market and in London.

He joined Amdocs about 6.5 years ago and has been running our business in the Caribbean and Latin America for the last 4 years or so. He's got fantastic things going. I mean I think what Pat and his team have already achieved is really tremendous. And I know you'll be excited to hear everything they've got going on and what lies ahead for them.

So, Pat?

Patrick McGrory - *Amdocs - President, Caribbean and Latin America*

Eric, thank you. So thank you, everybody, and it's really a pleasure to be here today. And thank you for taking the time to listen to us. We're going to turn our eye southward a little bit now. And maybe try to bring you some Brazilian style, not just from myself but also from my customer. And we try to make this presentation in the spirit of being Brazilian like a bikini. So want it to be small enough to be interesting, but large enough to cover the critical aspects. So, this is what we'll try to achieve in this presentation.

We want to talk a little bit about the market forces and talk about the controlling hills that we're focused on and little bit about the structure of our market. I'll talk about the strategy that we've been executing over the last little while and some of the results of that. I'll talk about some of the success stories that we've been experiencing in our markets.

But please listen to our customer because it's probably more important that -- I'm really honored to have our CEO of TIM Fiber here with us today and he'll tell you in detail about the impact that we were able to have on his exciting business launch.

So first, to know a little bit about our market, some of the macroeconomic issues that we're dealing with is by 2050, the population in Latin America will increase by 140 million people. So we're in a high-growth market. This is a market that's growing substantially over the next 40 years.

You may have seen a World Bank report lately that was released that talked about the number of people existing poverty and moving into the middle class. So the middle class is rising in our market and it's growing rapidly. In addition to it, we have a very young population, over 150 million citizens are under 14 years of age.

But these are a kind of what some people have called the C generation or the connected generation or the M generation, the mobile generation that are connected, always on and if my 15-year-old is any example, totally connected all the time.

The significant increase in the number of accesses are going across the region. Rogerio will tell you about the $1 billion that TIM did in an acquisition last year or so to invest in delivering broadband to this market and how we helped. We have the backdrop of mega events like the World Cup. And, yes, we have different views about football which I'll describe later.

And the World Cup is coming as well as the Olympics in the next 2 to 4 years and this creates a very good backdrop for us to be able to deliver our services and help operators compete in their markets at world class.

The Galaxy ownership structure, I'll talk a little bit about how the Galaxy, what we call multi-affiliate operators, these are global operators that are operating in multiple countries across the region and the significant consolidation. Why is consolidation interesting? Because it's our heritage. Really, we started in North America. We had significant experience in consolidation with our portfolio.

We're now in a position where the consolidation is happening in Latin America in a significant way. And we're able to bring all of the experience, capabilities and hard earned lessons that we developed here in North America and Europe to a large extent to the market in Latin America.

On top of it, all of these means we're delivering increasingly sophisticated systems requirement. So it's not that we can deliver a cut rate system. The requirements that we're seeing from our customers across the region are as sophisticated as any we've seen anywhere in the world.

Some of the market forces -- and I'll try to describe these in the framework that we've been using throughout the day -- buy in terms of simplifying the experience, we're now over 100% mobile penetration.

THOMSON REUTERS

Five years ago, many people in Latin America did not have a phone. We're now getting to higher levels of penetration on the mobile side and importantly growth in postpaid. So traditionally, we thought of the emerging markets and I've been working in the emerging markets for more than the last 10 years from Asia, to Africa and now Latin America, its' traditionally been a prepaid market.

But as worth credit worthiness is getting better, people are rising out of poverty, the human condition is improving, we see more postpaid subscribers coming into our customer subscriber basis.

Smart phones are growing at over 700% and is expected to grow by 700% out to 2016. And fierce competition. Rogerio will tell you about some of the hyper competition that we're experiencing in markets across the region and how we're helping operators get into a position to compete very effectively in this hyper-competitive markets because operators are moving from an acquisition mode or a land grab mode, just putting capacity in and adding subscribers to actually having to go into retention and compete on quality of service and on delivering an excellent customer experience.

In terms of harness data, we see across the region a significant middle class which is growing that are very hungry for broadband services. And they are young middle class so they're always connected be it on mobile or on fixed services.

We understand that 2013 from many discussions with our customers and planning with CTOs, CMOs, CEO and executives in large operators across the region that 2013 is the year of LTE. So broadband, mobile data services are being deployed across the region and we expect that to continue significantly and grow in 2013.

We have in Latin America the world's highest mobile data revenue growth -- world's highest. So the fastest growing area in the world for mobile data is Latin America. Why? Because of a huge deficit of broadband services on the fixed side which Rogerio will talk about. And we're trying to build the fixed capacity as fast as we can, but in the meantime, consumers are using their handsets.

So not only there's a deficit of fixed broadband services, but actually computers, power. Well, there's this a huge infrastructure deficit in many areas across Latin America and this is a mega trends that we're able to help operators build a new infrastructure for the next generation and help IP traffic to multiply by over 700% over the next few years.

In terms of staying ahead, because mobile penetration has gotten to over 100%, operators are looking to provide multiple service or Quad-Play services to the subscribers in order to increase share of wallet because their revenues want to keep growing so they're looking to provide multiple services to increase their share of wallet with their subscribers.

Pay TV is also under penetrated and I would say underrepresent. In the region, we have some questions in the break about the Pay TV market which is growing substantially in Latin America in the big part of the future.

It is a connected economy. This young population that is highly connected makes the 5 of the top 10 social network markets in the world are in Latin America. And we'll also focus on emerging lines of business meaning our Connected Home, Machine-to-Machine and Mobile Payment environments.

Mobile payments are particularly interesting because there's 190 million citizens, only with bank account out of about 600 million citizens who are in Latin America. So there's a deficit of banking infrastructure there which provides a huge future opportunity we believe with regards to mobile payment in all markets.

In terms of being efficient, we found a very significant infrastructure or gap around Fiber. So we, those of us who have operated in the emerging markets or Latin America for some time, we think of these markets as mobile markets and we said, well, the emerging markets will leap frog the fixed bill. And that was okay until we found out the data explosion occurring in the mobile space require fiber to build that backhaul and that consumers wanted their homes connected with broadband services which Rogerio will present one example of later on.

So it's a huge infrastructure build around fiber and around fixed line networks. And traditionally, we thought of emerging markets mainly as mobile networks. But we're seeing this huge increase in rolling fiber across the region in order to fill that broadband gap that we have in the market. The significant wave of IT transformation that's happening across the region combined with the skills shortage. So there's not a lot of resources and engineers in the region that are just done multiple transformation projects.

So the need in order to get the second point get the Galaxy consolidation to deliver economies of scale, these IT transformations are being undertaken in order to deliver synergies from the roughly $50 billion of M&A activity that we've seen occur over the last few years, which no doubt some of you or many of you have watched as America Movil for $23 billion acquired Telmex International, and $10 billion on market offer for the shares of Telmex Mexico as Telefonica came in with $10 billion to acquire the shares of Vivo in Brazil as Portugal Telecom puts $6 billion into to acquire Oi and TIM and Telecom Italia has invested across the region.

Significant investment has gone in which is driving significant consolidation and transformation in order to deliver those synergies to their shareholders. We must be efficient because we're operating in a $13 ARPU market. So the environment that we're working in is a lower ARPU so getting economies of scale, doing it in efficient and increasing share of wallet with Quad-Play services is the perfect formula in order to help our customers be successful in this market.

In order to execute, we had to be focused on the controlling hills. If we look at the market or if we look at the market today, we understand that about 75% of the market is controlled by 3 global operations. They are TIM of course who's here with us today. America Movil, the significant operator with 230 million subscribers across the region. As well as Telefonica which I'm very pleased that we're able to announce today a new win at Telefonica Argentina where we're commencing a significant transformation on the mobile side.

So we wanted to work and focus on these 3 operators in the region who are really number one or two in the leading operators in the markets that they're serving.

The strategic focus paid off for us and the management support that we got, the product that we were able to bring to the market, the significant experience that we had in consolidation in North America and Europe, once we identified the top hills, we understood the top 10 markets in the Caribbean and Latin America region.

In 2009, I can say we were underrepresented in the region. We had a significant challenge to cover and we're talking about 21,000 square kilometers that we're dealing with. So I had to get a few new pairs of shoes to cover this market, very aggressively. And we were underrepresented in this market in 2009.

Today, I'm pleased to report that we're at present really a nine out of a top 10 markets across the region and Peru which you'll see is missing is on the way. So this is one area that we're working on.

We did it in a few major steps. Mexico is critical for us and an important market. It's kind of a hub in many ways and an important market in the region. The West Coast expansion I would say is important here in Colombia and Ecuador which we've been expanding in. It's very interesting [effect] standing on the equator where you can one foot in the northern hemisphere and one on the southern hemisphere, and very interesting physical, physiological effects occur there.

And then we did the third step with the southern cone expansion. So we colored Mexico. We did the west coast expansion. We went after the southern cone and this was the (inaudible) that's been developing our business over the last few years.

So, what? The results of it was that we're delivering over 30% CAGR for the last few years. So we had to focus on the market, identify the controlling hills, understand what the top 10 markets were and then engage closely with the customers while at the same time, constructing our team in such a way that we would be local to the customers because you can't operate in these markets -- these markets are operating with very local people who with very personable connections and so on, and relationships that happen.

THOMSON REUTERS

And the recent booking trends that we've been able to deliver to the business gives us confidence in the sustainability of continuing to deliver double-digit growth to the Company and to the market. So it's quite an exciting market that we're working in.

We have been covering them at and getting on to the controlling hills and winning the key projects, I would say, in the region to be able to create what I call market platforms. And from these market platforms where we're dealing with operators who are operating in multiple countries, we can then expand into new countries as their business needs require.

Some of the success stories I'd like to talk about, in Claro Brazil not to denigrate TIM in any way and our customers here or detracted all from our Telefonica announcement today -- America Movil is a customer of ours, a significant one in Brazil.

Over many years, we're delivering a single view of corporate accounts across the Claro Brazil business. This is -- we're talking to give you an idea, 60 million mobile subscribers. So these are not small operations that we're dealing with. We deliver the 20% reduction in provisioning time. Never mind the order fallout and the reduction in law starters and multiple order handling and all the cost and delays associated with that.

In terms of harness data, I'm very proud to have worked with a relatively small customer of ours but I believe an important one who delivered the first LTE launch in Latin America which was Open Mobile in Puerto Rico. We're delivering our policy control there and some of our data experience solutions to this customer.

And Open Mobile really launched the first LTE network in Latin America which we believe is an important part of enabling the citizens in Latin America to have access to a broadband service in the future. TIM Live of course, you'll hear from Rogerio that launched in record time this was seven-month time to market and really a world record for us. And as far as we know for anywhere in the world not just for Amdocs, a world record to launch a consumer broadband service and we'll go into this success story in some detail shortly.

And in terms of being efficient, Telefonica, we know is a company that have faced many challenges. And we've been working with Telefonica in various capacities for many years. Lately, there's been a lot of challenges at Telefonica which I think many of you have been no doubt keeping an eye on.

But I can tell you that undertaking a business transformation to drive the multi-channel experience for their subscribers in the market in Argentina. And this is just one example in a few examples of how we're hoping blue chip operators with larger operations across the region to simplify the experience, to harness the data, to stay ahead and to deliver to their markets in an efficient way.

So looking ahead, the CES portfolio is really the lynch pin and everything that Rami talked about -- the fact that we've got all of the ability in our product to bring to the market, the fact that we have so many years of experience with consolidation, it's not the theoretical idea for us. It's part of our DNA and part of our -- it's built into us that we have this capability and that experience is hard to get. And I believe really nearly impossible to replicate. The CES portfolio and combined with the experience really puts us in a unique position in the market.

OSS is a critical point here. And it's not just OSS, sometimes and Rami alluded to it a little bit but Olsen say it's ordering because it's order to OSS. It's not just OSS because we want to know where the network inventory is.

We want to have an OSS so we can make orders happen faster so that operators can get the money sooner so they can get their growth and deliver the expectations to their shareholders. OSS is also important in the Fiber build-out not only because of what we're doing with Fiber and we launched the BSS, OSS integrated solution at TIM Fiber but also because of the mobile explosion.

Why? Because we're putting the base stations of mobile on that same fiber. So while we're launching a consumer broadband, we want to reduce the lease lines and the OpEx that customers are paying to connect mobile base station and leverage that same fiber in order to reduce OpEx.

So OSS is a critical part of this and a critical part of the portfolio and a really important part of rolling out this fiber. Why? In order to deliver a multi-play solution. So the multi-play solutions as we move beyond Quad-Play to connected home and to other kinds of over the top video delivery and new kinds of services in the future, we believe, will create revenue opportunities for our customers and so that they can increase the share of wallet for their subscribers.

Managed services is a critical part of this. We are delivering managed services today to TIM. Not only in TIM Fiber, we are operating the IT part of the business, but also on the OSS side. This is a first in the world implementation of OSS before managed services. The unique value proposition which we think is a really important part of the future.

And scalable cross-Galaxy solutions. So we appear to be in a significant position in terms of competitive advantage with the fact that we have the experience, we have the whole portfolio in one place which is integrated and we're able to deliver it across operators that have operations in multiple countries in a very cost-effective way.

But I ask you, please don't believe me. Listen to our customer and I'd like you to join me in welcoming my friend, my collaborator, my colleague, Mr. Rogerio Takayanagi who's the CEO of TIM Fiber. He's an engineer, electrical engineer and somebody I've worked with closely over the last year. And please join me in welcoming Rogerio.

Thank you, Rogerio.

Rogerio Takayanagi - *TIM Fiber - CEO*

Thank you, Patrick. Thank you, very much. Thank you very much, Patrick, to arise expectations about my presentation. (Inaudible) as always correlation between the expectation and delivery -- you raised the bar. I'll also try to do a bikini presentation, so I want to know you guys.

But thank you, Eli, Patrick and Nelson to invite me to share our case. I think it's a very interesting one. And probably shows how a business concept, an idea or a consultant PowerPoint can become effective very rapidly if you have the right model, courage and the partners.

We love the title of embrace challenge, we embrace the challenge with this project and we're working to experience success. And currently, we are in the challenge part.

I'm the CEO of actually 2 companies. TIM is a little bit different company. We have several different things. One of them, I'm CEO of TIM Fiber and [Interleague], 2 companies that we acquired. Both for the fixed side while [Interleague] is for the corporate side and TIM Fiber, now they start up on the consumer side and this is very interesting to be the head of this fixed business of TIM which means Telecom Italia Mobile.

So being at fixed side of a mobile company, it's very something awkward. The other thing is the [Blue Man]. We used the Blue Man as our spokesman even if they never speak. In Brazil, well, we hired them because the concept was interesting because they are very innovative. They have a lot of stopping power. But just when we ran the first add, TV ad, we realized that they didn't speak for a Telecom company. It's a little bit strange.

We found out that with this popping power and no one in Brazil knew the Blue Man. So now, everybody thinks that this -- the TIM spokesman, they don't know the group Blue Man. But talking with analysts, everything that we run an ad with these guys, we spend half of what our competitors' spend and we have the double of awareness. So we start with them almost 4 years ago and we keep them just because they work. I never like them much but they work very well.

Let's talk about the case. The idea was to present -- before talking about what we've done with Amdocs, it's interesting to give you some context of the opportunity we saw, the idea that we had and how we transformed the PowerPoint [ware] in a [Rio] company.

Talking about the opportunity in Brazil, I don't need to spend much time talking about Brazil but it's interesting if we look on the demand side of what Patrick said it applies positive to Brazil, not only where young population with people addicted to internet, Brazilians are addicted to social network. They are the people that spend more time on internet in the world. So more than [50] hours, a month average.

These young population is entering in the consumption level. So what in Brazil is called c class or middle class is bringing -- brought some 40 million people in the last 3 years or 4 years. So people is starting to get money, young addicted to the internet. So amazing demand for internet.

On the offer side, though, all the fixed telco infrastructure was viewed by the incumbents 30 years ago for voice telephony. So the length of the copper line is very long. It's like US 20 years ago. How that impact this service, as the length is very long, the quality of internet that you manage to provide is very poor.

If you have more than 2 kilometers from the streets, it's impossible to provide more than 2 megabits per second as internet. The incumbents -- more than 80% of the Brazilian fixed telcos have lines with more than 2 kilometers from the streets, which means that most of their access are below 2 megabits per second. So fantastic demand, very poor offer. So, great opportunity for us.

The challenge though is to find a model that worked for Brazil. We [know] that the emerging market is a very defense, not a -- one size fits all. We understood that was impossible to deploy something like FiOS in Brazil. I believe there are three conditions. If we look at the country, it's twice the size of Europe. With the GDP per capita that is one-fifth of the American one. So it would be impossible to build a model that was CapEx intensive. So, it needs to be cheap.

Second, it's about window of opportunity. Only the fixed broadband penetration, even that one with low speed in Brazil, it's below 25% of the households and with the slides that you just saw you can imagine, how fast the fixed broadband is growing in Brazil. So we needed to put in the ground very fast, something that fast to launch and fast to deploy. So every time that a customer called us, it need to be fast.

And third thing is because of the opportunity of seeing the poor service currently provided by the incumbents, we needed to have a leap in terms of service quality or speed. So normally, when we talk about being cheap, high-performance and fast, you need to pick only two words. Having the three things with the same concept is very challenging being cheap and high performance.

So we said, instead of playing in the whole Brazil, let's pick some areas. We found this company called (inaudible) that's belonged to electric company. So we used the electric poles, energies (inaudible) in Brazil to launch Fiber in Brazil in the cities of Sao Paolo and Rio.

Brazil, the population is very concentrated in few cities. If you take only Sao Paolo and Rio cities, we're talking about roughly 30 million people with covering the GDP 27% of the Brazilian GDP which is equal to Argentina. I love to talk to my Argentina colleagues -- in two cities we have your whole country.

But the concentration helped a lot. And the fact that they had a lot of fiber also helped because they're launching the fiber (inaudible) business. The fiber was absolutely underutilized. It was more than 5,000 kilometers of fiber inside the cities. If any of you went to Brazil and you go to Sao Paolo, you realize that it takes 1 hour to run 10 kilometers from one place to another. We have 5,000 kilometers of fibers in those two cities.

I think there's a video here that shows the capillarity. It's important to understand how it is in the streets because if the fiber is close to the home, you can get much better performance at a much lower cost. If you can run the video.

(Video Plays)

Rogerio Takayanagi - *TIM Fiber - CEO*

That's an amazing amount of fiber. I forgot to say that those blue lines are the fibers and that -- as you could see, it's gets pretty much everywhere in the city it covers. If you take the distance from the fiber to the house, maximum 500 meters, it covers almost 7 million households in these two cities.

And the good thing about being the fixed guy in a mobile company is that the reason why we acquire this infrastructure -- we paid $1 billion for this company. We paid $1 billion to have the fiber to connect our antennas, our 3G and the 4G. Now, we just acquired the spectrum in Brazil. But having the fibers saved all the CapEx to connect to the antennas or the OpEx leasing lines from the incumbents.

Therefore, all the synergies that we made in the mobile side pays back the investments that we made in the company. So you can say, well I'm on the option side when -- let's understand what the incremental cross launch new business.

So the reason for the acquisition for this fiber was the mobile and then we'll say, oh, we have more fiber than we need and there's this demand, very concentrated. So let's think if it's possible to launch a business that covered the three requirements that I've said, cheap, fast and high-performance.

We made a completely different architecture to what I've seen normally in developed countries difference was we use aerial fibers. So instead of having the underground, you see the fibers deployment. In New York, it's always complicated with the [trucks] and so on. We use aerial in the poles.

Second thing, we used copper has less -- less meters. The copper is something that everybody says oh it's old. The future is fiber, but with this type of architecture that you have, you keep equipment very close to the clients and very few meters of copper, you manage to have this.

This is a little bit complicated but this is the distance and this is the performance that you can get with the copper. If you have more than 2 kilometers, it's impossible to have more than 2 megabits per second.

With our architecture that we have the fiber that we bought and very few meters, less than 400, average less than 250, we are here -- 400 meters is here. We manage to deliver, to [premise] and actually deliver 50 megabits per second over copper which is very good because it covers the last point of our requirements which is performance. And now we're selling two type plans in Brazil, one with 50 megabits per second and the other 30. And we're delivering 53 [in that 32] over copper.

The second benefit is because we have the fiber and we're using copper with our aerial infrastructure, our cost per home pass is $40. The ones that cover telcos know that Verizon cost per home pass is something like $1,500. European telcos talk about $2,000. We're doing $40 which allow us to be very competitive.

Second thing, as we have the fiber we could roll out very fast -- these equipment that we hang on the poles and the fiber so we can increase our home passes speed very rapidly. I have another video -- oh, and well this is the cost for home pass and this is the cost per connected consumer, so as well very low.

I have a video that shows the deployment and how it uses it. Maybe it's easier to understand -- well, it's easier to understand how it works.

(Video Plays)

Rogerio Takayanagi - *TIM Fiber - CEO*

From the urbanistic perspective, it's not the most beautiful thing, but it is very effective from the business perspective because it's fast to deploy, cheap and high-performance. So we had the network solution. We have the concept. We were pretty sure that we'd manage to launch the service very fast.

Then the second challenge is all right, how will we control all these stuff? We have the IT challenge to develop all the IT systems that would control the network, the service, the clients, the customer care and so run faster than we could runt the network.

Normally, a mobile player that launch a fixed operation and Vodafone is the good example of that -- I would use my mobile stuff, expanded put some stuff around and try to launch the fixed service on top. That takes a lot of time and a lot of problem for the mobile side.

We decided to do (inaudible) systems completely separate from the mobile side, so we could ensure in one hand the focus and to startup without delaying the speed of growth on the mobile side. That was also very important for us. At the end of the day it's important for me because it pays my salary well. I'm a startup.

So the IT approach was right, let's do something for -- everything from scratch. Then we could have the standard approach again that would be all right I know everything that I need to have a launch [and RFP] in the market, take the best of breed, higher integrator, put everything in the package and developed.

Amdocs approach does with a very aggressive approach saying don't worry I'll do everything. To be frank, at that time I didn't know Amdocs so - but I had this very short time to launch and I had 1 silver bullet to shot. As we like to be different and take risk, we decided to go with this approach.

Basically, if this is the map of the OSS and VSS system, the green is what we bought. We bought basically everything which of course, there is the risk of relaying with only one partner but that has the benefit of having only one neck to squeeze when things don't go wrong.

And I like it very much Eli and Rami's presentation because what we saw is not about the box or software. I don't think -- this essential and fundamental for the (inaudible) but is not enough. The main [event] was not about the software, but the approach that we had for these projects, which was instead of us telling what we wanted and then asking Amdocs to develop or the partner to develop, we put the things together say well, what's the best practice in the world? What your system does?

He did enough for me to launch a service, all right let's do out of the box implement because I believe that what is already developed in terms of software collects all the best practices around the world. The experience collected during these years is enough to have more well-thought solutions in terms of workflow than we could internally.

So, the approach was very partner based. And several times we asked of things and the guys from Amdocs said you're wrong. I think if you do that, you have this type of (inaudible). All right, that makes sense so let's change the specifications. And with that, we managed to launch very fast. Also, the (inaudible) with minor adjustments, but that ensure us to have the time to market and the consistency and the customer experience.

The result was this. The product of this company, TIM Fiber is called Live Team. We went to shift focus from speed and price to experience. So a large team invites to live the experience of a different internet. Live stands for liberty or liberdad or freedom because as we managed to a very cheaper implementation, very low CapEx, we do not have contract. And we believe that the performance is so high that we don't need to bind our clients with the contracts which is something very different in the fixed market.

[Intelligence] is smart because there's no bundling. It's naked broadband where you do not need to buy the fixed telephony or television to get access to the speed. Velocidad is speed. So it delivers 30 to 50 megabits per second. So fiber speed. And economia, saving. So it's cheap. Now, our 50 megabits per second plan without any contract or (inaudible) or bundling, cost $25. It's a very aggressive plan.

Result of this, we bought (inaudible) in November, first of November 2009. 7 months later, we had our first customer connected. We had already at that time, 30,000 household in terms of coverage. And Nelson correctly corrected me -- 7 months later but in terms of IT development, it took 5 months because we took 2 months in the procurement process and so on.

So the [sign] of the high level design was 23rd of December. I remember that date. And 5 months later, we had our first client connect. So, really worldwide record. September, we had our commercial launch. So we took roughly 10 months to tune systems, process, people with that offering.

You see the graph of growth. Of course, it's starting from -- sorry. Oh, you changed my surprise. Okay. And so these are the graph, the growth of sales of course it's [minimum] because we're in the early stage. We are currently selling something like 6,000 lines per month. But just 10 months after the acquisition of the fiber company. So the other interesting thing, we won a prize of Frost & Sullivan for the best telecom service before launching the service. So, I don't know which criteria they used, but we're very proud of that.

So what we've learned from that experience. Brazil is fantastic. We'll keep growing for several years. Still probably the [top up] telecom will be more mature. We see growth on the mobile side. We see growth on the fixed broadband side. So TIM is very well positioned. We see decrease in the fixed voice. So that's why we launch naked broadband solution.

Working in a best of suite instead of working best of breed definitely was essential for us. So working with only one partner. The thinking different was essential both on the IT side, but as well in the networks that allow those to have this fantastic service.

So the video that we have in there in the launch of the service. Of course we have the three Blue Man. Can you launch the video please?

(Video Plays)

Rogerio Takayanagi - *TIM Fiber - CEO*

Thank you.

Elizabeth Grausam - *Amdocs - Vice President, IR*

Well, I ask Rogerio to stay up here for just a few more minutes. If we can have -- we have two microphones in the back. [Jill Johnson] and [Matt Smith] from the IR team. If we have any questions from the audience, we'll try to keep to just (inaudible) for you. So we can move to a break and finish up the day. Anyone?

Unidentified Audience Member

Yes, [Clay]. Thanks Rogerio for your presentation. And so (inaudible) good success. So good luck to you. As you talk about selecting DOX, can you just talk a little bit about some of the key criteria you are considering, maybe gives a sense for other vendors you might have considered at the end of the day what the DOX bring to the table for you from a product price perspective?

Rogerio Takayanagi - *TIM Fiber - CEO*

We didn't have much time. The key criteria was the knowledge of what they were doing. So what we've done, we called all the vendors, presented our idea, business idea and asked what we could do. And Amdocs was the only one with a structure approach not starting from the DOX but starting from the processes.

So right the typical standard best in class process of provisioning of fixed broadband works like that. Billing was like that. Caring was like that and so on. Our system does that. If you want out of the box, we can do. And then we started to ask tricky questions. Some of them weren't answered and they ship a lot of specialist from Israel and fill that room with 15 super senior guys that manage to enter all the questions.

So the impression that we got is that there were people that have done that stuff before. And as they managed to answer our questions or operational question -- what happens even the consumer has this type of problem with not only the knowledge in terms of experience but the solution in terms of system or -- but by the way, our system does this thing and so on. We decided to do the (inaudible) and say right, let's risk and work with these guys.

The other approach or the vendors all right, tell me what you want and I would develop it for you. It might take two years but I'll do everything to customize it perfect for you. So the difference of approach between knowledge base because it's very practical, expertise in telco against vendors that work from nuclear submarine, airports and telcos is pretty different.

Unidentified Audience Member

Thank you. Rogerio, you said that you didn't know, you didn't hear about Amdocs prior to the project, the other five process. Who did you know about? Who did you have in mind?

Rogerio Takayanagi - *TIM Fiber - CEO*

Just to tell you, even if I'm an engineer, before this key fiber project I was the marketing director. So marketing direction only. I didn't know much about the IT systems. So of course I asked my CIO to put under table people that was supposedly knew this stuff so we could discuss. So I was attacking the problem much more from the client perspective rather than from the IT functionalities.

Say what, if my customer has this problem, what happens if I need to deploy in 24 hours or to solve a problem in six hours, so how do I control and so on.

Unidentified Audience Member

Okay.

Unidentified Audience Member

Thanks. I wonder if you could tell us what kind of growth rate you would expect in the near term for your company's CapEx, network CapEx versus the IT function.

Rogerio Takayanagi - *TIM Fiber - CEO*

Okay, in terms of growth, we're projecting to have 1 million subscribers in five years which means BRL1 billion in terms of turnover in that period. In the network side, just to give you an idea, (inaudible) operation to get to the point where we got.

We saw a couple of assessments being Telefonica and GVT, our main reference compared we would spend something like $1 billion in terms of CapEx with so far we spend $60 million. So very little. In terms of IT, it's -- I think it's not about CapEx. It's about how we run. So as Patrick was saying, apart from the IT sys as we're running a managed service so more than just mind box and plugging that we're working together.

So normally, what happens, well I have a problem in the field because something's not working. So they fixed instead of all right that's my proposal and change it. What I believe is that the IT investment will be very limited. The way I see is that the value is not about the amount of money that is spent but the too fast -- to launch so fast.

So if we took a year and a half more, I would incur in a lot of fixed cost that we we'll do much more than our IT investments with Amdocs.

Elizabeth Grausam - *Amdocs - Vice President, IR*

Okay. I think we will now take a short five-minute break and then get back to Tamar's presentation. Thank you very much, Rogerio.

PRESENTATION

Elizabeth Grausam - *Amdocs - Vice President, IR*

I'm not sure I need a lengthy introduction here. So I will just turn it right over to Tamar Rapaport-Dagim, our CFO.

Tamar Rapaport-Dagim - *Amdocs Limited - CFO*

Thank you, Liz. So, good afternoon everyone, I'll spend my session adding on the report card [the daily size] in terms of the business dynamics and adding to that more of a financial color. And some of our performance in 2011 through 2013 and comparing it to our outlook provided in the last analyst day.

Then shifting gears to our three-year outlook of 2013 through 2015. And how do we look on this outlook from a financial point of view. And then I'll call Eli back to rejoin me here to summarize the day talk about the investment opportunity and some of the key takeaways of the day before we move later to Q&A session.

So looking back on what we've said in February 11th, looking then forward on 2011 to 2013 and how we see progress today. And by progress I mean, actual results in 2011, '12 and our projections for 2013.

On the revenue side we are a bit on the low-end of what we saw back then with 3% to 5% relative to the 4% to 6%. Two key reasons for that were A, the weakness we're experiencing in North American market, especially after the breakout of the potential merger of AT&T and T-Mobile.

And secondly directory business which we projected to decline but in the mid-single digit and actually we've started to see acceleration of that decline already in fiscal '12 and even further expected into fiscal '13. Again, [that sustain] our performance in the emerging markets predominantly and we'll cover that in more detail later on.

The mix shift we've seen in the revenue, meaning our scale large business in North America being weaker in fiscal '12. And on the other end outperforming emerging markets where we've penetrating new countries, new customers, still setting up our infrastructure [as you saw on] the margin and we are the lower half of the margin outlook we have back then.

So against the 16% to 18% we are at 16% to 17% right now. And the strong part is actually the [-- despite this] headwinds, we are very near to our outlook back then on the EPS CAGR with 7% to 8%, supported by an aggressive buyback performed during this period. And on top of that we've added a dividend that was started paying out in the first quarter of fiscal '13 that was not embedded into the outlook back then.

We did see also some -- I would say very modestly [impossible to] bridge whether acquisition included in these numbers, which given the synergetic way we are embedding these acquisition very fast into the company. We are not separating this revenue, [we aren't] tracking it separately anymore.

Just to give you some color comparing those top line results and seeing the very -- I would say, largely [vergence] in behavior between our core CES portfolio business which is supporting telecommunication, and cable and satellite versus [directory] which is a small segment in our business but a very important one to talk about in the context of the drag it has in our result.

So as you can see here actually the directory business had a 7% CAGR looking on 2010 to 2012. But actually our core business, the 95% of the business is going at the CAGR of 5% which is similar to what we've expected two years ago. And that's despite the headwinds that we've experienced following the AT&T cancellation of merger.

We are disclosing in [a 20 years that] is coming out next week, the top three customers. And I thought of using the opportunity we're gathered here to give some color around that. As we disclosed during the year and the result of that change [are also] be doing in fiscal '12, we've seen some headwinds from AT&T. That resulted in the revenue of AT&T out of total revenue moving from 29% to 26% in fiscal '12.

Within fiscal '12, AT&T sold the majority stake, in their yellow business, yellow pages business. And as of May of 2012, we stop consolidating our revenue from the yellow pages business of AT&T therefore, as part of the AT&T numbers. To better give you color on that, we are going to add in our [20th also] a disclosure on a pro-forma basis what AT&T would have looked like for the full two years without the directory business. And that will be 26% in 2011 and 24% in 2012.

On Sprint, actually Sprint in terms of revenue for Amdocs was almost flat year-over-year. Just in terms of rounding, it added up to being about 10% in fiscal '11 and about -- sorry, about 11% and about 10% in fiscal '12 but the number itself hardly changed. [And mobile] is no longer a 10% customer in fiscal '12. So we are excluding [that on the] disclosure moving forward, to note, it was a 10% customer in fiscal '11.

I think it's very important to understand the geographic mix we're experiencing. It's quite dramatic in the last two years. We've been talking about colors and example today. And we have seen very strong shift in terms of A, seeing the growth in emerging market, double digit growth. We've seen good success in the recovery in Europe. And we've seen weakness in our large business in North America.

This contributed to this large shift that you are seeing here where North America used to be 76% of our business and now 70%. And on the other end, we are seeing growth in the other parts of the regions. And I will talk more later about the impact that this revenue mix shift has on our margins.

I'll spend very quickly couple of minutes on two slides. One talking about the emerging markets and the second on managed services, both of them are items that we disclose on the recurring basis in our recurring quarterly earnings calls and press releases. But just to keep kind of the big picture in mind, A, in terms of emerging markets the [seller] performance, very strong growth for two years in a row coming predominantly from [CALA that's past] covered and [Southeast APAC]. So we're continue to be very happy about this success of strategy we laid out couple of years ago and fully performing and even accelerating our execution relative to that plan.

In terms of managed services, it continues to be a very important part of the business's success, both in terms of generating growth but not less importantly in terms of generation better visibility for the business. The results that we're seeing here is coming from couple of directions that are generating these managed services growth.

A, we are selling into new customer. So for example we just announced two quarters ago, when new managed service deal with the large wireless provider in Europe.

B, we are moving into more manage transformation like the example Eli mentioned with Globe in the Philippines, where we managed to sell upfront both the transformation and supporting through manage services post production the environment of the customer.

C, we are expanding an existing customer into a manage services model. [You see] Brazil was a good example of that where we actually started with transformations and evolved a footprint over the years. And then moved into a managed services as an [up fill].

And last one is actually moving existing customers [within the incurring] activities into a managed services agreement, which is creating much longer cycle in terms of the contract relationship and the [setting of] level we have with the customer.

[Comcast] is a good example, we're serving Comcast for many years. We manage in the earlier part of fiscal '12 to sign a four-year managed services agreement with [Congress] that structures our relationship in a much more robust way. And creating a platform to continue an app selling for Comcast in terms of modernizations and additional services.

[And other ways to slice] and look on the revenue to show with you what's going on in terms of cable and satellite revenue. We continue to see progress in terms of moving and selling, especially I would say out of North America in terms of modernization. Within North America, it's more of a phase approach that is incremental to their existing business. We also manage to secure very two important customers in that segment into long-term agreement.

One is (inaudible) mentioned, the other one is DIRECTTV with whom we've signed a five-year agreement which is very important. And we continue to believe this is an area that Amdocs should continue and invest in and see success in the future.

So talking about the margin performance in terms of how we've seen the mix shift impacting that. So at the one end, we've seen the weakness in North America. Think about our largest scale business, 70% of our business actually shrinking. And as you can imagine this is the high profitability areas of the company. And on the other end, it's very fast growth in emerging market where we are penetrating into new countries, new customers, the sale cost is much more impactful. And also setting up this -- and investing and setting up those operations.

The example that Eli gave, how [you're impacting to a] couple of hundreds of people within no time in a new city that we didn't have a development center before. And all of these things had an impact in terms of the investment. To add to that directory is a mature business of us with the good profitability and that is going down.

So, how despite of all of that we managed to keep the margins actually stable and even improve them on a year-over-year basis in fiscal '12? I think it's very important to understand the dynamics that are going under the hood.

We've seen very good success in improving operational efficiencies and methodologies both in our R&D organization. The quality of the product we are launching, the ability of our delivery organization and our managed services organization to be much more effective and efficient in how we does things. All of those things that are actually not only mitigating for this mix shift that we've seen but also helped us to improve the margin in fiscal '12.

And it has to do -- it's not my magic, it has to do with investment that Eli talked about in the last analyst day, as he came back into the company and decided to take a stand on how we are going to invest more in what Eli calls IT (technical difficulty) as an option from our point of view within this opportunity. And obviously I have to comment that the uncertainty in terms of the macro-environment is something that we need to be minded of. We're seeing it more [fierce fully] in Europe.

Again, it could be an opportunity in terms of the appetite of customers to move more into managed services. That overall is something that can may create some kind of uncertainty in terms of the level [spend] and the sale cycle speed that we may see.

In terms of the long-term margin consideration, I think first of all before we go and kind of talk about the next three years, it's important that we understand our stand point around what we called the [balancing GAAP to].

How we bounce between supporting growth of the company and the fact we as the market leader, believe we need to continue and invest [do not stand still], continue to be innovative, continue to be aggressive in penetrating new regions, new countries and new logos. Continue to bring to our customers new type of services. At the same time we want to be absolutely focused on continuing to expand margin over time.

And to keep that bounce and make the right decision on when to invest and when not, I think it's something the company played out pretty well in the last couple of years both to recession times where we've seen less opportunities to reinvest into the business and obtain margin expansion actually. And so, the last couple of years we are seeing a lot of opportunities to invest and grab more of those controlling yields that Pat mentioned and others like that, in order to create the long-term longevity of the company.

So within the overall cycle of the next three years, we feel that the right [bounce] is actually reflected in the numbers we provided. And because of this primarily the mix shift we will see in terms of the revenue is more of an investment era, and therefore, we [are seeing] less opportunity to expand the margin in the next 3 years, specifically within the 16% to 17%. We may see some fluctuation.

Again, we don't want to hold ourselves to a point necessarily of steady [at the] 16.6%. And we may make decisions from quarter to quarter to invest in opportunities that may play out. But also on direction is obviously one that we would like to see stable and up.

To add to that I will say, I think the obvious but still I have to say that North American performance is very important within our play.

We are seeing stability in AT&T and a lot of new wins coming in which is encouraging. We are seeing lots of opportunities in North America that Eric mentioned. And we are encouraged to see more of M&A activity starting to [re-tap] in this market and creating more of a competitive dynamic. But still these things may take time until it's laid out into actual investment for our customers. So in the near-term it does create some kind of uncertainty.

Couple of words here on tax. No change here. We are still predicting 13% to 15% tax rate for the year. We are not guiding for three-year tax rate despite the fact that our objective is definitely to stay within that range.

It's actually something we are getting a lot of questions on. So I would like to address couple of things. First of all our tax rate is a result of a decade of planning and very disciplined execution within the company in terms of how we are fulfilling our tax planning. And making sure it's something that is ingrained within how we do business. How we decide the commercial deals? How we make decisions about [where to want] operation? It's something that is very I would say within our DNA.

At the same time the uncertainty governments all over the world are [asking] money. And they're trying to come with new ideas how to collect that money. So it's something that we tract very carefully, try to plan ahead, make different kind of draw the plans in case something change but it's some of the uncertainties that we have to cope with. Therefore, if there will be any change we'll obviously let you know. And form [year-to-year] we will always guide for the next year in terms of what our expectations on the tax rates relative to now where we stand 13% to 15% of the fiscal '13.

In terms of the capital structure, the guiding principle remained the same as we presented here in February 11th. We are very consistent in terms of our view that we want to allocate capital both to continue and support strategic growth, primarily through M&A and managed services. And at the same time continuing return cash to shareholder. And be focus on shareholder's return. We believe the strength of the business model and the company allows us to do both.

We are going to retain sufficient M&A flexibility by reserving the debt capacity of the company to support primarily M&A. The debt capacity currently is untapped and it's definitely something that exists and the access is there.

We are going to preserve the investment grade position that we have. And we believe this is important to ensure customer confidence. And to maintain at least $500 million as gross cash to respond to any business fluctuations and ongoing needs to fund operation. Again, this is not the target number. It's a minimum flow that we put to ourselves. And we feel it's more than [untold for] our needs.

After adhering to all these principles, we obviously plan to consistently use the excess cash to return at the shareholder. And it's something that is very important in terms of our old framework that I will mention in a minute.

In terms of how we are going to allocate cash, this framework is something we introduced during the past year. We are not changing this framework, it's just reiterating what we've always showed you.

We see a 50/50 allocation framework and I will explain what we mean by that. We will take about 50% of our free cash flow generated and reinvest back into the business. And the other half of the free cash flow will be returned to shareholders through dividend which is roughly about 20% of the current run rate of free cash flow and the rest, the 30% the share buybacks.

But that will change from time to time when we'll manage that. And the viable part is the buyback in terms of how much we return to shareholders relative to what we see in terms of the M&A pipeline ahead of us.

To support that first -- sorry, first of all we are going to complete the $1 billion authorization that we have until February of 2013. Then we will start executing according to this framework. And to support that framework, the Board already authorized and renounced that. A $500 million additional authorization on the buybacks that is open-ended in terms of its duration.

In terms of how I impacted our cash, so first of all you can see the company is generating free cash flow. I don't think there's any limitation in terms of actually supporting that framework in the ability of the company to generate fee cash flow.

Since 2005 through 2012, we actually generated $3.1 billion of cash. We expect moving forward looking on the next three years to generate at least $1.2 billion again, that's a [floor]. The results would probably be higher.

So we feel that not only this framework is a theoretical one but an actual one that we can support through the very strong generation of free cash flow in the company.

So Eli, if you would like to rejoin me here for the summary.

Eli Gelman - *Amdocs Limited - President & CEO*

Thank you. (Inaudible)

Elizabeth Grausam - *Amdocs - Vice President, IR*

All right.

Eli Gelman - *Amdocs Limited - President & CEO*

So I'll keep my summary note very short so we will have enough time for a few questions. I would say that what we try to predict before and what we are predicting in the future I would summarize (technical difficulty) dividend, we believe that we can create 7% to 10% total return to shareholders. And I relatively sleep at night, good at night my proposition. So that's in terms of the investment opportunity.

In terms of the key takeaway, I would say that we internally in the last couple of years embraced a lot of changes from lack of knowledge of our people and poor performance on the delivery all the way to the headwind from AT&T. We basically manage to (technical difficulty) basis point here and there. The directions are quite clear. We want to keep on growing, we want to keep on positioning the EBIT. And expand margins as soon as we can and we want to keep on providing good return to shareholder.

So this is basically Amdocs, that's what we own. I appreciate the fact that [I'm the] owner. And maybe this is a good time for you to kind of take the microphone and ask questions, make comment. We're also a listening company.

QUESTIONS AND ANSWERS

Unidentified Audience Member

Sterling Auty from JP Morgan. I just like to look at the outlook from this view point. It feels like we waited a long time for some of the transformational deals to kick in. And it feels like you're actually getting some of the attraction over the last several quarters, yet, it doesn't feel like it's really moving the needles if we look at the 3% to 5% growth outlook.

So if you look at that from that context, if that's filing the top of the funnel, what are the things that you see coming out at the bottom of the funnel at a fast [enough] rate to drag down these transformational opportunities that you've been winning?

Eli Gelman - *Amdocs Limited - President & CEO*

Well, let me try to give you a quick answer. Obviously we had continues and we will have a continues headwind from directory, it used to be, actually the origin of the company.

As long as North America do not start accelerating its growth, it's not a drag but it's not definitely a growth [ender] for the company, it means to the rest of the company. And we need to remember that more than two-third of the business [is in] North America.

So I think we can turn a thigh and change the overall growth rate of the company. Once you see transformation and more activity in North America, both in Canada and obviously in this country. I would not call it a drag but it's definitely not the major engine that helps us propel forward. And therefore, Europe and especially emerging market [need to] carry the load of the growth.

Transformation in wireless company [because] of M&A, in cable and satellite companies or in any other aspect of the business, debt amortization would be very important because they will actually generate a new dynamics over the market.

And so, that's more or less the thing that may change some of the direction. We're trying to make sure that we are not putting ourselves ahead [our self]. And then predict fast transformation in area that we don't necessarily control.

Anything (inaudible)?

Unidentified Audience Member

Hi (inaudible).

Eli Gelman *- Amdocs Limited - President & CEO*

-- [go to] whether which one of the retail management system that they are going to use in their stores versus the business (technical difficulty) policy or whatever. And I think that objectively we can demonstrate that this [promissory function] can recommend Amdocs on almost every fund because of the breath of our services, and product and the cube that I was talking.

So I think that if we see more and more of the globe that our promissory function allow us to sell probably twice as big as project as we could have actually get otherwise, that will be the proof that we did a good job. But that will take some time. Again, we are not working into [vacuum], we are not working into against companies that have been invented yesterday or they are weak.

We prove to ourselves in few places that we did it as a triumph that we can do much better job than the competitors so we'll see.

In terms of EBIT, that should be high EBIT. It should be a good business.

Unidentified Audience Member

Thank you. Shaul Eyal with Oppenheimer. Eli, I want to go back to your initial scorecard. And the cable and satellite you give it kind of just half the box [what's checked], what's behind it? Is it just kind of [stagnant] it's more of the US domestic and is it kind of macro impacted? And if we are to sit here back in 18 months, will that box will be fully checked at that time?

Eli Gelman *- Amdocs Limited - President & CEO*

(inaudible) thanks Shaul. I don't know if it would be fully checked in 18 moths [till now]. The reason is quite simple. The reason is because North America is transforming very, very slowly. We know that cable and [MSO] are very slow to make decisions. You've seem management replacement in some areas. You've seen a lot of issues with this industry. I don't think that they feel the heat at the level that we think is coming.

So until they really start transforming to new platform, forget about moving one minute of server from here to there and (inaudible), until they really get [other of this monopolist] (inaudible) of the industry. And feel more pressure from the AT&T, RPTV and [definers] and others, and to over the top and who knows what the rest of the world is actually cooking there.

We want to see a major transformation, a quick one let's say. I think that we will see more of it as we move forward. We some seen some component transformation. We have several CRM implementation in the last couple of years in North America. But all together these are not huge transformations and that's [they have take]. I think that we can also do better in terms of [sale] in the emerging market. For them it was not the number one priority but I think it is coming. We're implementing as we speak a major project in Brazil. We hope to start to see more of it.

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So whether it will be a [full tech], I don't know. I can tell you that Rami, is actually coming up with some cool stuff for this new generation [MS star] if you will. That hope maybe also will help because it's always been also the care of [not only the stake].

Unidentified Audience Member

Thank you for the time today. It's been excellent. So you've been talking about M&A activity in North America and one of the things you see I believe is that there would be an increase demand. But in the hands of fewer service providers, it seems that pricing power to the service providers goes up. And I wonder how you think about that and how you kind of manage through it so you don't come out in the short end?

And then just the other side of that is because there's a lot of focus on emerging market, it seems that in emerging markets generally what happens is you walk into a market with basic needs and basic solution because the market place is in a lower stage of evolution or maturity. And so, how do you walk into that market place and make sure where your full solution (inaudible) full solution where you can get growth in the margins you're looking for in a basic solution?

Eli Gelman - *Amdocs Limited - President & CEO*

So actually there are two questions here. And in terms of the economy of [scale that] larger carriers would have and negotiating power against us, that's haven't been proved to be the case up until now, I have to tell you. And I think the real reason is not because we are such a great stuff negotiator, I think we really provide value.

And when you run mission critical stuff, this is the heart and the lungs of this oldest service provider. They need to decide whether there are -- squeezing us for another $10 million here or there or actually having something that will make their life let's say successful.

Okay. You've had [material] today about [the team], the decision there was not fully -- they call it fully negotiated [great persona]. But the decision was not about [price]. I can assure you most of our competitors are so desperate to get business they would probably offer at low price. We usually, not usually, I think we never win on price.

We win actually on value on every deal including with new business with (technical difficulty) including some of modernization. What we are prosing today to some of the carriers is actually to take care of A to Z, basically take what they have today, modernize it [right for 70's] including all the -- and saving them all the hike of expense for the modernization.

If that will be accepted, it's actually a great way for them to gain the modernization that they need without suffering the cost because they cannot see hike for the next two years because the next two years looks like really [breaking you].

Now, on top of it, you can think about minute services that doesn't have full modernization. Maybe have some modernization into it. I think all together Europe is an area that we can still do well. We don't have a lot of penetration there. We have the right offerings in terms of minute services, definitely the right sophistication of product that they need, not only [to fold] but we can walk their commercial aspect of it.

And I think they have more openness today including the issues of labor which is very problematic in Europe. They have a much more openness within and receptiveness to minute services as part of our overall picture.

The one that we didn't announce in terms of name is (technical difficulty).

Tamar Rapaport-Dagim - *Amdocs Limited - CFO*

... in the next three years. In terms of cash conversion versus [our earnings] you've seen in the past few years we've have cycles where we've had years of investment and then years of reaping up those benefits like fiscal '10 for example was a big year of catching up in terms of the cash flow.

And we expect that same kind of movements to happen also. Actually fiscal '12 was a bit weak in terms of the cash conversion rate was 85%. So we expect that to improve looking forward. But again it's not necessarily improving now every year versus the [higher] one.

There could be especially in terms of managed services Eli mentioned an example sometimes we may take manage transformation where it will require a large set up but I'm sure we will be happy about and we'll be transparent about those decisions.

Eli Gelman *- Amdocs Limited - President & CEO*

And as for the [promissory], we tried it couple [of three] times, highly successful. We prove all the data points we wanted. We traded them as [the methodology] that we needed as well. I think it's on the emerging markets only. It will be North America, Europe, everywhere over time. Don't ask us about it every quarter. I'm not sure I can provide you news every quarter. And I think that we have all of the very good chance to have it highly successful expansion of our services offering.

Unidentified Audience Member

Hi, it's Sterling Auty again. Actually a question might even be better for Rami. What I'm kind of curious about is glad to see the move to real time as a big focus of future product development. And I'm wondering how you feel you (inaudible) competitors that have had stronger pre pay solutions where they have more functionality built out there in the switches of a network, might actually be in a little bit of an inside tract to capture more of that real time type of opportunity?

Rami Schwartz *- Amdocs - President, Product Business Group*

I think it's a good question. And maybe something that we say was not captured right. I want to be blunt. I don't think that the traditional providers that are starting from their intelligent network from the real time system are anything credible players when it comes to converged multi-line of business systems. And each and every one of our competitors that we are talking about are multi-line of business type of a customer.

Even the smaller one by the way, 700,000 type of subscriber, they are all going into multi-line of business. It's all about convert system prepaid, postpaid and so on and so forth. If you'll now take those competitors that you pointed to, none of them really has a knowledge of who's the customer.

The [core] concept of convert system, you start with the customer, you don't start with the device. The device is serving a customer. And most of us, all of us is mold in one device.

So definitely we -- is there a threat? Yes, absolutely, I would say, everything is a threat in this world. But I don't see them at all as credible competitor. Actually I think that we are -- some will not like it but light years ahead of them when it comes to -- (inaudible)

Tamar Rapaport-Dagim *- Amdocs Limited - CFO*

I like it. Now we don't have (inaudible) anymore.

Rami Schwartz *- Amdocs - President, Product Business Group*

Okay. So product wise I'm very, very [calm down].

Eli Gelman - *Amdocs Limited - President & CEO*

Let me just add to comments Sterling. When we're talking about the old time prepaid, that was basically like having balance per customer, subtracting for these balance the amount of minutes by the highest number of dollar per minute or cents per minute until you run out of allowance and that's it. That's [sort of an] experience.

When we are talking about prepaid, postpaid experience we are talking about no contract. We are talking about actually providing the whole set of complexity of postpaid in real time. That's a very different experience. We are talking about maintaining hierarchy. You and your spouse, and the kids and your part of our organization and you have a balance that you can share or budget that you can share.

We are talking about holidays, and mother days, and whatever, and price plans and what have you. The entire postpaid (inaudible) whatever it means which accumulated over the last 20 years on a real time. That's a very, very different [position].

So starting from the [net of the segmented] who make the call right now and what is the duration, that's the easiest information to pass to the IT. The other way around is actually to take the entire intelligence of the organization, customer hierarchy, customer management, payment, services, devices everything else and try to duplicated all, send it down the network. It's absolutely [all of the] magnitudes, several other magnitudes more complex to do it this way.

And we believe that in this ITIN, Intention Network versus [ITWALL], people will not be able to -- would not go into the direction of duplicating the [Best sources system] onto the network rather than they would actually harness the network or master - they slave the network element onto the IT.

Now, we have today proof point of that and we have Bridgewater, we can learn everything that happened in the real time of the network and use it in the (inaudible) and that's what we are doing. That's winning proposition. I believe (inaudible) there. So, yes, I'm concerned about Huawei Ericsson, (inaudible) everybody, I think that by the time that they will understand what they are doing, we are few miles down the road.

Unidentified Audience Member

Hi, Tamar offered some review of the business lines on the revenue basis. I didn't know maybe she could offer some commentary on the margin profiles in those businesses where they stand today? And maybe talk a little bit at the controllable levers in each side, in each one of those businesses about what can we do to improve margin performance?

Tamar Rapaport-Dagim - *Amdocs Limited - CFO*

So we're not disclosing margin [per se] for each one of the lines of business. But first of all in terms of geography it has to do with maturity level predominantly. So obviously, North America and Europe which [are mobile mature] regions for us, the profitability is higher versus emerging markets where we are in the penetration mode in investing.

But as we said before in the account within emerging markets within we have enough mileage of time to move from the penetration phase to more of the recurring business mode. We are seeing the margin expansion.

So again, it's not a fully proven statistical model at this stage because we don't have enough of the sample. But it's definitely enough indication that it can be done. And we are seeing more importantly the business offering of Amdocs being accepted. Not only the product, but the whole service expansion model that Eli showed, in terms of implementation, and moving them to consulting and managed services is definitely playing itself out in emerging market.

In terms of directory, it is as Eli said, that's the earlier part of the business of Amdocs even before we moved into telecommunication. It's a mature business, it has nice margins and we are very focused these days given where the outlook of this industry is on just nurturing more and more our current customer based and trying to maximize the profit we are doing there balancing that with obviously the expectations of the customer.

[In cable and] satellite I would say is relatively similar to what we see in the rest of the mature business. It's part of our portfolio where we are having the very strong customer based there, both within North America and outside North America. And we hope that we will see this actually moving more into new transformations and in investment cycle.

Eli Gelman - *Amdocs Limited - President & CEO*

I think that we need to adjourn the day. I really want to thank you again for taking the time, spending the (inaudible) hours with us. We respect the fact that you own Amdocs and -- or DOX, and we like you to be even bigger investors in DOX. And we'll try to make anything possible in our side to keep on creating shareholder's value. Thank you, very much.