
Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

NONE

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the Annual Report.

Ordinary Shares, par value L0.01 (Title of class)	209,762,394(1) (Number of shares)
--	--------------------------------------

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act.:

Large accelerated filer Accelerated filer Non-accelerated filer

Indicate by check mark which financial statement item the registrant has elected to follow.

Item 17 Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

(1) Net of 28,549,873 shares held in treasury. Does not include (a) 20,456,488 ordinary shares reserved for issuance upon exercise of stock options granted under our stock option plan or by companies we have acquired, and (b) 10,437,895 ordinary shares reserved for issuance upon conversion of outstanding convertible debt securities.

AMDOCS LIMITED

FORM 20-F

ANNUAL REPORT FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007

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Unless the context otherwise requires, all references in this Annual Report on Form 20-F to "Amdocs", "we", "our", "us" and the "Company" refer to Amdocs Limited and its consolidated subsidiaries and their respective predecessors. Our consolidated financial statements are prepared in accordance with U.S. GAAP and are expressed in U.S. dollars. References to "dollars" or "\$" are to U.S. dollars. Our fiscal year ends on September 30 of each year. References to any specific fiscal year refer to the year ended September 30 of the calendar year specified.

We own, have rights to or use trademarks or trade names in conjunction with the sale of our products and services, including, without limitation, each of the following: Amdocs(TM), Clarify(TM), Cramer(TM), Customer Experience System(TM), Intentional Customer Experience(TM), OpenMarket(TM) and Qpass(TM).

FORWARD LOOKING STATEMENTS

This Annual Report on Form 20-F contains forward-looking statements (within the meaning of the U.S. federal securities laws) that involve substantial risks and uncertainties. You can identify these forward-looking statements by words such as "expect", "anticipate", "believe", "seek", "estimate", "project", "forecast", "continue", "potential", "should", "would", "could", "intend" and "may", and other words that convey uncertainty of future events or outcome. Statements that we make in this Annual Report that are not statements of historical fact also may be forward-looking statements. Forward-looking statements are not guarantees of future performance, and involve risks, uncertainties and assumptions that may cause our actual results to differ materially from the expectations that we describe in our forward-looking statements. There may be events in the future that we are not accurately able to predict, or over which we have no control. You should not place undue reliance on forward-looking statements. We do not promise to notify you if we learn that our assumptions or projections are wrong for any reason. We disclaim any obligation to update our forward-looking statements, except where applicable law may otherwise require us to do so.

Important factors that may affect these projections or expectations include, but are not limited to: changes in the overall economy; changes in competition in markets in which we operate; changes in the demand for our products and services; the loss of a significant customer; consolidation within the industries in which our customers operate; changes in the telecommunications regulatory environment; changes in technology that impact both the markets we serve and the types of products and services we offer; financial difficulties of our customers; losses of key personnel; difficulties in completing or integrating acquisitions; litigation and regulatory proceedings; and acts of war or terrorism. For a discussion of these important factors, please read the information set forth below under the caption "Risk Factors".

PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISORS

Not applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3. KEY INFORMATION

SELECTED FINANCIAL DATA

Our historical consolidated financial statements are prepared in accordance with U.S. generally accepted accounting principles ("GAAP") and presented in U.S. dollars. The selected historical consolidated financial information set forth below has been derived from our historical consolidated financial statements for the years presented. Historical information as of and for the five years ended September 30, 2007 is derived from our consolidated financial statements, which have been audited by Ernst & Young LLP, our independent registered public accounting firm. You should read the information presented below in conjunction with those statements.

The information presented below is qualified by the more detailed historical consolidated financial statements, the notes thereto and the discussion under "Operating and Financial Review and Prospects" included elsewhere in this Annual Report.

2007	2006	2005	2004	2003	-----

----- (IN					
THOUSANDS, EXCEPT PER SHARE					
DATA) STATEMENT OF OPERATIONS					
DATA:					
Revenue.....					
	\$2,836,173	\$2,480,050			
	\$2,038,621	\$1,773,732			
	\$1,483,327	Operating			
income.....		357,433			
332,132	338,492	296,200	210,418		
		Net			
income.....					
364,937	318,636	288,636	234,860		
	168,883	Basic earnings per			
	share.....	1.76	1.57	1.44	
	1.13	0.78	Diluted earnings per		
	share.....	1.65	1.48	1.35	1.08
	0.77	Dividends declared per			
	share....	--	--	--	--

2007	2006	2005	2004	2003	-----

---- BALANCE SHEET DATA:					
Total					
assets.....					
	\$4,344,599	\$3,962,828			
	\$3,202,468	\$2,863,884			
	\$2,877,517	Long-term			
	obligations 2%				
	Convertible Notes due				
	June 1,				
2008(1).....					
--	--	272	272	400,454	
0.50% Convertible Senior					
Notes due					
2024(2).....					
450,000	450,000	450,000			
450,000	--	Long-term			
portion of capital lease					
obligations.....	--				
--	--	4,112	23,825		
Shareholders'					
equity(3).....					

2,600,243 2,154,165
1,656,452 1,444,190
1,591,600

ORDINARY SHARES ADDITIONAL -----
- PAID-IN SHARES AMOUNT CAPITAL TREASURY
STOCK -----
---- (IN THOUSANDS) STATEMENT OF CHANGES
IN SHAREHOLDERS' EQUITY DATA: Balance as
of September 30, 2003.....
216,058 \$3,580 \$1,820,956 \$(109,281)
Issuance of ordinary shares related to
acquisition,
net(4)..... 561 -- 747
14,392 Employee stock options
exercised..... 1,157 21 12,056 --
Tax benefit of stock options
exercised..... -- -- 3,094 -- Stock
options granted, net of forfeitures..... -
- -- 749 -- Repurchase of
shares(3)..... (16,442)
-- -- (407,527) Expense related to vesting
of stock options... -- -- 6 -- -----
----- Balance as of
September 30, 2004..... 201,334
\$3,601 \$1,837,608 \$(502,416) Issuance of
restricted stock and stock options related
to acquisitions, net..... 144 2
6,034 -- Employee stock options
exercised..... 2,229 41 23,983 --
Tax benefit of stock options
exercised..... -- -- 3,147 --
Repurchase of
shares(3)..... (3,525) -
- -- (99,976) Expense related to vesting
of stock options... -- -- 150 -- -----
----- Balance as of
September 30, 2005..... 200,182
\$3,644 \$1,870,922 \$(602,392) Employee
stock options exercised.....
5,869 106 106,853 -- Tax benefit of stock
options exercised..... -- -- 7,619 --
Issuance of restricted stock, net of
cancellations.....
742 13 -- -- Issuance of restricted stock
and stock options related to acquisitions,
net..... -- -- 4,634 -- Equity-
based compensation expense related to
employees.....
-- -- 46,178 -- Reclassification of
unearned compensation to additional paid
in capital..... -- -- (962) --
Equity-based compensation expense related
to non employee stock
options..... -- -- 65 -- -----
----- Balance as
of September 30, 2006.....
206,793 \$3,763 \$2,035,309 \$(602,392)
Employee stock options
exercised..... 3,970 79 74,576 --
Tax benefit of stock options
exercised..... -- -- 3,965 --
Repurchase of
shares(3)..... (1,411) -
- -- (49,837) Issuance of restricted
stock, net of
cancellations.....
410 8 -- -- Issuance of restricted stock
and stock options related to acquisitions,
net..... -- -- 768 -- Equity-
based compensation expense related to
employees.....
-- -- 53,587 -- Equity-based compensation
expense related to non employee stock
options..... -- -- 29 --
Balance as of September 30,
2007..... 209,762 \$3,850
\$2,168,234 \$(652,229) =====
=====

-
- (1) In fiscal 2001, we issued \$500,000 aggregate principal amount of 2% Convertible Notes due June 1, 2008 (the "2% Notes"). To date, we have repurchased all but \$175 of the 2% Notes. The outstanding 2% Notes are included under short-term liabilities.
 - (2) In fiscal 2004, we issued \$450,000 aggregate principal amount of 0.50% Convertible Senior Notes due March 15, 2024 (the "0.50% Notes").
 - (3) From time to time, our Board of Directors has authorized us to repurchase ordinary shares in open market or privately negotiated transactions and at times and prices we deem appropriate. During fiscal 2004, we repurchased an aggregate of 16,442 ordinary shares at an average price of \$24.77 per share in connection with open market repurchases, our February 2004 acquisition of XACCT Technologies Ltd. ("XACCT") and our March 2004 issuance of the 0.50% Notes. During fiscal 2005, we repurchased 3,525 ordinary shares at an average price of \$28.33 per share, and during fiscal 2007, we repurchased 1,411 ordinary shares at an average price of \$35.30 per share.

(4) In fiscal 2004, we acquired XACCT, a privately-held provider of mediation software to communications service providers. We acquired XACCT's outstanding shares for \$28,425, of which \$13,286 was paid in cash and the balance in 561 of our ordinary shares valued at \$15,139.

RISK FACTORS

WE ARE EXPOSED TO GENERAL GLOBAL ECONOMIC AND MARKET CONDITIONS, PARTICULARLY THOSE IMPACTING THE COMMUNICATIONS INDUSTRY.

Developments in the communications industry, such as the impact of general global economic conditions, industry consolidation, emergence of new competitors, commoditization of voice services and changes in the regulatory environment, at times have had, and could continue to have, a material adverse effect on our existing or potential customers. In the past, these conditions reduced the high growth rates that the communications industry had previously experienced, and caused the market value, financial results and prospects and capital spending levels of many communications companies to decline or degrade. During previous economic downturns, the communications industry experienced significant financial pressures that caused many in the industry to cut expenses and limit investment in capital intensive projects and, in some cases, led to restructurings and bankruptcies.

During adverse conditions in the business environment for communications companies, communications providers need to control operating expenses and capital investment budgets resulting in slowed customer buying decisions, as well as price pressures, which can adversely affect our revenue. Adverse market conditions in the future could have a negative impact on our business by reducing the number of new contracts we are able to sign and the size of initial spending commitments, as well as decreasing the level of discretionary spending under contracts with existing customers. In addition, a reoccurrence of the slowdown in the buying decisions of communications providers could extend our sales cycle period and limit our ability to forecast our flow of new contracts.

IF WE FAIL TO ADAPT TO CHANGING MARKET CONDITIONS AND CANNOT COMPETE SUCCESSFULLY WITH EXISTING OR NEW COMPETITORS, OUR BUSINESS COULD BE HARMED.

We may be unable to compete successfully with existing or new competitors. If we fail to adapt to changing market conditions and to compete successfully with established or new competitors, it could have a material adverse effect on our results of operations and financial condition. We face intense competition for the software products and services that we sell, including competition for managed services we provide to customers under long-term service agreements. These managed services include services such as management of datacenter operations and IT infrastructure, application management and ongoing support, systems modernization and consolidation and management of end-to-end business processes for billing and customer care operations.

The market for communications information systems is highly competitive and fragmented, and we expect competition to continue to increase. We compete with independent software and service providers and with the in-house IT and network departments of communications companies. Our main competitors include firms that provide IT services (including consulting, systems integration and managed services), software vendors that sell products for particular aspects of a total information system, software vendors that specialize in systems for particular communications services (such as Internet, wireline and wireless services, cable, satellite and service bureaus) and companies that offer software systems in combination with the sale of network equipment. Following our 2006 acquisition of Qpass Inc., which we refer to as Qpass, we also compete with companies that provide digital commerce software and solutions.

We believe that our ability to compete depends on a number of factors, including:

- the development by others of software that is competitive with our products and services,
- the price at which others offer competitive software and services,
- the responsiveness of our competitors to customer needs, and
- the ability of our competitors to hire, retain and motivate key personnel.

A number of our competitors have long operating histories, large customer bases, substantial financial, technical, sales, marketing and other resources, and strong name recognition. Current and potential competitors have established, and may establish in the future, cooperative relationships among themselves or with third parties to increase their abilities to address the needs of our prospective customers. In addition, our competitors have acquired, and may continue to acquire in the future, companies that may enhance their market offerings. Accordingly, new competitors or alliances among competitors may emerge and rapidly acquire significant market share. As a result, our competitors may be able to adapt more quickly than us to new or emerging technologies and changes in customer requirements, and may be able to devote greater resources to the promotion and sale of their products. We cannot assure you that we will be able to compete successfully with existing or new competitors. If we fail to adapt to changing market conditions and to compete successfully with established or new competitors, our results of operations and financial condition may be adversely affected.

IF WE DO NOT CONTINUALLY ENHANCE OUR PRODUCTS AND SERVICE OFFERINGS, WE MAY HAVE DIFFICULTY RETAINING EXISTING CUSTOMERS AND ATTRACTING NEW CUSTOMERS.

We believe that our future success will depend, to a significant extent, upon our ability to enhance our existing products and to introduce new products and features to meet the requirements of our customers in a rapidly developing and evolving market. We are currently devoting significant resources to refining and expanding our base software modules and to developing our customer experience systems. Our present or future products may not satisfy the evolving needs of the communications industry or of other industries that we serve. If we are unable to anticipate or respond adequately to such needs, due to resource, technological or other constraints, our business and results of operations could be harmed.

OUR BUSINESS IS DEPENDENT ON A LIMITED NUMBER OF SIGNIFICANT CUSTOMERS, AND THE LOSS OF ANY ONE OF OUR SIGNIFICANT CUSTOMERS COULD HARM OUR RESULTS OF OPERATIONS.

Our business is dependent on a limited number of significant customers, of which AT&T was our largest in fiscal 2007. In fiscal 2007, our three largest groups of customers were AT&T (including Cingular, which became wholly-owned by AT&T in December 2006), Sprint Nextel and Bell Canada, and certain of their subsidiaries, each of which accounted for more than 10% of our revenue in fiscal 2007. Together, these three customer groups accounted for 48% of our revenue in fiscal 2007. Aggregate revenue derived from the multiple business arrangements we have with customer groups that were responsible for at least 5% of annual revenue accounted for approximately 54% of our revenue in fiscal 2007 (four customers) and 55% of our revenue in fiscal 2006 (four customers), in each case, treating AT&T and Cingular as a single customer. AT&T has historically been one of our largest shareholders, and, as of November 26, 2007, it beneficially owned approximately 5.1% of our outstanding ordinary shares. The loss of any significant customer or a significant decrease in business from any such customer could harm our results of operations and financial condition.

Although we have received a substantial portion of our revenue from recurring business with established customers, many of our major customers do not have any obligation to purchase additional products or services from us and generally have already acquired fully paid licenses to their installed systems. Therefore, our customers may not continue to purchase new systems, system enhancements or services in amounts similar to previous years or may delay implementation of committed projects, each of which could reduce our revenue and profits.

OUR FUTURE SUCCESS WILL DEPEND ON OUR ABILITY TO DEVELOP LONG-TERM RELATIONSHIPS WITH OUR CUSTOMERS AND TO MEET THEIR EXPECTATIONS IN PROVIDING PRODUCTS AND PERFORMING SERVICES.

We believe that our future success will depend to a significant extent on our ability to develop long-term relationships with successful network operators and service providers with the financial and other resources required to invest in significant ongoing customer experience systems. If we are unable to develop new customer relationships, our business will be harmed. In addition, our business and results of operations depend in part on our ability to provide high quality services to customers that have already implemented our

products. If we are unable to meet customers' expectations in providing products or performing services, our business and results of operations could be harmed.

WE MAY SEEK TO ACQUIRE COMPANIES OR TECHNOLOGIES THAT COULD DISRUPT OUR ONGOING BUSINESS, DISTRACT OUR MANAGEMENT AND EMPLOYEES AND ADVERSELY AFFECT OUR RESULTS OF OPERATIONS.

In 2005, we acquired from DST Systems, Inc., which we refer to as DST, its DST Innovis, Inc. and DST Interactive, Inc. subsidiaries, which we refer to collectively as DST Innovis, a leading provider of customer care and billing solutions to broadband media cable and satellite companies. In 2005, we also acquired Longshine Information Technology Company Ltd., or Longshine, a leading vendor of customer care and billing software in China. In 2006, we acquired Qpass, a leading provider of digital commerce software and solutions, as well as Cramer Systems Group Ltd., or Cramer, a leading provider of operations support systems. In February 2007, we acquired SigValue Technologies, Inc., or SigValue, a provider of integrated billing, customer care and service control platform designed for telecommunications service providers in high-growth emerging markets around the world. In the future, we may acquire other companies where we believe we can acquire new products or services or otherwise enhance our market position or strategic strengths. We cannot assure you that suitable future acquisition candidates can be found, that acquisitions can be consummated on favorable terms or that we will be able to complete otherwise favorable acquisitions because of antitrust or other regulatory concerns.

We cannot assure you that our acquisitions of DST Innovis, Longshine, Qpass, Cramer or SigValue, or any future acquisitions that we may make, will enhance our products or strengthen our competitive position. We also cannot guarantee that we have identified, or will be able to identify, all material adverse issues related to the integration of our acquisitions, such as significant defects in the internal control policies of companies that we have acquired. In addition, our past acquisitions, and any future acquisitions that we may make, could lead to difficulties in integrating acquired personnel and operations and in retaining and motivating key personnel from these businesses. Any failure to recognize significant defects in the internal control policies of acquired companies or to properly integrate and retain personnel may require a significant amount of time and resources to address. Acquisitions may disrupt our ongoing operations, divert management from day-to-day responsibilities, increase our expenses and harm our results of operations or financial condition.

THE SKILLED AND HIGHLY QUALIFIED WORKFORCE THAT WE NEED TO DEVELOP, IMPLEMENT AND MODIFY OUR SOLUTIONS MAY BE DIFFICULT TO HIRE AND RETAIN, AND WE COULD FACE INCREASED COSTS TO ATTRACT AND RETAIN OUR SKILLED WORKFORCE.

Our business operations depend in large part on our ability to attract, train, motivate and retain highly skilled information technology professionals, software programmers and communications engineers on a worldwide basis. In addition, our competitive success will depend on our ability to attract and retain other outstanding, highly qualified personnel. Because our software products are highly complex and are generally used by our customers to perform critical business functions, we depend heavily on skilled technology professionals. Skilled technology professionals are often in high demand and short supply. If we are unable to hire or retain qualified technology professionals to develop, implement and modify our solutions, we may be unable to meet the needs of our customers. In addition, if we were to obtain several new customers or implement several new large-scale projects in a short period of time, we may need to attract and train additional IT professionals at a rapid rate. We may face difficulties identifying and hiring qualified personnel. Our inability to hire and retain the appropriate personnel could increase our costs of retaining a skilled workforce and make it difficult for us to manage our operations, to meet our commitments and to compete for new customer contracts. In particular, wage costs in some of the countries in which we maintain development centers, such as Cyprus and India, have historically been significantly lower than wage costs in the United States and Europe for comparably-skilled professionals, although such costs are increasing. We may need to increase the levels of our employee compensation more rapidly than in the past to remain competitive.

Our success will also depend, to a certain extent, upon the continued active participation of a relatively small group of senior management personnel. The loss of the services of all or some of these executives could harm our operations and impair our efforts to expand our business.

OUR QUARTERLY OPERATING RESULTS MAY FLUCTUATE, AND A DECLINE IN REVENUE IN ANY QUARTER COULD RESULT IN LOWER PROFITABILITY FOR THAT QUARTER AND FLUCTUATIONS IN THE MARKET PRICE OF OUR ORDINARY SHARES.

We have experienced fluctuations in our quarterly operating results and anticipate that such movements may continue and could intensify. Fluctuations may result from many factors, including:

- the size and timing of significant customer projects and license and service fees,
- delays in or cancellations of significant projects by customers,
- changes in operating expenses,
- increased competition,
- changes in our strategy,
- personnel changes,
- foreign currency exchange rate fluctuations, and
- general economic and political conditions.

Generally, our combined license fee revenue and service fee revenue relating to customization, modification, implementation and integration are recognized as work is performed, using the percentage of completion method of accounting. Given our reliance on a limited number of significant customers, our quarterly results may be significantly affected by the size and timing of customer projects and our progress in completing such projects.

We believe that the placement of customer orders may be concentrated in specific quarterly periods due to the time requirements and budgetary constraints of our customers. Although we recognize revenue as projects are performed, progress may vary significantly from project to project, and we believe that variations in quarterly revenue are sometimes attributable to the timing of initial order placements. Due to the relatively fixed nature of certain of our costs, a decline of revenue in any quarter could result in lower profitability for that quarter. In addition, fluctuations in our quarterly operating results could cause significant fluctuations in the market price of our ordinary shares.

OUR REVENUE, EARNINGS AND PROFITABILITY ARE AFFECTED BY THE LENGTH OF OUR SALES CYCLE, AND A LONGER SALES CYCLE COULD ADVERSELY AFFECT OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

Our business is directly affected by the length of our sales cycle. Information systems for communications companies are relatively complex and their purchase generally involves a significant commitment of capital, with attendant delays frequently associated with large capital expenditures and procurement procedures within an organization. The purchase of these types of products typically also requires coordination and agreement across many departments within a potential customer's organization. Delays associated with such timing factors could have a material adverse effect on our results of operations and financial condition. In periods of economic slowdown in the communications industry, our typical sales cycle lengthens, which means that the average time between our initial contact with a prospective customer and the signing of a sales contract increases. The lengthening of our sales cycle could reduce growth in our revenue in the future. In addition, the lengthening of our sales cycle contributes to an increased cost of sales, thereby reducing our profitability.

IF THE MARKET FOR OUR PRODUCTS DETERIORATES, WE MAY INCUR ADDITIONAL RESTRUCTURING CHARGES.

In the second quarter of fiscal 2007, we commenced a series of measures designed to align our operational structure to our expected future growth and to improve efficiency. As part of this plan, we recorded an expense of \$6.0 million, consisting primarily of employee separation costs in connection with the termination of the employment of software and information technology specialists and administrative professionals at various locations around the world and for rent obligations. From time to time in the past, we have undertaken similar cost reduction measures. For example, in fiscal 2005, we commenced a series of

measures designed in part to allow better integration of acquisitions and to improve efficiency. Reductions in personnel can result in significant severance, administrative and legal expenses and may also adversely affect or delay various sales, marketing and product development programs and activities. Depending on market conditions in the communications industry and our business and financial needs, we may be forced to implement additional restructuring plans to further reduce our costs, which could result in additional restructuring charges. Additional restructuring charges could have a material adverse effect on our financial results.

IF WE FAIL TO SUCCESSFULLY PLAN AND MANAGE CHANGES IN THE SIZE OF OUR OPERATIONS OUR BUSINESS WILL SUFFER.

Over the last several years, we have both grown and contracted our operations in order to profitably offer our products and services in a rapidly changing market. If we are unable to manage these changes and plan and manage any future changes in the size and scope of our operations, our business will suffer.

Restructurings and cost reduction measures that we have implemented from time to time have reduced the size of our operations and headcount, and acquisitions and organic growth have from time to time increased our headcount. For example, in connection with implementation of personnel reductions in 2002, we reduced our workforce from approximately 9,100 individuals to as low as 7,800; however, by September 30, 2007, as the result of acquisitions and organic growth in the size of our operations, our workforce had increased to approximately 17,500. During periods of contraction, we have disposed of office space and related obligations in efforts to keep pace with the changing size of our operations and we may do so in the future. These cost reduction measures have included, and may in the future include, consolidating and/or relocating certain of our operations to different geographic locations. These activities could lead to difficulties and significant expenses related to subleasing or assigning any surplus space and retaining and expanding our base of skilled professionals. We have accrued the estimated expenses that will result from our past restructuring efforts. However, if it is determined that the amount accrued is insufficient, an additional charge could have an unfavorable impact on our consolidated financial statements in the period this was determined.

OUR INTERNATIONAL PRESENCE EXPOSES US TO RISKS ASSOCIATED WITH VARIED AND CHANGING POLITICAL, CULTURAL, LEGAL AND ECONOMIC CONDITIONS WORLDWIDE.

We are affected by risks associated with conducting business internationally. We maintain development facilities in China, Cyprus, India, Ireland, Israel and the United States, operate a support center in Brazil and have operations in North America, Europe, Latin America and the Asia-Pacific region. Although a majority of our revenue is derived from customers in North America and Europe, we obtain significant revenue from customers in the Asia-Pacific region and Latin America. Our strategy is to continue to broaden our North American and European customer base and to expand into new international markets. Conducting business internationally exposes us to certain risks inherent in doing business in international markets, including:

- lack of acceptance of non-localized products,
- legal and cultural differences in the conduct of business,
- difficulties in staffing and managing foreign operations,
- longer payment cycles,
- difficulties in collecting accounts receivable and withholding taxes that limit the repatriation of earnings,
- trade barriers,
- difficulties in complying with varied legal and regulatory requirements across jurisdictions,
- immigration regulations that limit our ability to deploy our employees,
- political instability, and
- variations in effective income tax rates among countries where we conduct business.

One or more of these factors could have a material adverse effect on our international operations, which could harm our results of operations and financial condition.

POLITICAL AND ECONOMIC CONDITIONS IN THE MIDDLE EAST, CYPRUS AND OTHER COUNTRIES MAY ADVERSELY AFFECT OUR BUSINESS.

Of the development centers we maintain worldwide, our largest development center is located in five different sites throughout Israel. Approximately 30% of our workforce is located in Israel. As a result, we are directly influenced by the political, economic and military conditions affecting Israel and its neighboring regions. Any major hostilities involving Israel could have a material adverse effect on our business. We have developed contingency plans to provide ongoing services to our customers in the event that escalated political or military conditions disrupt our normal operations. These plans include the transfer of some development operations within Israel to various of our other sites both within and outside of Israel. If we have to implement these plans, our operations would be disrupted and we would incur significant additional expenditures, which would adversely affect our business and results of operations.

While Israel has entered into peace agreements with both Egypt and Jordan, Israel has not entered into peace arrangements with any other neighboring countries. Over the past several years there has been a significant deterioration in Israel's relationship with the Palestinian Authority and a related increase in violence, including recent hostilities related to Lebanon and the Gaza Strip. Efforts to resolve the problem have failed to result in an agreeable solution. Continued violence between the Palestinian community and Israel may have a material adverse effect on our business. Further deterioration of relations with the Palestinian Authority might require more military reserve service by some of our workforce, which may have a material adverse effect on our business.

In addition, our development facility in Cyprus may be adversely affected by political conditions in that country. As a result of intercommunal strife between the Greek and Turkish communities, Turkish troops invaded Cyprus in 1974 and continue to occupy approximately 40% of the island. Although Cyprus has joined the European Union, intensive discussions facilitated by the United Nations, the European Union and the United States have not resulted in an agreed-upon plan of reunification for Cyprus. Major hostilities between Cyprus and Turkey could have a material adverse effect on our development facility in Cyprus.

In 2004, we established a development center in India, and since 2005, we have expanded our operations in Russia and China. Conducting business in each of these countries involves unique challenges, including political instability, the transparency, consistency and effectiveness of business regulation, the protection of intellectual property, and the availability of sufficient qualified local personnel. Any of these or other challenges associated with operating in these countries may adversely affect our business or operations.

WE MAY BE EXPOSED TO THE CREDIT RISK OF CUSTOMERS THAT HAVE BEEN ADVERSELY AFFECTED BY WEAKENED MARKETS.

We typically sell our software and related services as part of long-term projects. During the life of a project, a customer's budgeting constraints can impact the scope of a project and the customer's ability to make required payments. In addition, the creditworthiness of our customers may deteriorate over time, and we can be adversely affected by bankruptcies or other business failures.

OUR INTERNATIONAL OPERATIONS EXPOSE US TO RISKS ASSOCIATED WITH FLUCTUATIONS IN FOREIGN CURRENCY EXCHANGE RATES THAT COULD ADVERSELY AFFECT OUR BUSINESS.

Although we have operations throughout the world, the majority of our revenue and approximately 50% to 60% of our operating costs are denominated in, or linked to, the U.S. dollar. Accordingly, we consider the U.S. dollar to be our functional currency. However, approximately 40% to 50% of our operating costs in fiscal 2007 were incurred outside the United States in other currencies. Therefore, fluctuations in exchange rates between the currencies in which such costs are incurred and the dollar may have a material adverse effect on our results of operations and financial condition. The cost of our operations outside of the United States, as expressed in dollars, could be adversely affected by the extent to which any increase in the rate of inflation in

a particular country is not offset (or is offset with a time delay) by a devaluation of the local currency in relation to the dollar. As a result of this differential, from time to time we may experience increases in the costs of our operations outside the United States, as expressed in dollars, which could have a material adverse effect on our results of operations and financial condition.

In addition, a portion of our revenue (approximately 30% in fiscal 2007) is not incurred in dollars or linked to the dollar, and, therefore, fluctuations in exchange rates between the currencies in which such revenue is incurred and the dollar may have a material effect on our results of operations and financial condition. If more of our customers seek contracts that are denominated in currencies such as the Euro and not the dollar, our exposure to fluctuations in currency exchange rates could increase.

Generally, the effects of fluctuations in foreign currency exchange rates are mitigated by the fact that the majority of our revenue and approximately 50% to 60% of our operating costs are in dollars or linked to the dollar. We do not hedge all of our exposure in currencies other than the U.S. dollar, but rather our policy is to hedge significant net exposures in the major foreign currencies in which we operate, and we generally hedge our currency exposure on both a short-term and long-term basis with respect to expected revenue and operating costs. However, we cannot assure you that we will be able to effectively limit all of our exposure to currency exchange rate fluctuations.

The imposition of exchange or price controls or other restrictions on the conversion of foreign currencies could also have a material adverse effect on our business, results of operations and financial condition.

IF WE ARE UNABLE TO PROTECT OUR PROPRIETARY TECHNOLOGY FROM MISAPPROPRIATION, OUR BUSINESS MAY BE HARMED.

Any misappropriation of our technology or the development of competitive technology could seriously harm our business. Our software and software systems are largely comprised of software and systems we have developed or acquired and that we regard as proprietary. We rely upon a combination of trademarks, patents, contractual rights, trade secret law, copyrights, non-disclosure agreements and other methods to protect our proprietary rights. We also enter into non-disclosure and confidentiality agreements with our customers, workforce and marketing representatives and with certain contractors with access to sensitive information, and we also limit our customer access to the source codes of our software and our software systems. However, we do not include in our software any mechanisms to prevent or inhibit unauthorized use.

The steps we have taken to protect our proprietary rights may be inadequate. If so, we might not be able to prevent others from using what we regard as our technology to compete with us. Existing trade secret, copyright and trademark laws offer only limited protection. In addition, the laws of some foreign countries do not protect our proprietary technology or allow enforcement of confidentiality covenants to the same extent as the laws of the United States.

If we have to resort to legal proceedings to enforce our intellectual property rights, the proceedings could be burdensome, protracted and expensive and could involve a high degree of risk.

CLAIMS BY OTHERS THAT WE INFRINGE THEIR PROPRIETARY TECHNOLOGY COULD HARM OUR BUSINESS.

Our software and software systems are the results of long and complex development processes, and although our technology is not significantly dependent on patents or licenses from third parties, certain aspects of our products make use of readily available software components that we license from third parties, including our employees and contractors. As a developer of complex software systems, third parties may claim that portions of our systems violate their intellectual property rights. The ability to develop and use our software and software systems requires knowledge and professional experience that we believe is unique to us and would be very difficult for others to independently obtain, however, our competitors may independently develop technologies that are substantially equivalent or superior to ours.

We expect that software developers will increasingly be subject to infringement claims as the number of products and competitors providing software and services to the communications industry increases and overlaps occur. Any claim of infringement by a third party could cause us to incur substantial costs defending against the claim, and could distract our management from our business. Furthermore, a party making such a

claim, if successful, could secure a judgment that requires us to pay substantial damages. A judgment could also include an injunction or other court order that could prevent us from selling our products or offering our services, or prevent a customer from continuing to use our products. Additionally, following our acquisition of Qpass, we support service providers and media companies with respect to digital content services, which could subject us to claims related to such services.

If anyone asserts a claim against us relating to proprietary technology or information, we might seek to license their intellectual property. We might not, however, be able to obtain a license on commercially reasonable terms or on any terms. In addition, any efforts to develop non-infringing technology could be unsuccessful. Our failure to obtain the necessary licenses or other rights or to develop non-infringing technology could prevent us from selling our products and could therefore seriously harm our business.

PRODUCT DEFECTS OR SOFTWARE ERRORS COULD ADVERSELY AFFECT OUR BUSINESS.

Design defects or software errors may cause delays in product introductions or damage customer satisfaction and may have a material adverse effect on our business, results of operations and financial condition. Our software products are highly complex and may, from time to time, contain design defects or software errors that may be difficult to detect and correct.

Because our products are generally used by our customers to perform critical business functions, design defects, software errors, misuse of our products, incorrect data from external sources or other potential problems within or outside of our control may arise from the use of our products, and may result in financial or other damages to our customers, for which we may be held responsible. Although we have license agreements with our customers that contain provisions designed to limit our exposure to potential claims and liabilities arising from customer problems, these provisions may not effectively protect us against such claims in all cases and in all jurisdictions. In addition, as a result of business and other considerations, we may undertake to compensate our customers for damages caused to them arising from the use of our products, even if our liability is limited by a license or other agreement. Claims and liabilities arising from customer problems could also damage our reputation, adversely affecting our business, results of operations and financial condition and the ability to obtain "Errors and Omissions" insurance.

SYSTEM DISRUPTIONS AND FAILURES MAY RESULT IN CUSTOMER DISSATISFACTION, CUSTOMER LOSS OR BOTH, WHICH COULD MATERIALLY AND ADVERSELY AFFECT OUR REPUTATION AND BUSINESS.

Our systems are an integral part of our customers' business operations. The continued and uninterrupted performance of these systems by our customers is critical to our success. Customers may become dissatisfied by any system failure that interrupts our ability to provide services to them. Sustained or repeated system failures would reduce the attractiveness of our services significantly and could result in decreased demand for our products and services.

Our ability to perform managed services depends on our ability to protect our computer systems against damage from fire, power loss, water damage, telecommunications failures, earthquake, terrorism attack, vandalism and similar unexpected adverse events. Despite our efforts to implement network security measures, our systems are also vulnerable to computer viruses, break-ins and similar disruptions from unauthorized tampering. We do not carry enough business interruption insurance to compensate for any significant losses that may occur as a result of any of these events.

We have experienced systems outages and service interruptions in the past. We expect to experience additional outages in the future. To date, these outages have not had a material adverse effect on us. However, in the future, a prolonged system-wide outage or frequent outages could cause harm to our reputation and could cause our customers to make claims against us for damages allegedly resulting from an outage or interruption. Any damage or failure that interrupts or delays our operations could result in material harm to our business and expose us to material liabilities.

THE TERMINATION OR REDUCTION OF CERTAIN GOVERNMENT PROGRAMS AND TAX BENEFITS
COULD ADVERSELY AFFECT OUR OVERALL EFFECTIVE TAX RATE.

There can be no assurance that our effective tax rate of 10.6% for the year ended September 30, 2007 will not change over time as a result of changes in corporate income tax rates or other changes in the tax laws of the various countries in which we operate. We have benefited or currently benefit from a variety of government programs and tax benefits that generally carry conditions that we must meet in order to be eligible to obtain any benefit.

For example, through subsidiaries, we operate a development center and a business processing operations center in India. In 2007, the corporation tax rate applicable in India on trading activities was 33.99%. Our subsidiaries in India operate under a specific favorable tax entitlement that is based upon pre-approved information technology related services activity. As a result, our subsidiaries are entitled to certain corporate income tax exemptions on all income derived from such pre-approved information technology activity, provided they continue to meet the conditions required for such tax benefits. The benefits are scheduled to expire April 1, 2009. Please see "Item 10 -- Additional Information -- Taxation -- Certain Indian Tax Considerations" for more information.

If we fail to meet the conditions upon which certain favorable tax treatment is based, we would not be able to claim future tax benefits and could be required to refund tax benefits already received. Additionally, some of these programs and the related tax benefits are available to us for a limited number of years, and these benefits expire from time to time.

Any of the following could have a material effect on our overall effective tax rate:

- some programs may be discontinued,
- we may be unable to meet the requirements for continuing to qualify for some programs,
- these programs and tax benefits may be unavailable at their current levels,
- upon expiration of a particular benefit, we may not be eligible to participate in a new program or qualify for a new tax benefit that would offset the loss of the expiring tax benefit, or
- we may be required to refund previously recognized tax benefits if we are found to be in violation of the stipulated conditions.

THE MARKET PRICE OF OUR ORDINARY SHARES HAS AND MAY CONTINUE TO FLUCTUATE
WIDELY.

The market price of our ordinary shares has fluctuated widely and may continue to do so. Since September 30, 2005, our ordinary shares traded as high as \$41.01 per share and as low as \$24.30 per share. As of November 26, 2007, the closing price of our ordinary shares was \$31.38 per share. Many factors could cause the market price of our ordinary shares to rise and fall, including:

- market conditions in the industry and the economy as a whole,
- variations in our quarterly operating results,
- announcements of technological innovations by us or our competitors,
- introductions of new products or new pricing policies by us or our competitors,
- trends in the communications or software industries, including industry consolidation,
- acquisitions or strategic alliances by us or others in our industry,
- changes in estimates of our performance or recommendations by financial analysts,
- changes in our backlog levels, and
- political developments in the Middle East.

In addition, the stock market often experiences significant price and volume fluctuations. These fluctuations particularly affect the market prices of the securities of many high technology companies. These broad market fluctuations could adversely affect the market price of our ordinary shares.

IT MAY BE DIFFICULT FOR OUR SHAREHOLDERS TO ENFORCE ANY JUDGMENT OBTAINED IN THE UNITED STATES AGAINST US OR OUR AFFILIATES.

We are incorporated under the laws of the Island of Guernsey and a majority of our directors and executive officers are not citizens or residents of the United States. A significant portion of our assets and the assets of those persons are located outside the United States. As a result, it may not be possible for investors to effect service of process upon us within the United States or upon such persons outside their jurisdiction of residence. Also, we have been advised that there is doubt as to the enforceability in Guernsey of judgments of the U.S. courts of civil liabilities predicated solely upon the laws of the United States, including the federal securities laws.

ITEM 4. INFORMATION ON THE COMPANY

HISTORY, DEVELOPMENT AND ORGANIZATIONAL STRUCTURE OF AMDOCS

Amdocs Limited was organized under the laws of the Island of Guernsey in 1988. Since 1995, Amdocs Limited has been a holding company for the various subsidiaries that conduct our business on a worldwide basis. Our global business is providing software and services solutions to enable communications companies and other major services providers in North America, Europe and the rest of the world to move toward an integrated approach to customer management. Our registered office is Suite 5, Tower Hill House Le Bordage, St. Peter Port, Island of Guernsey, GY1 3QT Channel Islands, and the telephone number at that location is +44-1481-728444.

In the United States, our main sales and development center is in St. Louis, Missouri. The executive offices of our principal subsidiary in the United States are located at 1390 Timberlake Manor Parkway, Chesterfield, Missouri 63017, and the telephone number at that location is +1-314-212-8328.

Our subsidiaries are organized under and subject to the laws of several countries. Our principal operating subsidiaries are in China, Cyprus, India, Ireland, Israel and the United States.

We have pursued acquisitions in order to offer new products or services or otherwise enhance our market position or strategic strengths. Our 1999 acquisition of ITDS enabled us to expand our service offerings and enhanced our ability to provide managed services solutions to our customers. In 2000, we acquired Solect, which enhanced our ability to serve the growing Internet Protocol, or IP, needs of our customers. We believe our 2001 acquisition from Nortel Networks Corporation of substantially all of the assets of its Clarify business, which provided Customer Relationship Management, or CRM, software to communications services companies and other enterprise sectors, positioned us as a leading provider of CRM to the communications industry and, through our addition of Clarify's CRM software to our product offerings, reinforced our leadership in delivering a comprehensive portfolio of business software applications. In 2003, we purchased Bell Canada's 90% ownership interest in Certen, which we formed with Bell Canada in 2001. This acquisition expanded our managed services offerings and positioned us as a leading provider of managed services to the communications industry. As a result of the acquisition, Certen is now our wholly-owned subsidiary. In 2004, we acquired XACCT, a provider of mediation software to communications service providers.

In July 2005, we acquired from DST all of the capital stock of DST Innovis, a leading provider of customer care and billing solutions to broadband media cable and satellite companies, or the broadband industry. We believe that this acquisition has positioned us to offer a comprehensive set of solutions to companies in the broadband industry.

In August 2005, we acquired Longshine, a privately-held leading vendor of customer care and billing software in China, which counts three of China's four largest communications service providers among its customers. This acquisition enables us to offer our products and services to Chinese service providers, and we believe it will allow us to expand our presence in this large and fast growing market.

In May 2006, we acquired all of the capital stock of Qpass, a leading provider of digital commerce software and solutions. We expect that this acquisition will allow us to support service providers and media companies seeking to launch and monetize digital content, and we believe that this acquisition positions us as a leader in the emerging digital content market.

In August 2006, we acquired all of the capital stock of Cramer, a privately-held leading provider of operation support systems, or OSS, solutions. We expect that our acquisition of Cramer will enable us to leverage and greatly enhance our current assets in the business support systems, or BSS, and OSS market.

On February 7, 2007, we acquired SigValue, a provider of an integrated billing, customer care and service control platform designed for telecommunications service providers in high-growth emerging markets, where the customer base is predominately comprised of mobile pre-paid subscribers. We previously owned 14% of SigValue's outstanding capital stock and acquired the balance in the acquisition. We expect that this acquisition will expand our offerings for rapidly growing emerging markets.

In the future, we may consider, as part of our strategy, additional acquisitions and other initiatives in order to offer new products or services or otherwise enhance our market position or strategic strengths.

Our software and information technology workforce has increased from 12,000 as of September 30, 2005 to 15,000 as of the end of fiscal 2006 and to 16,000 as of the end of fiscal 2007. The increases in our workforce are attributable to the Qpass and Cramer acquisitions, as well as to organic growth in the size of our operations.

Our principal capital expenditures for fiscal 2007, 2006 and 2005 have been for computer equipment, for which we spent approximately \$117.3 million, \$66.6 million and \$57.6 million, respectively. Capital expenditures increased in fiscal 2007 as we invested in managed services projects and continued to support the overall growth of our business. We anticipate our principal capital expenditures in fiscal 2008 will consist of additional computer equipment, with the bulk of these expenditures for computer equipment to be located at our facilities in North America, India and Israel.

BUSINESS OVERVIEW

Amdocs is a leading provider of software and services for communication service providers. Our market focus is primarily Tier 1 and Tier 2 communications companies, including leading wireline and wireless telecommunications, broadband cable and satellite service providers.

We develop, implement and manage software and services associated with the business support systems and operational support systems (BSS and OSS) that enable service providers to deliver a better customer experience, by, for example, introducing products quickly, understanding their customers more deeply, processing orders efficiently and solving problems productively. We refer to these systems as customer experience systems.

We believe the demand for our customer experience systems is primarily driven by the need for communications service providers to transform their businesses. Consolidation in the communications industry is continuing, and competition among incumbent and new entrant service providers is intensifying. At the same time, convergence is accelerating, with consumers expecting continuous access to voice, data and video services anywhere, through any device. Service providers are responding to this challenge by seeking to develop new revenue streams that take advantage of ubiquitous connectivity and convergence. In this changing environment, we believe service providers will succeed by differentiating their offerings in order to deliver a customer experience that is simple, personal, and valuable at every point of service. Service providers can do this by adopting our strategy of integrated customer management. Although the pace at which service providers were embarking on transformation projects at the beginning of fiscal 2007 was not as we had expected, we continue to regard the need to transform as a long-term industry trend that will continue to drive the demand for our customer experience systems.

INDUSTRY BACKGROUND

Communications Industry

Over the 25 years Amdocs has been in business, competition in the global communications industry has increased as a result of deregulation and the development of new technologies, including Internet Protocol (IP) Multimedia Subsystem (IMS) and others, that allow introduction of new products and services, including content and IP-based services, as well as bundling and convergence of wireline and wireless voice, video and data services. The industry is continuing to undergo transformation, driven by these pressures of convergence and competition and by continuing increases in customer demands. We believe that the telecommunications industry will continue to be driven by consolidation, convergence, competition and the customer.

Competition in the U.S. market began to increase in 1984 when AT&T was required to divest its local telephone operations and many new operators began to enter the long distance market. The Telecommunications Act of 1996 increased competition in the United States even further by allowing new and existing local, long distance and cable companies to offer competing services. Many companies now compete by providing bundled or convergent services, offering combinations of local exchange, long-distance, wireless, broadband access, content and electronic and mobile commerce services. Deregulation is also creating opportunities for new ways of doing business, such as wholesaling and reselling communications services. Privatization and deregulation continue to encourage increased competition worldwide. We believe that, as markets are opened to competition, new competitors within these markets typically compete for market share with more established carriers by operating at lower cost, offering competitive prices, introducing new features and services and being more responsive to customer needs. In parallel, the communications industry has undergone consolidation, as companies seek to broaden their global reach and expand service offerings and control costs. In addition, global expansion by multinational companies and concurrent technological advances are opening markets in less developed countries to enhanced communications services and competition.

In recent years, there has also been a large increase of new communications technologies, including ATM (Asynchronous Transfer Mode), IP, xDSL (a type of Digital Subscriber Line), utilization of cable television infrastructure to provide Internet services, GPRS (General Packet Radio Services), UMTS (Universal Mobile Telecommunications System), WiFi (Wireless Fidelity) and WAP (Wireless Application Protocol) for wireless Internet, VoIP (Voice over Internet Protocol), IPTV (Internet Protocol Television) and intelligent networks. Additionally, the directory publishing industry, which we believe is currently dominated by communications companies that are owned by or affiliated with telecommunications carriers, continues to experience significant changes due to the introduction of new technologies and distribution platforms, especially Internet directories.

Information Systems

Increased global spending on information systems by communications service providers suggests that many are seeking to upgrade existing systems and install new systems that would enable them to transform their business to deliver new, next-generation, convergent or bundled services in the context of a differentiating, intentional customer experience. We believe that these service providers are looking for systems that reduce IT and operational costs, enhance customer management to increase average revenue and profitability per user, support customer retention, and enable rapid rollout of new marketing packages and advanced data services. In addition, these systems must have the ability to orchestrate end-to-end business processes and provide customers with single-contact, single-invoice solutions for their services. We believe this is driven by the move toward convergence and the demand from consumers for simplicity and ubiquitous connectivity: access to any service anytime, anywhere, through any device.

As a result, we believe service providers require modular, yet integrated, information systems that provide the level of integration, flexibility and scalability they need to improve operational efficiency and to differentiate themselves from their competitors in an increasingly competitive marketplace. To save scarce capital and operating expenditure resources, some carriers are investing in pre-configured open-architecture software products, which require limited customization, rather than highly customized solutions.

As many communications companies strive to become more customer-oriented, they are concentrating efforts and internal resources on servicing their customers and expanding their service offerings. In order to implement efficient, flexible, cost-effective information systems on a timely basis, many providers are looking to buy customer experience systems from external vendors, rather than developing new systems with their own internal resources. We believe this creates significant opportunities for vendors of information technology software products and providers of managed services, such as Amdocs.

THE AMDOCS OFFERINGS

We believe that our product-driven approach, commitment to and support of quality personnel and deep industry knowledge and expertise permit us to create and deliver effective offerings that are both highly innovative and reliable. In addition, we offer solutions that address specific business issues of service providers. We believe that our success derives from a combination of the following factors that differentiate us from most of our competitors.

- Software Products. In fiscal 2007, we released the Amdocs 7 portfolio. Building on Amdocs 6, Amdocs 7 was designed to enable our customers to achieve integrated customer management and deliver an intentional customer experience by providing a portfolio of pre-integrated software products that spans the entire customer lifecycle across BSS and OSS. Our portfolio was built to enable service providers to centralize common information assets, such as customer, product and network resource data, align their business processes around the end-customer, and link subscriber-facing business processes and touch points across back-office and front-office systems. Our products are designed to allow modular extension as a service provider evolves, to ensure fast and reduced-cost, reduced-risk implementations.

In addition to the products included in the Amdocs 7 portfolio, in fiscal 2007 we also made available software products serving the network management/OSS and digital content management domains, as well as a complete, compact solution designed to address the needs of service providers in emerging markets. Amdocs also continues to provide software solutions to support the advertising and media needs of directory publishers.

- Consulting Services. Amdocs' consulting services include customization, implementation, integration, maintenance, ongoing support and managed services.
- Solutions Combining Products, Services and Partner Technologies. We offer our customers solutions that address specific business issues, such as subscriber profitability and segmentation, or the identification of consumer segments to be targeted or strengths to be enhanced. Our solutions combine our software products and/or our partners' products with a broad range of consulting services. By incorporating our services in our solution offerings, we are able to effectively utilize our intimate technical knowledge of our products in the overall execution of a project, helping to ensure delivery and significantly reducing project risk. We believe that we are able to provide our customers with timely, cost-effective, low-risk solutions at a consistent level of quality.
- Flexibility and Adherence to Industry Standards. Our Amdocs 7 product portfolio is based on an open architecture that provides the functionality, scalability, modularity and adaptability required by service providers in today's highly competitive market. The open, standards-based architecture is based on the principles of service-oriented architecture (SOA) and business process management, and allows products to operate as stand-alone applications within existing environments. The flexibility of our product portfolio enables our customers to achieve significant time-to-market advantages and reduce their dependence on technical and other staff. Amdocs is an active voice among industry standards bodies, such as the TeleManagement Forum.
- Deep Industry Expertise and Highly Skilled Personnel. We are able to offer our customers superior products and services on a worldwide basis in large part because of our highly qualified and trained technical, sales, marketing and management personnel. We invest significantly in the ongoing training of our personnel in key areas such as industry knowledge, software technologies and management capabilities. Primarily based on the skills and knowledge of our workforce, we believe that we have

developed a reputation for reliably delivering quality solutions within agreed time frames and budgets. We have a global presence and recruitment capabilities, and have development centers in China, Cyprus, India, Ireland, Israel and the United States.

BUSINESS STRATEGY

Our goal is to provide services and support to the world's leading service providers. We seek to accomplish our goal by pursuing the strategies described below.

- Continued Focus on the Communications and Broadband Industries. We intend to continue to concentrate our main resources and efforts on providing customer experience systems to service providers in the communications and broadband industries. This strategy has enabled us to develop the specialized industry know-how and capability necessary to deliver the technologically advanced, large-scale, specifications-intensive information systems solutions required by the leading communications companies in the wireless, wireline, broadband cable and satellite service sectors. We have also applied our experience to assist service providers in the financial services sector to meet operational challenges (high volume of transactions, traditionally siloed operations and emerging need for customer focus) that are similar to those experienced by communications companies.
- Target Industry Leaders. We intend to continue to direct our marketing efforts principally toward the major communications companies. We derive a significant portion of our revenues from our customer base of major service providers in North America, Europe and the Asia-Pacific region. We believe that the development of this premier customer base has helped position us as a market leader, while contributing to the core strength of our business. By targeting industry leaders that require the most sophisticated information systems solutions, we believe that we are best able to ensure that we remain at the forefront of developments in the industry.
- Expand into Emerging Markets. Through our acquisition of SigValue in fiscal 2007, we have sought to improve our ability to serve the needs of service providers operating in emerging markets where subscriber growth, principally prepaid wireless service, is far greater than in more developed Western markets, but average revenue per user is relatively low. Our prospects in these markets vary dramatically, with some service providers serving subscriber bases already numbering in the hundreds of millions and others introducing communications services to communities never served before. This spectrum of emerging market providers requires offerings ranging from low-cost software with pre-packaged services that can be implemented rapidly, to robust service delivery platforms.
- Deliver Integrated Products and Services Solutions. Our strategy is to provide customers with total systems solutions consisting of our software products portfolio and our specialized services across BSS and OSS. By leveraging our product and industry knowledge, we believe that we can provide more effective system integration and implementation services, as well as managed services, to our customers.
- Provide Customers with a Broad Portfolio of Integrated Products. We seek to provide our customers with a broad portfolio of products to help them deliver an intentional customer experience. We seek to provide customer experience systems across service providers' lines of business, such as wireline, wireless, broadband cable and satellite. This approach also means that we can support global service providers throughout their various international operations. We believe that our ability to provide a broad suite of products helps establish us as a strategic partner for our customers, and also provides us with multiple avenues for strengthening and expanding our ongoing customer relationships.
- Maintain and Develop Long-Term Customer Relationships. We seek to maintain and develop long-term, mutually beneficial relationships with our customers. These relationships generally involve additional product sales, as well as ongoing support, system enhancement and maintenance, and managed services. We believe that such relationships are facilitated in many cases by the mission-critical, strategic nature of the systems we provide and by the added value we provide through our

specialized skills and knowledge. In addition, our strategy is to solidify our existing customer relationships by means of long-term support and maintenance and managed services contracts.

TECHNOLOGY

Our portfolio architecture is designed to increase our customers' business agility and lower their overall total cost of ownership. Our technology platform allows our applications to work in multiple customer environments, including:

- Hardware: IBM, Hewlett-Packard, Sun Microsystems
- Operating Systems: IBM AIX, HP-UX, Solaris, Windows
- Database Management Systems: Oracle, SQL Server, IBM UDB
- Middleware: BEA WebLogic, IBM WebSphere

We believe this ability affords our customers the freedom to choose a preferred operating environment and to maximize return on existing infrastructure investments. To help service providers respond more quickly to changes in their market and lower their integration costs, we utilize service-oriented architecture principles in our portfolio design. For example, Amdocs Integration Framework includes a central service repository for defining business services for both Amdocs and external applications allowing our applications to seamlessly integrate with each other and with third party enterprise server bus or legacy applications.

Our portfolio applications are based around consistent architectural guidelines and software infrastructure, and they also leverage, where appropriate, consistent foundation tools and services for areas such as integration, process management, monitoring and control, security, and information management. With these tools, we aim to provide our customers a sound framework upon which to implement, integrate and centralize their operating environments. This allows service providers to mitigate many costs associated with deploying and operating new applications, such as those related to installation, configuration, integration and monitoring.

Our product portfolio also includes the following key characteristics:

- Scalability. Our applications are designed to take full advantage of the scalability capabilities of the underlying platform, allowing progressive system expansion, proportional with the customer's growth in business volumes. Using the same software, our applications can support operations for small, as well as very large service providers.
- Modularity. Our product portfolio is comprised of sets of individual functional application products. Each of our applications can be installed on an individual stand-alone basis, interfacing with the customer's existing systems, or as part of an integrated Amdocs system environment. This modularity provides our customers with a highly flexible and cost-effective solution that is able to incrementally expand with the customer's growing needs and capabilities. The modular approach also preserves the customer's initial investment in products, while minimizing future disruptions and the overall cost of system implementation.
- Portability. Our applications support diverse hardware and operating systems to ensure that our customers can choose from a variety of vendors, including Hewlett-Packard, IBM and Sun Microsystems. Certain applications can also be deployed on the Windows NT platform. Our applications utilize, where applicable, Java-based design and programming to augment cross-platform portability.

PRODUCTS

Our product offerings include an extensive portfolio of customer experience systems that we have developed to provide comprehensive information systems functionality for communications service providers. Our software systems cover the full range of revenue management (including billing, mediation and partner settlement), customer management (including ordering, customer relationship management, or CRM, and self service), service and resource management (fulfillment, activation, inventory management, network planning

and customer assurance) and digital commerce management (including content revenue management), and foundation products (such as enterprise product catalog).

We configure individual customer experience systems into families of offerings, oriented to the service provider needs they address. Our products focus on the four main business challenges of our customers:

- Revenue Management: Products that enable service providers to manage and track sources of revenue through any channel, from service consumption to cash in hand.
- Customer Management: End-to-end customer management products for all operators, providing support for managing customer relationships, including service and support, sales and ordering, and marketing.
- Service and Resource Management: Products that define, orchestrate and execute the complete lifecycle of ordering and service fulfillment processes and network management.
- Digital Commerce Management: Products that help service providers and media companies realize new revenue streams by managing the digital commerce lifecycle and the value chain of parties involved in delivering digital goods and services.

Each individual module from the product families can be installed as an independent stand-alone application, interfacing with the customer's legacy and third-party systems, or as part of an integrated Amdocs platform.

Revenue Management

Our Revenue Management products include the following key application modules:

- Amdocs Charging -- provides flexible, real time rating and billing for all voice, data, content and commerce services, supporting any method of payment, including postpaid, prepaid or any converged combination.
- Amdocs Document Designer -- creates flexible, personalized bills, letters, invoices and statements for mass production, providing an optimal bill architecture.
- Amdocs Balance Manager -- performs real-time balance management for prepaid accounts, including balance updates and reservations.
- Advanced Recurring Charge Manager -- specifically addresses the needs of cable and satellite providers, allowing flexible handling of recurring charges.
- Amdocs Partner Manager -- manages inter-carrier and dealer partnerships, including recruitment and contract definition, partner authorization and approval processes, revenue-share calculation, invoicing and settlement.
- Amdocs Service Mediation Manager -- removes barriers and ensures the accurate flow of information from the network to the billing system.

Customer Management

Our Customer Management products, substantially represented by the Amdocs CRM portfolio, include the following main modules:

- Amdocs Customer Interaction Manager -- provides customer service representatives with a comprehensive view of customer accounts and activity.
- Amdocs Self Service -- enables residential and corporate customers to use the Internet to self-manage interactions with their communications service providers.
- Amdocs Sales -- comprehensive sales force automation solution that automates the work of sales representatives while allowing them to offer the highest level of service to their customers.

- Amdocs Support -- provides comprehensive, service request/case management for multi-level customer support, network management and support operations.
- Amdocs Ordering -- automates the entire ordering and fulfillment process through to completion, for all services and lines of business.

Service and Resource Management

Our Service Management products include the following main modules:

- Amdocs BSS/OSS Manager -- bridges the gap between BSS and OSS, service fulfillment and assurance, as well as next generation and legacy services.
- Amdocs Activation Manager -- automates the activation of network services and individual subscribers.
- Amdocs SLA Manager -- provides system for measuring, monitoring and managing quality-of-service goals.
- Amdocs Change Manager -- enables providers to achieve better predictability and control risks associated with IT change, particularly as it impacts customers.
- Amdocs Service Order Manager -- converts customer-facing orders into network-facing service requests, and sends notifications and status-tracking to the order-handling system to update progress of order fulfillment.
- Amdocs Cramer Resource Manager -- provides field engineers with the information and tools to efficiently complete field service requests, as well as diagnosis-to-dispatch functionality from initial customer contact to onsite problem resolution.
- Amdocs Cramer Service Catalog -- streamlines the creation of new services and management of service portfolios by enabling the operator to define the technical structure of new and existing products and to set reusable design patterns.

Digital Commerce Management

Our Digital Commerce Management products include the following key application modules:

- Amdocs Qpass Store Manager -- supports multiple content discovery channels, including web, WAP, client-based technologies and IPTV, to manage store presentation, create content and service promotions, and quickly publish updates.
- Amdocs Qpass Content Catalog Manager -- allows content providers to describe, categorize and edit content, which can then be previewed, tested, approved and added to a centralized content pool available for sale to subscribers.
- Amdocs Qpass Content Delivery Manager -- delivers a content item to an end device, automatically matching file format; it supports advanced media types and digital rights management across multiple delivery channels.
- Amdocs Qpass Content Partner Manager -- automates the workflow for content-provider lifecycle management, enabling full and prompt provisioning of content providers, sophisticated revenue-sharing contracts and settlements, and tools for the content partner to manage its account and offers, and to review reports.
- Amdocs Qpass Merchandising Manager -- allows quick and simple creation, roll-out and update of product offers, promotions and campaigns across channels and platforms.
- Amdocs Qpass Commerce Transaction Manager -- provides end-to-end transaction management for in-depth market and activity knowledge, revenue assurance and financial transparency. It supports multiple payment methods, real-time business policy enforcements, and financial reporting and tracking.

Foundation

Our foundation products span and support our portfolio and form a platform upon which our customers can implement, integrate and centralize their operating environments. They include:

- Application Framework -- A common infrastructure used for building business functionality and enable internal and external integration; includes Amdocs Integration Framework, Smart Client Framework and Process Manager.
- Information Framework -- A set of tools to store, process and extract common data shared by portfolio components and to process business information; includes Amdocs Enterprise Product Catalog.
- Operational Framework -- A single operational environment and unified management tools serving all portfolio components and applications; includes Amdocs Error Manager, System Configurator, Security Manager, Monitoring & Control.
- Delivery Framework -- A set of common development and deployment tools, methodologies and services that enable customers to simplify the way they customize and deploy the Amdocs products.

Directory Systems

Our main directory systems product offering is Integrated Advertising Management, or IAM, launched in July 2007. These products provide comprehensive support for traditional yellow pages and white pages directory sales and publishing operations, as well as for new interactive advertising products, such as advertisements, directories and catalogs, delivered across multiple digital media, including the Internet and mobile devices. These systems support large directory publishing operations that employ a local sales force numbering thousands of representatives, serve customer bases of hundreds of millions of businesses, and publish thousands of different directories each year. The IAM framework consists of the following key functional areas:

- Target/Market -- Supports all marketing functions from product design, rollout and offer development, to advertising sales campaign development and deployment. Offerings may consist of multiple products to multiple advertiser segments across multiple media and multiple delivery channels, with any combination of fixed and dynamically pricing schemes.
- Sales and Ordering -- Supports multiple sales channels, including telemarketing, premise and self service. Advertisers are able to modify advertising product attributes and ad campaign elements without affecting contractual agreements, thereby eliminating the need for renegotiation.
- Deliver -- Supports production, rendering, and delivery of advertising products across multiple media, integrating the production and delivery of ad content with sales, and mining data for analytics and bid and fraud management.
- Bill -- Provides a mechanism for monetizing advertising events. A sophisticated mediation layer interacts with the network layer to capture events such as calls, clicks, page views, and delivery, and supports complex rating and billing functionality. Revenue management capabilities such as accounts receivable and collection are also included in the module.
- Syndication Partner Management (SPM) -- Enables publishers to manage complex relationships with search and content syndication partners and affiliates. SPM defines revenue-sharing models in partner contracts, and automatically rates and generates payments for events accordingly. SPM also includes functionality for reporting and auditing partner activities.
- Support -- Provides support for publishers' operational activities such as ordering, billing, managing advertiser account profiles, verifying contracts, and viewing advertiser campaigns. Advanced tools for analytics and reporting enable advertisers to view and modify ad campaigns in real-time.

SERVICES

As part of our effort to provide comprehensive solutions to our customers, we offer a broad suite of consulting, integration and managed services to support operation of our products. Designed to help service providers achieve an integrated customer management strategy, our services methodology incorporates rigorous focus on the people, processes and technology of an organization, and we invite active customer participation at all stages to help prioritize and implement time-critical information system solutions that address the customer's individual needs. We believe that our services methodology helps allow us to achieve the timeframe, budget and quality objectives we jointly set with customers.

Our services portfolio consists of:

- Strategy and Planning Services -- strategic advisory services designed to help service providers achieve integrated customer management. These services often lead to large-scale transformation projects and address wide-sweeping operational strategy issues such as the convergence of IP services, managing the customer lifecycle, realizing revenues from next-generation services, and IMS planning and deployment.
- Systems Integration Services -- a comprehensive suite of services ranging from requirements definition, program management, conversion and migration, and business integration to testing, training and workforce readiness services.
- Business Optimization Services -- enable service providers to measure, improve and continuously optimize the business performance of their systems and operations to derive maximum benefit from IT investments. Our business optimization services span the domains of customer management, revenue management and service and resource management. Examples of business optimization services include billing operations improvement, contact center optimization and campaign management optimization.
- Managed Services -- flexible outsourcing solutions to enable our customers to outsource management and support of critical business functions such as billing and customer care operations so they may focus on their core business. These services include management of datacenter operations and IT infrastructure, application management and ongoing support, systems modernization and consolidation and management of end-to-end business processes for billing and customer care operations.

The extent of services provided varies from customer to customer. Some service providers prefer a highly customized approach, with extensive modifications to our products and a significant level of ongoing support. We have invested considerable research and development efforts in upgrading our applications suite to address this market requirement and to meet our customers' unique needs.

The process of customizing a system involves tailoring Amdocs' core applications to address a customer's specific technical and business requirements. Depending on the customer's need, system implementation and integration activities often are conducted jointly by teams from Amdocs and the customer in parallel with the customization effort. Implementation and integration activities include project management, development of training methods and procedures, design of work flows, hardware planning and installation, network and system design and installation, system conversion and documentation. In some cases, Amdocs personnel provide support services to the customer's own implementation and integration team, which has primary responsibility for the task. In other cases, we take a primary role in facilitating implementation and integration. In yet other instances, customers require turnkey solutions, in which case we are able to provide full system implementation and integration services.

Once the system becomes operational, we are generally retained by the customer to provide ongoing services, such as maintenance, enhancement design and development and operational support. For substantially all of our customers, the implementation and integration of an initial system has been followed by the sale of additional systems and modules. In recent years, we have established long-term maintenance and support contracts with a number of our customers. These contracts have generally involved an expansion in the scope of support provided, while also providing us with recurring revenue.

Our business is conducted on a global basis. We maintain development facilities in China, Cyprus, India, Ireland, Israel and the United States, operate a support center in Brazil and have operations in North America, Europe, Latin America and the Asia-Pacific region. Support for implementation and integration activities is typically performed at the customer site. Once the system is operational or is in production, we provide ongoing support and maintenance through a combination of remote support from the development centers and local support at the customer site.

SALES AND MARKETING

Our sales and marketing activities are primarily directed at major communications and broadband cable and satellite companies. As a result of the strategic importance of our information systems to the operations of such companies, a number of constituencies within a customer's organization are typically involved in purchasing decisions, including senior management, information systems personnel and user groups, such as the finance, customer service and marketing departments.

We maintain sales offices in the United States, the United Kingdom and several other countries. Our sales activities are supported by marketing efforts, including marketing communications, product management, market research and strategic alliances. The management of our operating subsidiaries is closely involved in establishing sales policies and overseeing sales activities. Management's role includes setting priorities among the multiple sales opportunities available at any point in time. Management is also responsible for allocating sufficient resources to each project to meet our quality standards, while also adhering to the project's cost and schedule parameters.

We also interact with other third parties in our sales activities, including independent sales agents, information systems consultants engaged by our customers or prospective customers and systems integrators that provide complementary products and services to such customers. We also have value-added reseller agreements with certain hardware and database vendors.

CUSTOMERS

Our target market is comprised of communications and broadband cable and satellite companies that require information systems with advanced functionality and technology. The companies in our target segment are typically market leaders. By working with such companies, we help ensure that we remain at the forefront of developments in the communications and broadband industries and that our product offerings continue to address the market's most sophisticated needs. We have an international orientation, focusing on potential customers in the developed, industrialized countries in North America and Europe, as well as customers in Latin America and the Asia-Pacific region. We have also applied our experience to assist service providers in the financial services sector to meet operational challenges (high volume of transactions, traditionally siloed operations and emerging need for customer focus) that are similar to those experienced by communications service providers.

Our customers include global communications leaders and leading network operators and service providers, as well as directory publishers in the United States and around the world. Our customers include:

ABN AMRO	R.H. Donnelley
AT&T	Rogers
Bell Canada	SEAT Pagine Gialle S.p.A.
BT	Sprint Nextel
Cablevision	Svyazinvest
China Mobile	TDC
Comcast	Telefonica de Espana
Deutsche Telekom	Telkom South Africa
DIRECTV	Telstra
Effortel	TELUS
Elisa	T-Mobile
Excelcom	Verizon Communications
Kazakhtelecom	VimpelCom
KPN Mobile	Vodafone

Our business is dependent on a limited number of significant customers, of which AT&T was our largest in fiscal 2007. In fiscal 2007, our three largest groups of customers were AT&T (including Cingular, which became wholly-owned by AT&T in December 2006), Sprint Nextel and Bell Canada, and certain of their subsidiaries, each of which accounted for more than 10% of our revenue in fiscal 2007. Together, these three customer groups accounted for 48% of our revenue in fiscal 2007. Aggregate revenue derived from the multiple business arrangements we have with customer groups that were responsible for at least 5% of annual revenue accounted for approximately 54% of our revenue in fiscal 2007 (four customers) and 55% of our revenue in fiscal 2006 (four customers), in each case, treating AT&T and Cingular as a single customer.

The following is a summary of revenue by geographic area. Revenue is attributed to geographic region based on the location of the customer:

	2007	2006	2005	----	----	----	North
America.....							
	66.6%	69.9%	68.3%				
Europe.....							
	21.5	21.8	24.0	Rest of the			
World.....						11.9	8.3
			7.7				

COMPETITION

The market for information systems and services in the communications and broadband media industries is growing and increasingly competitive. Internal information systems departments of large communication companies remain a part of Amdocs' competitive landscape. Our independent competitors generally fall into three categories:

- providers of information systems, including Converse, Convergys, CSG Systems International and Oracle Corporation;
- system integrators and providers of IT services, such as Accenture, Cognizant, HP, Infosys, IBM Global Services, Satyam, Tata Consultancy Services, Tech Mahinda, and Wipro (some of whom we also cooperate with in certain opportunities and projects); and
- network equipment providers such as Motorola and Nokia.

Providers of information systems and systems integrators mainly serve other industries, while network equipment providers focus primarily on equipment manufacturing. Nevertheless, we expect the competition in our industry to grow.

We believe that we are able to differentiate ourselves from our competitors by, among other things:

- applying our 25-year heritage to the development and delivery of products and professional services that enable our customers to achieve integrated customer management and deliver an intentional customer experience,
- focusing on the communications sector and continuing to design and develop solutions targeted to this industry,
- innovating and enabling our customers to adopt new business models that will improve their ability to compete and win in a changing market,
- providing high-quality, reliable, scalable, integrated, yet modular, information systems, and
- offering customers end-to-end accountability from a single vendor.

We compete with a number of companies that have long operating histories, large customer bases, substantial financial, technical, sales, marketing and other resources, and strong name recognition. Some of these companies are continuing their attempts to expand their communications industry market penetration. Current and potential competitors have established, and may establish in the future, cooperative relationships among themselves or with third parties to increase their ability to address the needs of our prospective customers. Accordingly, new competitors or alliances among competitors may emerge and rapidly acquire significant market share. There can be no assurance that we will be able to compete successfully with existing or new competitors. Our failure to adapt to changing market conditions and compete successfully with established or new competitors would have a material adverse effect on our results of operations and financial condition.

EMPLOYEES

We invest significant resources in training, retention and motivation of high quality personnel. Training programs cover areas such as technology, applications, development methodology, project methodology, programming standards, industry background and management development. Our management development efforts are reinforced by an organizational structure that provides opportunities for talented managers to gain experience in general management roles. We also invest considerable resources in personnel motivation, including providing various incentive plans for sales staff and high quality employees. Our future success depends in large part upon our continuing ability to attract and retain highly qualified managerial, technical, sales and marketing personnel.

See "Directors, Senior Management and Employees -- Employees" for further details regarding our employees and our relationships with them.

RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES

Our research and development activities involve the development of new software architecture, modules and product offerings in response to an identified market demand, either as part of our internal product development programs or in conjunction with a customer project. We also expend additional amounts on applied research and software development activities to keep abreast of new technologies in the communications markets and to provide new and enhanced functionality to our existing product offerings.

While we have continued to upgrade our existing systems over the last several years, we also devoted significant research and development efforts to the integration between our products and a unified user interface in order to enable our customers to adopt an integrated customer management approach. As part of these efforts, during fiscal 2006 we invested in Amdocs 7, the next major release of our comprehensive portfolio. In October 2006, we made available the billing and mediation components of Amdocs 7, and we released the comprehensive Amdocs 7 portfolio in the first half of fiscal 2007. Amdocs 7 expands on the capabilities of our previous Amdocs 6 release by integrating new products for the cable broadband and satellite industry, by incorporating products recently acquired as a result of the Cramer and Qpass acquisitions and by implementing operational and functional enhancements. Amdocs 7 comprises an enhanced portfolio of modular billing, CRM, self-service, order management, mediation, OSS and content management software products.

The majority of our research and development expenditures is directed at our customer experience systems, and the remainder to directory solutions. We believe that our research and development efforts are a key element of our strategy and are essential to our success. However, an increase or a decrease in our total revenue would not necessarily result in a proportional increase or decrease in the levels of our research and development expenditures, which could affect our operating margin.

Our software and software systems are largely comprised of software and systems that we have developed or acquired and that we regard as proprietary. Our software and software systems are the results of long and complex development processes, and although our technology is not significantly dependent on patents or licenses from third parties, certain aspects of our products make use of readily available software components licensed from third parties. As a developer of complex software systems, third parties may claim that portions of our systems infringe their intellectual property rights. The ability to develop and use our software and software systems requires knowledge and professional experience that we believe is unique to us and would be very difficult for others to independently obtain. However, our competitors may independently develop technologies that are substantially equivalent or superior to ours. We have taken, and intend to continue to take, several measures to establish and protect our proprietary rights in our products and technologies from third-party infringement. We rely upon a combination of trademarks, patents, contractual rights, trade secret law, copyrights, nondisclosure agreements, we enter into non-disclosure and confidentiality agreements with our customers, employees and marketing representatives and with certain contractors with access to sensitive information, and we also limit customer access to the source code of our software and software systems.

See the discussion under "Operating and Financial Review and Prospects -- Research and Development, Patents and Licenses."

PROPERTY, PLANTS AND EQUIPMENT

Facilities

We lease land and buildings for our executive offices, sales, marketing, administrative, development and support centers. We lease an aggregate of approximately 3,244,000 square feet worldwide, including significant leases in the United States, Israel, Canada, China, Cyprus, India and the United Kingdom. Our aggregate annual lease costs with respect to our properties as of November 30, 2007, including maintenance and other related costs, are approximately \$71.2 million. The following table summarizes information with respect to the principal facilities leased by us and our subsidiaries as of November 30, 2007:

AREA LOCATION (SQ. FEET) - -----	United States:
St. Louis, MO(*).....	160,818
CA.....	112,120
Champaign, IL.....	136,762
CA.....	113,290
Others(*).....	383,082
Total.....	906,073
	Israel:
Ra'anana.....	637,782
Hasharon.....	236,521
Haifa(*).....	108,779
Others.....	167,195
Total.....	1,150,279
	Canada:
Toronto(*).....	151,071
Montreal.....	105,669
Others.....	26,828
Total.....	283,568
China.....	82,837
(Limassol).....	123,433
(Pune).....	404,146
Kingdom(*).....	98,394
world(**).....	195,173

(*) Includes space sublet to third parties.

(**) Includes Austria, Australia, Brazil, Czech Republic, Denmark, France, Germany, Greece, Hungary, Indonesia, Ireland, Italy, Japan, Kazakhstan, Korea, Malaysia, Mexico, Poland, Russia, Singapore, South Africa, Spain, Sweden, Switzerland, Taiwan, Thailand, Turkey, The Netherlands and the United Arab Emirates.

Our leases expire on various dates between 2008 and 2020, not including various options to extend lease terms.

Equipment

We develop our customer experience systems over a system of UNIX, MVS, Linux and Windows 2000/2003 servers owned or leased by us. We use a variety of software products in our development centers, including products by Microsoft, Oracle, Synscsort, CA, Merant, IBM, HP, SUN and BEA. Our data storage is based on

equipment from EMC, SUN, NetApp and Hewlett-Packard. Our development servers are connected to approximately 22,000 personal computers owned or leased by us.

Automatic tape libraries provide full and incremental backups of the data used in and generated by our business. The backup tapes are kept on-site and off-site, as appropriate, to ensure security and integrity, and are used as part of our disaster recovery plan. The distributed development sites that we operate worldwide are connected by a high-speed redundant wide area network, or WAN, using telecommunication equipment manufactured by, among others, Cisco and Nortel.

The distributed development sites that we operate worldwide are also connected by a high speed WAN.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

INTRODUCTION

In this section, we discuss the general financial condition and the results of operations for Amdocs Limited and its subsidiaries, including:

- the factors that affect our business,
- our revenue and costs for the fiscal years ended September 30, 2007, 2006 and 2005,
- the reasons why such revenue and costs were different from year to year,
- the sources of our revenue,
- how all of this affects our overall financial condition,
- our capital expenditures for the fiscal years ended September 30, 2007, 2006 and 2005,
- the changes in our business, including those resulting from acquisitions of other businesses, and
- the sources of our cash to pay for future capital expenditures and possible acquisitions.

In this section, we also analyze and explain the annual changes in the specific line items in our consolidated statements of income. You should read this section in conjunction with our consolidated financial statements and the notes thereto, which follow.

OVERVIEW OF BUSINESS AND TREND INFORMATION

Amdocs is a leading provider of software and services for communications service providers. Our market focus is primarily Tier 1 and Tier 2 communications companies, including leading wireline and wireless telecommunications, broadband cable and satellite service providers.

We develop, implement and manage software and services associated with the business support systems and operational support systems (BSS and OSS) that enable service providers to deliver a better customer experience, by, for example, introducing products quickly, understanding their customers more deeply, processing orders efficiently and solving problems productively. We refer to these systems as customer experience systems.

We believe the demand for our customer experience systems is primarily driven by the need for communications service providers to transform their business. Consolidation in the communications industry is continuing, and competition among incumbent and new entrant service providers is intensifying. At the same time, convergence is accelerating, with consumers expecting continuous access to voice, data and video services anywhere, through any device. Service providers are responding to this challenge by seeking to develop new revenue streams that take advantage of ubiquitous connectivity and convergence. In this changing environment, we believe service providers will succeed by differentiating their offerings in order to deliver a customer experience that is simple, personal, and valuable at every point of service. Service providers can do this by adopting our strategy of integrated customer management. Although the pace at which service providers were embarking on transformation projects at the beginning of fiscal 2007 was not as we had expected, we continue to regard the need to transform as a long-term industry trend that will continue to drive the demand for our customer experience systems.

In fiscal 2006, we acquired Qpass Inc. and Cramer Systems Group Limited -- which we refer to, respectively, as Qpass and Cramer -- to provide a complete end-to-end, BSS/OSS offering and meet the growing demand for the delivery of next-generation services. During the second quarter of fiscal 2007, we acquired SigValue Technologies, Inc., which we refer to as SigValue. We believe this acquisition will expand our offering for fast-growing emerging markets, where the customer base is predominantly comprised of mobile pre-paid subscribers. As part of our strategy, we may continue to pursue acquisitions and other initiatives in order to offer new products or services or otherwise enhance our market position or strategic strengths.

OFFERINGS

Amdocs offerings of software and related services consist of:

- A complete, modular portfolio of BSS and OSS software, including revenue management (billing, mediation and partner settlement), customer management (ordering, customer relationship management or CRM, and self-service), service and resource management (network management, planning and fulfillment) digital commerce management (content revenue management) and foundation products (such as enterprise product catalog).
- A comprehensive line of services, from strategy to execution. Because our customers' projects are complex and require systems support expertise, we also provide information technology, or IT, services, including extensive consulting, business strategy, system implementation, training, integration, modification, ongoing support, enhancement and maintenance services. In addition, we offer managed services, which include services such as system modernization and consolidation, the operation of data centers, ongoing support, maintenance services, system modification, rating and billing services and communications facility management services.

We have designed our customer experience systems to meet the mission-critical needs of leading service providers around the world. We support their various lines of business, including wireline, wireless, cable and satellite, and a wide range of communication services, including voice, video, data, IP, broadband, content, electronic and mobile commerce applications. We also support companies that offer multiple service packages, commonly referred to as bundled or convergent service packages. We have also applied our experience to assist service providers in the financial services sector to meet operational challenges that are similar to those experienced by communications companies. In fiscal 2007, our total revenue was \$2,836 million, of which \$2,552 million, or 90%, was attributable to the sale of customer experience systems.

Amdocs also offers a full range of directory sales and publishing systems and related services, which we refer to as directory systems, for publishers of both traditional printed yellow page and white page directories and electronic Internet directories.

We conduct our business globally, and as a result we are subject to the effects of global economic conditions and, in particular, market conditions in the communications industry. In fiscal 2007, customers in North America accounted for 66.6% of our revenue, while customers in Europe and the rest of the world accounted for 21.5% and 11.9%, respectively. We maintain development facilities in China, Cyprus, India, Ireland, Israel and the United States.

We believe that demand for our customer experience systems is primarily driven by the following key factors:

- Industry transformation, including:
 - ubiquitous use of communications and content services,
 - increases in digital and mobile commerce,
 - ongoing consolidation among incumbent communications providers,
 - increased competition from new entrants,
 - continued convergence of communications, broadband cable and satellite industries, and
 - continued commoditization and pricing pressure.

- Technology advances, such as:
 - emergence of new communications products and services, especially video, broadband, data and content services, including IP-based services, such as Internet Protocol (IP) Television (IPTV) and Voice over IP (VoIP),
 - evolution to next generation networks such as IP Multimedia Subsystem (IMS), that enable converged services offerings like fixed-mobile convergence, and
 - technological changes, such as the introduction of 3G and 4G wireless technology, next-generation content systems and WiFi- and WiMax- based access technologies.
- Customer focus, such as:
 - the need for service providers to focus on their customers in order to build profitable customer relationships,
 - the "authority shift" toward the consumer, with customers demanding new, innovative services that can be personalized, that are timely and relevant to them, that they can participate in creating, and that can be accessed anytime and anywhere,
 - ever-increasing expectation of customer service and support, including access to self service options, and
 - the need for service providers to differentiate themselves by creating a unique and mutually valuable customer experience.
- The need for operational efficiency, including:
 - the shift from in-house management to vendor solutions,
 - business needs of service providers to reduce costs and lower total cost of ownership while retaining high-value customers in a highly competitive environment,
 - automating and integrating business processes that span service providers' BSS and OSS systems and create a simple, one-company face to customers,
 - integrating and implementing new next-generation networks (and retiring legacy networks) to deploy new technologies, and
 - transforming fragmented legacy OSS systems to introduce new services in a timely and cost-effective manner.

Revenue from managed services arrangements (for customer experience systems and directory systems) is included in both license and service revenue. Managed services projects are a significant part of our business, accounting for approximately 35% to 40% of our fiscal 2007 and 2006 revenues, and generating substantial, long-term revenue streams, cash flow and operating income. In the initial period of our managed services projects, we generally invest in modernization and consolidation of the customer's systems. Invoices are usually structured on a periodic fixed or unit charge basis. As a result, managed services projects can be less profitable in the initial period. Margins tend to improve over time as we derive benefit from the operational efficiencies provided by system modernization and consolidation.

ACQUISITIONS

As part of our strategy, we have pursued and may continue to pursue acquisitions and other initiatives in order to offer new products or services or otherwise enhance our market position or strategic strengths.

In February 2007, we acquired SigValue, a provider of an integrated billing, customer care and service control platform designed for telecommunications service providers in high-growth emerging markets. We previously owned 14% of SigValue's outstanding capital stock and acquired the balance in the acquisition. We expect that this acquisition will expand our offering for the fast growing emerging markets, where the customer base is predominantly comprised of mobile pre-paid subscribers.

The aggregate purchase price for the remaining 86% of SigValue's outstanding capital stock was \$71.2 million which consisted of \$69.7 million in cash (including cash on hand), \$0.8 million related to the assumption of stock options held by SigValue employees and \$0.7 million of transaction costs.

In August 2006, we acquired Cramer, a privately-held leading provider of OSS solutions. The aggregate purchase price for Cramer was \$421.0 million. Our acquisition of Cramer enabled us to leverage and greatly enhance our assets in the BSS and OSS market.

In May 2006, we acquired Qpass, a leading provider of digital commerce software and solutions. The aggregate purchase price for Qpass was \$281.0 million. This acquisition has allowed us to support service providers and media companies seeking to launch and monetize digital content, and we believe that it has positioned us as a leader in the emerging digital content market.

In 2005, we acquired Longshine, a privately-held leading vendor of customer care and billing software in China, which counts three of China's four largest communications service providers among its customers. This acquisition enabled us to offer our products and services to Chinese service providers, and we believe it will help us expand our presence in this large and expanding market. The aggregate purchase price for Longshine was approximately \$49.8 million.

In 2005, we acquired from DST Systems, Inc., which we refer to as DST, all of the capital stock of DST's wholly-owned subsidiaries, DST Innovis, Inc. and DST Interactive, Inc. We refer to these acquired subsidiaries together as DST Innovis, a leading provider of customer care and billing solutions to broadband media cable and satellite companies. The purchase price for DST Innovis was approximately \$237.5 million. We believe that this acquisition has positioned us to offer a comprehensive set of solutions to companies in the broadband industry as they transition to integrated customer management.

In connection with the DST Innovis acquisition, we signed a long-term agreement with DST, pursuant to which DST continues to support the printing and mailing of bills for the DST Innovis customer base. Under the terms of that agreement, DST is a preferred vendor of billing, printing, and mailing for projects that combine those services with billing support for additional Amdocs customers in the United States.

Please see Note 3 to the consolidated financial statements for more information regarding our acquisitions.

RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES

Our research and development activities involve the development of new software architecture, modules and product offerings in response to an identified market demand, either as part of our internal product development programs or in conjunction with a customer project. We also expend additional amounts on applied research and software development activities to keep abreast of new technologies in the communications markets and to provide new and enhanced functionality to our existing product offerings. Research and development expenditures were \$230.4 million, \$186.8 million and \$144.5 million in the fiscal years ended September 30, 2007, 2006 and 2005, respectively, representing 8.1%, 7.5% and 7.1%, respectively, of our revenue in these fiscal years.

While we continued to upgrade our existing systems in fiscal 2007, we also devoted significant research and development efforts to the integration between our products and a unified user interface in order to enable our customers to adopt an integrated customer management approach. As part of these efforts, in January 2007 we launched Amdocs 7, the next major release of our comprehensive portfolio. Amdocs 7 expanded on the capabilities of our previous Amdocs 6 release by integrating new products for the cable broadband and satellite industry, by incorporating products acquired as a result of the Cramer and Qpass acquisitions and by implementing operational and functional enhancements. Amdocs 7 comprises an enhanced portfolio of modular billing, CRM, self-service, order management, mediation, OSS and content management software products.

The majority of our research and development expenditures is directed at our customer experience systems, and the remainder to directory solutions. We believe that our research and development efforts are a

key element of our strategy and are essential to our success. However, an increase or a decrease in our total revenue would not necessarily result in a proportional increase or decrease in the levels of our research and development expenditures, which could affect our operating margin.

Our software and software systems are largely comprised of software and systems that we have developed or acquired and that we regard as proprietary. Our software and software systems are the results of long and complex development processes, and although our technology is not significantly dependent on patents or licenses from third parties, certain aspects of our products make use of readily available software components licensed from third parties. As a developer of complex software systems, third parties may claim that portions of our systems infringe their intellectual property rights. The ability to develop and use our software and software systems requires knowledge and professional experience that we believe is unique to us and would be very difficult for others to independently obtain. However, our competitors may independently develop technologies that are substantially equivalent or superior to ours. We have taken, and intend to continue to take, several measures to establish and protect our proprietary rights in our products and technologies from third-party infringement. We rely upon a combination of trademarks, patents, contractual rights, trade secret law, copyrights, nondisclosure agreements, we enter into non-disclosure and confidentiality agreements with our customers, employees and marketing representatives and with certain contractors with access to sensitive information, and we also limit customer access to the source code of our software and software systems.

OPERATIONAL EFFICIENCY AND COST REDUCTION PROGRAM

In the quarter ended March 31, 2007, we commenced a series of measures designed to align our operational structure to our expected future growth and to improve efficiency. As part of this plan, we recorded a charge of \$6.0 million, consisting primarily of employee separation costs in connection with the termination of the employment of software and information technology specialists and administrative professionals at various locations around the world and for rent obligations.

SHARE REPURCHASE PROGRAM

In August 2007, our board of directors authorized a share repurchase plan allowing the repurchase of up to \$400 million of our outstanding ordinary shares. The authorization permits us to purchase our ordinary shares in open market or privately negotiated transactions at times and prices that we consider appropriate. In fiscal 2007, we repurchased 1.4 million ordinary shares at an average price of \$35.30 per share under this plan.

OPERATING RESULTS

The following table sets forth for the fiscal years ended September 30, 2007, 2006 and 2005, certain items in our consolidated statements of operations reflected as a percentage of total revenue:

YEAR ENDED SEPTEMBER 30,	-----	2007				
2006	2005	-----	-----	-----	Revenue:	
License.....						
	5.6%	4.7%	4.9%			
Service.....						
94.4	95.3	95.1	-----	-----	100.0	100.0
					100.0	100.0
					Operating expenses: Cost of	
					license.....	0.1
					0.2	0.2
					Cost of	
					service.....	63.2
					63.7	63.4
					Research and	
					development.....	8.1
					7.5	7.1
					Selling, general and	
					administrative.....	13.1
					12.7	11.3
					Amortization of purchased intangible	
					assets.....	2.6
					1.5	0.8
					Restructuring charges,	
					in-process research and development, and other	
					acquisition related	
					costs.....	
					0.3	1.0
					0.6	-----
					-----	87.4
					-----	86.6
					-----	83.4
					-----	-----
					Operating	
					income.....	12.6
					13.4	16.6
					Interest income and other,	
					net.....	1.8
					1.7	1.1
					-----	-----
					Income before income	
					taxes.....	14.4
					15.1	17.7
					Income	
					taxes.....	1.5
					2.2	3.5
					-----	-----
					Net	
					income.....	
					12.9%	12.9%
					14.2%	=====
					=====	=====

FISCAL YEARS ENDED SEPTEMBER 30, 2007 AND 2006

The following is a tabular presentation of our results of operations for the fiscal year ended September 30, 2007, compared to the fiscal year ended September 30, 2006. Following the table is a discussion and analysis of our business and results of operations for these years.

YEAR ENDED SEPTEMBER	INCREASE	30,		
(DECREASE)	-----	---		
-----	2007	2006	AMOUNT	%
-----	-----	-----	-----	---
THOUSANDS)	-----	-----	(IN	-----
-----	-----	-----	THOUSANDS)	-----
-----	-----	-----	Revenue:	-----
License.....				
\$ 159,357	\$ 116,285	\$ 43,072	37.0%	
Service.....				
2,676,816	2,363,765	313,051	13.2	----
			2,836,173	
2,480,050	356,123	14.4	-----	----
			Operating expenses:	
			Cost of	
			license.....	3,914
			4,003	(89)
			(2.2)	Cost of
			service.....	
			1,792,468	1,579,823
			212,645	13.5
			Research and	
			development.....	230,444
			186,760	43,684
			23.4	Selling, general
			and administrative...	370,194
			313,997	
			56,197	17.9
			Amortization of purchased	
			intangible	
			assets.....	
			74,959	37,610
			37,349	99.3
			Restructuring charges, in-process	
			research and development and other	
			acquisition related costs.....	
			6,761	25,725
			(18,964)	(73.7)
			-----	-----
			-----	2,478,740

2,147,918	330,822	15.4	-----	---
			-----	-----
			Operating	
			income.....	
357,433	332,132	25,301	7.6	Interest
				income and other, net.....
50,566	41,741	8,825	21.1	-----
			-----	-----
			Income before	
			income taxes.....	407,999
			373,873	34,126
			9.1	Income
			taxes.....	
43,062	55,237	(12,175)	(22.0)	-----
			-----	-----
			Net	
			income.....	
\$ 364,937	\$ 318,636	\$ 46,301	14.5%	
=====	=====	=====		

Revenue. Total revenue increased by \$356.1 million, or 14.4%, in fiscal 2007 to \$2,836 million from \$2,480 million in fiscal 2006. Approximately 52% of the increase was attributable to revenue contributed by the businesses that we acquired during fiscal 2006 and 2007, a portion of which we attribute to synergies and benefits resulting from those businesses being a part of the Amdocs group, and the remainder was attributable to additional revenue from consolidation and transformation projects for tier one customers.

License revenue increased by \$43.1 million, or 37.0%, in fiscal 2007 to \$159.4 million from \$116.3 million in fiscal 2006. The increase in license revenue was attributable primarily to license revenue contributed by acquisitions made during fiscal 2006, as well as to additional license revenue from our customers.

License and service revenue attributable to the sale of customer experience systems was \$2,552 million in fiscal 2007, an increase of \$350.5 million, or 15.9%, from fiscal 2006. Approximately 52% of the increase was attributable to revenue contributed by the businesses that we acquired during fiscal 2006 and 2007, a portion of which we attribute to synergies and benefits resulting from those businesses being a part of the Amdocs group, and the remainder was primarily attributable to additional revenue from consolidation and transformation projects for tier one customers. License and service revenue from the sale of customer experience systems represented 90.0% and 88.8% of our total revenue in fiscal 2007 and 2006, respectively. We believe the demand for our customer experience systems is primarily driven by the need for communications service providers to adopt the strategy of integrated customer management. Although the pace at which service providers were embarking on transformation projects at the beginning of fiscal 2007 was not as we had expected, we continue to regard the need to transform as a long-term industry trend that will continue to drive the demand for our customer experience systems.

License and service revenue from the sale of directory systems was \$284.4 million for fiscal 2007, an increase of \$5.6 million, or 2.0%, from fiscal 2006. License and service revenue from the sale of directory systems represented 10.0% and 11.2% of our total revenue in fiscal 2007 and 2006, respectively. We believe that we are a leading provider of directory systems in most of the markets we serve.

In fiscal 2007, revenue from customers in North America, Europe and the rest of the world accounted for 66.6%, 21.5% and 11.9%, respectively, of total revenue compared to 69.9%, 21.8% and 8.3%, respectively, for fiscal 2006. Revenue from customers in North America and Europe increased in absolute amounts, but in each case the increase was less than the 14.4% increase in our total revenue which resulted in a decrease in revenue from customers in North America and Europe as a percentage of total revenue. The increase in revenue from customers in the rest of the world in fiscal 2007 was attributable primarily to revenue contributed in Asia Pacific.

Cost of License. Cost of license mainly includes amortization of purchased computer software and intellectual property rights. Because such amortization is relatively stable from period to period and, absent impairment, is generally fixed in amount, an increase or decrease in license revenue will cause a significant fluctuation in cost of license as a percentage of license revenue. In fiscal 2007, cost of license as a percentage of license revenue was 2.5%, compared to 3.4% in fiscal 2006.

Cost of Service. Cost of service consists primarily of costs associated with providing services to customers, including compensation expense and costs of third-party products. The increase in cost of service in fiscal 2007 was \$212.6 million or 13.5%, which is less than the increase in our total revenue in fiscal 2007. As a percentage of revenue, cost of service was 63.2% in fiscal 2007, compared to 63.7% in fiscal 2006. The decrease in cost of service in fiscal 2007 as a percentage of revenue was attributable to a decrease in cost of service expense related to our core business, partially offset by cost of service expenses related to our fiscal 2006 and 2007 acquisitions. Our gross margin may vary depending on the types and geographic locations of projects that we undertake.

Research and Development. Research and development expense is primarily comprised of compensation expense. Research and development expense increased by \$43.6 million, or 23.4%, in fiscal 2007 to \$230.4 million from \$186.8 million in fiscal 2006. Research and development expense increased as a percentage of revenue from 7.5% in fiscal 2006 to 8.1% in fiscal 2007. The increase in research and development expense as a percentage of revenue was attributable primarily to research and development

activities related to our fiscal 2006 and 2007 acquisitions. While we invested in upgrading our existing systems in fiscal 2007, we also devoted significant research and development efforts to the integration between our products and a unified user interface in order to enable our customers to adopt an integrated customer management approach. As part of these efforts, in January 2007 we launched Amdocs 7, the next major release of our comprehensive portfolio. Amdocs 7 expanded on the capabilities of our previous Amdocs 6 release and comprises an enhanced portfolio of modular billing, CRM, self-service, order management, mediation, OSS and content management software products.

The majority of our research and development expenditures is directed at our customer experience systems, and the remainder to directory systems. We believe that our research and development efforts are a key element of our strategy and are essential to our success. However, an increase or a decrease in our total revenue would not necessarily result in a proportional increase or decrease in the levels of our research and development expenditures, which could affect our operating margin. Please see the discussion above under the caption "Research and Development, Patents and Licenses."

Selling, General and Administrative. Selling, general and administrative expense increased by \$56.2 million, or 17.9%, in fiscal 2007 to \$370.2 million, from \$314.0 million in fiscal 2006. Selling, general and administrative expense is primarily comprised of compensation expense. The increase in selling, general and administrative expense as a percentage of revenue is attributable to selling, general and administrative expense related to our fiscal 2006 and 2007 acquisitions partially offset by a decrease in selling, general and administrative expense related to our core business.

Amortization of Purchased Intangible Assets. Amortization of purchased intangible assets in fiscal 2007 was \$74.9 million, compared to \$37.6 million in fiscal 2006. The increase in amortization of purchased intangible assets was due to purchased intangible assets acquired in our fiscal 2006 and 2007 acquisitions.

Restructuring Charges, In-Process Research and Development and Other. Restructuring charges, in-process research and development and other in fiscal 2007 consisted of a \$6.0 million restructuring charge related to our restructuring plan in the second quarter of fiscal 2007, and a charge of \$2.7 million for the write-off of purchased in-process research and development related to our acquisition of SigValue, offset by the cumulative effect of our 14% share in SigValue's pre-acquisition results of \$1.9 million. In fiscal 2006, restructuring charges, in-process research and development and other acquisition related costs consisted of \$25.7 million for the write-off of purchased in-process research and development related to our acquisitions of Cramer and Qpass.

In-process research and development was written-off as of the closing dates of the acquisitions, in accordance with Financial Accounting Standards Board Interpretation No. 4, "Applicability of FASB Statement No. 2 to Business Combinations Accounted for by the Purchase Method." The in-process research and development had no alternative future use and had not reached technological feasibility as of the closing dates of the acquisitions.

Operating Income. Operating income increased by \$25.3 million, or 7.6%, in fiscal 2007, to \$357.4 million from \$332.1 million in fiscal 2006. Operating expense grew at a greater rate than the 14.4% increase in revenue during fiscal 2007, which resulted in a decrease in operating income as a percentage of revenue. The increase in operating expense as a percentage of revenue is primarily attributable to the increases in amortization of purchased intangible assets, and to operating expense related to our fiscal 2006 and 2007 acquisitions, partially offset by a decrease in our core operating expenses as a percentage of revenue, and in restructuring charges, in-process research and development and other.

Interest Income and Other, Net. Interest income and other, net increased by \$8.8 million in fiscal 2007 to \$50.6 million from \$41.7 million in fiscal 2006. The increase is primarily attributable to the impact of foreign exchange benefits.

Income Taxes. Income taxes for fiscal 2007 were \$43.1 million on pretax income of \$408.0 million, resulting in an effective tax rate of 10.6% compared to 14.8% in fiscal 2006. Of the reduction in our effective tax rate, 2.1% was attributable to the net effect of acquisition-related costs (which include amortization of purchased intangible assets and other), restructuring charges and equity-based compensation expense, 1.4%

was attributable to the net change in valuation allowances and tax reserves, offset by 2.1% attributable to adjustments to deferred tax liabilities related to two fiscal 2006 acquisitions, and the remaining difference was primarily attributable to the geographical distribution of earnings from global operations. Our effective tax rate for fiscal year 2008 is expected to be between 9% and 12% on an annualized basis compared to 10.6% in fiscal year 2007. Our effective tax rate may fluctuate between quarters as a result of discrete items that may affect a specific quarter as well as changes in the Company's tax reserves in the ordinary course of business. See the discussion below under the caption "Effective Tax Rate."

Net Income. Net income was \$364.9 million in fiscal 2007, compared to net income of \$318.6 million in fiscal 2006. The increase in net income is attributable to the increase in operating income and interest income and other, net and to the decrease of our effective tax rate in fiscal 2007.

Diluted Earnings Per Share. Diluted earnings per share increased by \$0.17, or 11.5%, in fiscal 2007 to \$1.65 from \$1.48 in fiscal 2006. The increase in diluted earnings per share resulted from the increase in net income partially offset by the increase in diluted weighted average number of shares outstanding. Please see Note 18 to our consolidated financial statements included in this Annual Report on Form 20-F.

FISCAL YEARS ENDED SEPTEMBER 30, 2006 AND 2005

The following is a tabular presentation of our results of operations for the fiscal year ended September 30, 2006, compared to the fiscal year ended September 30, 2005. Following the table is a discussion and analysis of our business and results of operations for these years.

YEAR ENDED SEPTEMBER	INCREASE		30,
(DECREASE)	-----		
-----	2006	2005	AMOUNT %
-----	-----		
(IN	-----		
THOUSANDS)	-----		
-----	-----		
-----	Revenue:		
License.....	\$ 116,285	\$ 100,044	\$ 16,241 16.2%
Service.....	2,363,765	1,938,577	425,188 21.9
			----- 2,480,050
	2,038,621	441,429	21.7
	----- Operating expenses:		
	Cost of		
license.....	4,003		4,003
	4,083	(80)	(2.0)
	Cost of		
service.....	1,579,823	1,291,572	288,251 22.3
	Research and		
development.....	186,760		186,760
	144,457	42,303	29.3
	Selling, general		
and administrative...	313,997	232,066	
	81,931	35.3	
	Amortization of purchased		
intangible			
assets.....	37,610	15,356	22,254 144.9
	Restructuring charges, in-process		
research and development and other			
acquisition related costs.....	25,725	12,595	13,130 104.2
			----- 2,147,918
	1,700,129	447,789	26.3
	----- Operating		
income.....	332,132	338,492	(6,360) (1.9)
	Interest income and other,		
net.....	41,741	22,303	19,438
			----- 87.2
	Income before income		
taxes.....	373,873	360,795	
	13,078	3.6	
	Income		
taxes.....			
	55,237	72,159	(16,922) (23.5)
	----- Net		
income.....	\$ 318,636	\$ 288,636	\$ 30,000 10.4%
	=====	=====	=====

Revenue. Total revenue increased by \$441.4 million, or 21.7%, in fiscal 2006 to \$2,480.0 million from \$2,038.6 million in fiscal 2005. Approximately 58% of the increase in total revenue in fiscal 2006 was attributable to revenue contributed by acquisitions made during fiscal 2006 and during the fourth quarter of fiscal 2005, of which \$187.6 million was attributable to DST Innovis. The remainder of the increase in total

revenue was primarily attributable to additional revenue from consolidation projects for existing Tier 1 customers.

License and service revenue from the sale of customer experience systems was \$2,201.2 million for fiscal 2006, an increase of \$424.7 million, or 23.9%, from fiscal 2005. Approximately 60% of the increase was attributable to revenue contributed by acquisitions made during fiscal 2006 and during the fourth quarter of fiscal 2005, of which \$187.6 million was attributable to DST Innovis. The remainder of the increase in total revenue was attributable to additional revenue from consolidation projects for existing Tier 1 customers. License and service revenue from the sale of customer experience systems represented 88.8% and 87.1% of our total revenue in fiscal 2006 and 2005, respectively.

License and service revenue from the sale of directory systems was \$278.8 million for fiscal 2006, an increase of \$16.7 million, or 6.4%, from fiscal 2005. Approximately 69% of the increase in directory systems revenue in fiscal 2006 was attributable to an increase in business related to managed services customers. License and service revenue from the sale of directory systems represented 11.2% and 12.9% of our total revenue in fiscal 2006 and 2005, respectively. We believe that we are a leading provider of directory systems in most of the markets we serve.

In fiscal 2006, revenue from customers in North America, Europe and the rest of the world accounted for 69.9%, 21.8% and 8.3%, respectively, of total revenue compared to 68.3%, 24.0% and 7.7%, respectively, for fiscal 2005. Approximately 54% of the increase in revenue from customers in North America was attributable to revenue contributed by DST Innovis, and the remainder was primarily attributable to projects for existing customers in North America. Revenue from customers in Europe increased in absolute amounts, but the increase was less than the 21.7% increase in our total revenue, which resulted in a decrease in revenue from customers in Europe as a percentage of total revenue. The increase in revenue from customers in the rest of the world as a percentage of our total revenue in fiscal 2006 was attributable primarily to revenue contributed in China.

Cost of License. Cost of license consists primarily of amortization of purchased computer software and intellectual property rights. Such amortization is relatively stable from period to period and, absent items that were fully amortized or impaired, is generally fixed in amount. Therefore, an increase or decrease in license revenue could cause a significant fluctuation in cost of license as a percentage of license revenue. In fiscal 2006, cost of license, as a percentage of license revenue, was 3.4% compared to 4.1% in fiscal 2005.

Cost of Service. Cost of service consists primarily of costs associated with providing services to customers, including compensation expense, warranty expense and costs of third-party products. The increase in cost of service in fiscal 2006 was 22.3%, which is greater than the increase in our total revenue in fiscal 2006. As a percentage of revenue, cost of service was 63.7%, compared to 63.4% in fiscal 2005. Cost of service in fiscal 2006 includes the effect of \$18.0 million of equity-based compensation expense. Equity-based compensation expense in fiscal 2005 was not significant. Our gross margin may vary depending on the types and geographic locations of projects that we undertake.

Research and Development. As a percentage of revenue, research and development expense was 7.5% and 7.1% in fiscal 2006 and 2005, respectively. Research and development expense increased by \$42.3 million, or 29.3%, in fiscal 2006 to \$186.8 million from \$144.5 million in fiscal 2005. The increase in research and development expense was attributable primarily to research and development activities in our efforts to develop new products for the cable broadband and satellite industry and integrate products into our customer experience systems as well as research and development activities related to the Qpass and Cramer acquisitions. Research and development expense in fiscal 2006 includes the effect of \$4.7 million of equity-based compensation expense. Equity-based compensation expense in fiscal 2005 was not significant.

Selling, General and Administrative. Selling, general and administrative expense increased by \$81.9 million, or 35.3%, in fiscal 2006 to \$314.0 million from \$232.1 million in fiscal 2005. Selling, general and administrative expense primarily consisted of compensation expense. The increase in selling, general and administrative expense was attributable to an overall increase in our operations including the impact of DST

Innovis, Longshine, Qpass and Cramer acquisitions, as well as to the inclusion of \$23.4 million of equity-based compensation expense. Equity-based compensation expense in fiscal 2005 was not significant.

Amortization of Purchased Intangible Assets. Amortization of purchased intangible assets for fiscal 2006 was \$37.6 million, compared to \$15.4 million in fiscal 2005. The increase in amortization of purchased intangible assets was due to purchased intangible assets acquired in the DST Innovis, Longshine, Qpass and Cramer acquisitions, partially offset by purchased intangible assets that were fully amortized in the first quarter of fiscal 2005.

Restructuring Charges, In-Process Research and Development and Other Acquisition Related Costs. Restructuring charges, in-process research and development and other acquisition related costs in fiscal 2006 consisted of \$25.7 million for the write-off of purchased in-process research and development related to our acquisitions of Cramer and Qpass. In fiscal 2005, restructuring charges, in-process research and development and other acquisition related costs consisted of an \$8.1 million restructuring charge related to our restructuring plan in the fourth quarter of fiscal 2005 to allow better integration of our acquisitions of DST Innovis and Longshine and to improve efficiency, and a charge of \$4.5 million for the write-off of purchased in-process research and development and other costs related to our acquisition of DST Innovis.

In-process research and development was written-off as of the closing dates of the acquisitions, in accordance with Financial Accounting Standards Board Interpretation No. 4, "Applicability of FASB Statement No. 2 to Business Combinations Accounted for by the Purchase Method." The in-process research and development had no alternative future use and had not reached technological feasibility as of the closing dates of the acquisitions. The acquisition of Cramer accounted for \$17.3 million of in-process research and development during fiscal 2006, which related to the next two major releases of Cramer's current technology, of which one was launched during the first quarter of fiscal 2007.

Operating Income. Despite the 21.7% increase in revenue in fiscal 2006, operating income in fiscal 2006 was negatively affected by the inclusion of \$46.2 million of equity-based compensation expense, by the \$22.3 million increase in amortization of purchased intangible assets and by the \$13.1 million increase in restructuring charges, in-process research and development and other acquisition related costs. In total, fiscal 2006 operating income decreased by \$6.4 million, or 1.9%, to \$332.1 million from \$338.5 million in fiscal 2005.

Interest Income and Other, Net. Interest income and other, net increased by \$19.4 million, or 87.2%, in fiscal 2006 to \$41.7 million from \$22.3 million in fiscal 2005. The increase in interest income and other, net, was primarily attributable to the increase in market interest rates on our short-term interest-bearing investments.

Income Taxes. Income taxes for fiscal 2006 were \$55.2 million on pretax income of \$373.9 million, which resulted in an effective tax rate of 14.8% compared to 20% in fiscal 2005. Of the reduction in our effective tax rate, 3.0% was attributable to an increase in lower taxed earnings from global operations and approximately 2.2% was attributable to the net effect of acquisition-related costs and equity-based compensation expense. Our effective tax rate may fluctuate between quarters as a result of discrete items that may affect a specific quarter. See the discussion below under the caption "Effective Tax Rate."

Net Income. Net income was \$318.6 million in fiscal 2006, compared to net income of \$288.6 million in fiscal 2005. The increase in net income was attributable to the overall increase in our operations, the increase in interest income and other, net, and the decrease in our effective tax rate partially offset by the increase in restructuring charges, in-process research and development and other, the increase in amortization of purchased intangible assets, and by the inclusion of equity-based compensation expense during fiscal 2006.

Diluted Earnings Per Share. Diluted earnings per share was \$1.48 for fiscal 2006, compared to \$1.35 in fiscal 2005. The increase in diluted earnings per share resulted primarily from the increase in net income. Please see Note 18 to the consolidated financial statements included in this Annual Report.

LIQUIDITY AND CAPITAL RESOURCES

Cash, cash equivalents and short-term interest-bearing investments totaled \$1,179.3 million as of September 30, 2007, compared to \$979.4 million as of September 30, 2006. The increase during fiscal 2007 is attributable to \$424.0 million in positive cash flows from operations and \$74.7 million in proceeds from the exercise of employee stock options, partially offset by approximately \$166.4 million for capital expenditures, \$90.7 million in net cash paid for acquisitions and \$49.8 million used to repurchase ordinary shares pursuant to our share repurchase program. Net cash provided by operating activities amounted to \$424.0 million for fiscal 2007 and \$429.2 million for fiscal 2006. We currently intend to retain our future operating cash flows to support the further expansion of our business, including by acquisitions.

Our policy is to retain substantial cash balances in order to support the growth of the Company. We believe that our current cash balances, cash generated from operations and our current lines of credit will provide sufficient resources to meet our operational needs for at least the next fiscal year.

In March 2004, we issued \$450.0 million aggregate principal amount of our 0.50% Notes through a private placement to qualified institutional buyers pursuant to Rule 144A under the Securities Act. We used the net proceeds and additional cash resources to retire \$400.2 million of outstanding debt. We also used approximately \$170.1 million of the net proceeds from the sale of the 0.50% Notes to repurchase approximately 6.1 million ordinary shares sold short by purchasers of the 0.50% Notes in negotiated transactions concurrently with the offering. As of September 30, 2007, \$450.0 million aggregate principal amount of our 0.50% Notes were outstanding.

On November 27, 2007, we also entered into an unsecured \$500 million five-year revolving credit facility with a syndicate of banks, which facility will be available for general corporate purposes, including acquisitions and repurchases of our ordinary shares that we may consider from time to time. As of September 30, 2007, we also had available short-term general revolving lines of credit totaling \$30.9 million, none of which was outstanding. In addition, as of September 30, 2007, we had outstanding stand by letters of credit and bank guarantees from various banks totaling \$8.0 million.

As of September 30, 2007, we had outstanding short-term loans of \$1.8 million, which are secured by specified pledges and guaranties.

The following table summarizes our contractual obligations as of September 30, 2007, and the effect such obligations are expected to have on our liquidity and cash flows in future periods (in millions):

CASH PAYMENTS DUE BY PERIOD -----	-----	-----	-----	-----	-----
LESS THAN 1-3 4-5 OVER 5 CONTRACTUAL	OBLIGATIONS	TOTAL	1 YEAR	YEARS	YEARS
YEARS	-	-----	-----	-----	-----
Convertible					
notes.....					
\$453.5	\$ 2.4	\$451.1	\$ --	\$ --	
Financing					
arrangements.....					
1.8	1.8	--	--	--	Pension
funding.....					
30.8	4.2	12.9	4.4	9.3	Purchase
obligations.....					
28.7	19.6	9.1	--	--	Non-cancelable
operating leases.....					
77.6	165.1	42.5	7.8	-----	-----
-----	-----	-----	\$807.8	\$105.6	
\$638.2	\$46.9	\$17.1	=====	=====	
=====	=====	=====			

Our capital expenditures were approximately \$166.4 million in fiscal 2007. Approximately 70% of these expenditures consisted of purchases of computer equipment with the remainder attributable mainly to leasehold improvements. Our policy is to fund our capital expenditures principally from operating cash flows, and we do not anticipate any changes to this policy in the foreseeable future.

From time to time, we have engaged in share repurchase programs in which we repurchase our shares in the open market or privately negotiated transactions

and at times and prices we deem appropriate.

In August 2007, our board of directors authorized a share repurchase plan allowing the repurchase of up to \$400 million of our outstanding ordinary shares. The authorization permits us to purchase our ordinary shares in open market or privately negotiated transactions at times and prices that we consider appropriate. In

fiscal 2007, we repurchased 1.4 million ordinary shares at an average price of \$35.30 per share under this plan.

NET DEFERRED TAX ASSETS

As of September 30, 2007, deferred tax assets of \$33.3 million, derived from net capital and operating loss carry forwards related to some of our subsidiaries, were offset by valuation allowances due to the uncertainty of the realizing any tax benefit for such losses. When realization of the tax benefits associated with such net capital and operating losses is deemed more likely than not, the valuation allowance will be released through income taxes or through goodwill.

CRITICAL ACCOUNTING POLICIES

Our discussion and analysis of our consolidated financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with U.S. generally accepted accounting principles. The preparation of these financial statements requires us to make estimates, assumptions and judgments that affect the reported amounts of assets, liabilities, revenue and expenses, and related disclosure of contingent liabilities. On a regular basis, we evaluate and may revise our estimates. We base our estimates on historical experience and various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent. Actual results could differ materially from the estimates under different assumptions or conditions.

We believe that the estimates, assumptions and judgments involved in the accounting policies described below have the greatest potential impact on our financial statements, so we consider these to be our critical accounting policies. These policies require that we make estimates in the preparation of our financial statements as of a given date. Our critical accounting policies are as follows:

- Revenue recognition and contract accounting
- Tax accounting
- Business combinations
- Equity-based compensation expense
- Goodwill and intangible assets
- Derivative and hedge accounting
- Realizability of long-lived assets
- Accounts receivable reserves

Below, we discuss these policies further, as well as the estimates and judgments involved. We also have other key accounting policies. We believe that, compared to the critical accounting policies listed above, the other policies either do not generally require us to make estimates and judgments that are as difficult or as subjective, or it is less likely that they would have a material impact on our reported consolidated results of operations for a given period.

REVENUE RECOGNITION AND CONTRACT ACCOUNTING

We derive our revenue principally from:

- the initial sales of licenses to use our products and related services, including modification, implementation and integration services,
- providing managed services and other related services for our solutions, and
- recurring revenue from ongoing support and maintenance provided to our customers, and from incremental license fees resulting from increases in a customer's business volume.

Revenue is recognized only when all of the following conditions have been met: (i) there is persuasive evidence of an arrangement; (ii) delivery has occurred; (iii) the fee is fixed and determinable; and (iv) collectability of the fee is reasonably assured. We usually sell our software licenses as part of an overall solution offered to a customer that combines the sale of software licenses with a broad range of services, which normally include significant customization, modification, implementation and integration. Those services and those in which the services are not available from third-party vendors are deemed essential to the software. As a result, we generally recognize combined license and service revenue over the course of these long-term projects, using the percentage of completion method of accounting. Initial license fee revenue is recognized as work is performed, using the percentage of completion method of accounting. Subsequent license fee revenue is recognized upon completion of specified conditions in each contract, based on a customer's subscriber or transaction volume or other measurements when greater than the level specified in the contract for the initial license fee. Service revenue that involves significant ongoing obligations, including fees for software customization, implementation and modification, also is recognized as work is performed, under the percentage of completion method of accounting. Revenue from software solutions that do not require significant customization and modification is recognized upon delivery or as services are provided. In managed services contracts, we typically recognize revenue from the operation of a customer's system as services are performed based on time elapsed, output produced or volume of data processed, depending on the specific contract terms of the managed services arrangement. Typically, managed services contracts are long-term in duration and are not subject to seasonality. Revenue from ongoing support services is recognized as work is performed. Revenue from third-party hardware sales is recognized upon delivery and installation, and revenue from third-party software sales is recognized upon delivery. Maintenance revenue is recognized ratably over the term of the maintenance agreement. A significant portion of our revenue is recognized over the course of long-term projects under the percentage of completion method of accounting. The percentage of completion method requires the exercise of judgment, such as with respect to estimations of progress-to-completion, contract revenue, loss contracts and contract costs. Progress in completing such projects may significantly affect our annual and quarterly operating results.

We follow very specific and detailed guidelines, several of which are discussed above, in measuring revenue; however, certain judgments affect the application of our revenue recognition policy.

Our revenue recognition policy takes into consideration the creditworthiness and past transaction history of each customer in determining the probability of collection as a criterion of revenue recognition. This determination requires the exercise of judgment, which affects our revenue recognition. If we determine that collection of a fee is not reasonably assured, we defer the revenue recognition until the time collection becomes reasonably assured, which is generally upon receipt of cash.

For arrangements with multiple deliverables, we allocate revenue to each component based upon its relative fair value, which is determined in reliance on the Vendor Specific Objective Evidence ("VSOE") of fair value for that element. Such determination is judgmental and for most contracts is based on normal pricing and discounting practices for those elements when sold separately in similar arrangements.

Revenue from third-party hardware and software sales is recorded at a gross or net amount according to certain indicators. The application of these indicators for gross and net reporting of revenue depends on the relative facts and circumstances of each sale and requires significant judgment.

See Note 2 to the consolidated financial statements included in this document for further information.

TAX ACCOUNTING

As part of the process of preparing our consolidated financial statements, we are required to estimate our income tax expense in each of the jurisdictions in which we operate. In the ordinary course of a global business, there are many transactions and calculations where the ultimate tax outcome is uncertain. Some of these uncertainties arise as a consequence of revenue sharing and reimbursement arrangements among related entities, the process of identifying items of revenue and expenses that qualify for preferential tax treatment and segregation of foreign and domestic income and expense to avoid double taxation. This process involves us estimating our current tax exposure, which is accrued as taxes payable, together with assessing temporary

differences resulting from differing treatment of items, such as deferred revenue, for tax and accounting differences. These differences result in deferred tax assets and liabilities, which are included within our consolidated balance sheet. We may record a valuation allowance to reduce our deferred tax assets to the amount of future tax benefit that is more likely than not to be realized.

Although we believe that our estimates are reasonable and that we have considered future taxable income and ongoing prudent and feasible tax strategies in estimating our tax outcome and in assessing the need for the valuation allowance, there is no assurance that the final tax outcome and the valuation allowance will not be different than those that are reflected in our historical income tax provisions and accruals. Such differences could have a material effect on our income tax provision, net income and cash balances in the period in which such determination is made.

We have filed or are in the process of filing tax returns that are subject to audit by the respective tax authorities. Although the ultimate outcome is unknown, we believe that any adjustments that may result from tax return audits are not likely to have a material, adverse effect on our consolidated results of operations, financial condition or cash flows.

BUSINESS COMBINATIONS

In accordance with business combination accounting, we allocate the purchase price of acquired companies to the tangible and intangible assets acquired and liabilities assumed, as well as to in-process research and development based on their estimated fair values. We engage third-party appraisal firms to assist management in determining the fair values of certain assets acquired and liabilities assumed. Such valuations require management to make significant estimates and assumptions, especially with respect to intangible assets.

Management makes estimates of fair value based upon assumptions believed to be reasonable. These estimates are based on historical experience and information obtained from the management of the acquired companies and are inherently uncertain. Critical estimates in valuing certain assets acquired and liabilities assumed include but are not limited to: future expected cash flows from license and service sales, maintenance and hosting agreements, customer contracts and acquired developed technologies, expected costs to develop the in-process research and development into commercially viable products and estimated cash flows from the projects when completed, the acquired company's brand awareness and discount rate. Unanticipated events and circumstances may occur that may affect the accuracy or validity of such assumptions, estimates or actual results.

EQUITY-BASED COMPENSATION EXPENSE

Effective October 1, 2005, we account for equity-based compensation in accordance with SFAS No. 123(R), Share-Based Payment. Under the fair value recognition provisions of this statement, share-based compensation cost is measured at the grant date based on the value of the award and is recognized as expense over the requisite service periods. We selected the Black-Scholes option pricing model as the most appropriate fair value method for our stock-options awards and value restricted stock based on the market value of the underlying shares at the date of grant. The fair value of an award is affected by our stock price on the date of grant as well as other assumptions including the estimated volatility of our stock price over the term of the awards and the estimated period of time that we expect employees to hold their stock options. We use a combination of implied volatility of the Company's traded options and historical stock price volatility ("blended volatility") as the expected volatility assumption required in the Black-Scholes option valuation model. The selection of the blended volatility approach was based upon the availability of traded options on our shares and our assessment that blended volatility is more representative of future share price trends than historical volatility. Equity-based compensation expense recognized in the Consolidated Statement of Operations were reduced for estimated forfeitures.

Determining the fair value of share-based awards at the grant date requires the exercise of judgment. In addition, the exercise of judgment is also required in estimating the amount of share-based awards that are expected to be forfeited. If actual results differ significantly from these estimates, equity-based compensation expense and our results of operations could be materially impacted. Please see Note 17 of the notes to the consolidated financial statements for further information.

GOODWILL AND INTANGIBLE ASSETS

We follow SFAS No. 142, "Goodwill and Other Intangible Assets." Under SFAS No. 142, goodwill and intangible assets deemed to have indefinite lives are subject to periodic impairment tests in accordance with the Statement. Goodwill impairment is deemed to exist if the net book value of a reporting unit exceeds its estimated fair value. The total purchase price of business acquisitions accounted for using the purchase method is allocated first to identifiable assets and liabilities based on estimated fair values. The excess of the purchase price over the fair value of net assets of purchased businesses is recorded as goodwill.

We perform an annual impairment test during the fourth quarter of each fiscal year, or more frequently if impairment indicators are present. We operate in one operating segment, and this segment comprises our only reporting unit. In calculating the fair value of the reporting unit, we used a discounted cash flow methodology. There was no impairment of goodwill upon adoption of SFAS No. 142 and there was no impairment at the annual impairment test date.

DERIVATIVE AND HEDGE ACCOUNTING

Approximately 70% of our revenue and 50% to 60% of our operating expenses are denominated in U.S. dollar or linked to the U.S. dollar. We enter into foreign exchange forward contracts and options to hedge a significant portion of our foreign currency exposure to lower fluctuations in revenue and expenses. The majority of our hedging arrangements are classified as cash flow hedges. Accordingly, changes in the fair value of these forward exchange contracts and options are recorded in other comprehensive income (loss). We estimate the fair value of such derivative contracts by reference to forward and spot rates quoted in active markets.

Establishing and accounting for foreign exchange contracts involve judgments, such as determining the nature of the exposure, assessing its amount and timing, and evaluating the effectiveness of the hedging arrangement.

Although we believe that our estimates are accurate and meet the requirement of hedge accounting, actual results differ from these estimates, and such difference could cause fluctuation of our recorded revenue and expenses.

REALIZABILITY OF LONG-LIVED ASSETS

We are required to assess the impairment of long-lived assets, other than goodwill, tangible and intangible under SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," on a periodic basis, and if events or changes in circumstances indicate that the carrying value may not be recoverable. Impairment indicators include any significant changes in the manner of our use of the assets or the strategy of our overall business, significant negative industry or economic trends and significant decline in our share price for a sustained period.

Upon determination that the carrying value of a long-lived asset may not be recoverable based upon a comparison of fair value to the carrying amount of the asset, an impairment charge is recorded. We measure fair value using an undiscounted projected future cash flow.

ACCOUNTS RECEIVABLE RESERVES

The allowance for doubtful accounts is for estimated losses resulting from the inability of our customers to make required payments. We evaluate accounts receivable to determine if they will ultimately be collected. In performing this evaluation, significant judgments and estimates are involved, such as past experience, credit quality of the customer, age of the receivable balance and current economic conditions that may affect a customer's ability to pay. If collection is not reasonably assured at the time the transaction is consummated, we do not recognize revenue until collection becomes reasonably assured. If the financial condition of our customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required. The allowance for doubtful accounts is established either through a charge to selling, general and administrative expenses or as a reduction to revenue.

Within the context of these critical accounting policies, we are not currently aware of any reasonably likely events or circumstances that would result in materially different amounts being reported.

RECENT ACCOUNTING PRONOUNCEMENTS

In February 2007, the Financial Accounting Standards Board ("FASB") issued Statement No. 159 "The Fair Value Option for Financial Assets and Financial Liabilities" including an amendment of FASB Statement No. 115 ("SFAS 159"), which allows an entity the irrevocable option to elect fair value for the initial and subsequent measurement for certain financial assets and liabilities under an instrument-by-instrument election. If the fair value option is elected for an instrument, subsequent changes in fair value for that instrument will be recognized in earnings. SFAS 159 also establishes additional disclosure requirements and is effective for fiscal years beginning after November 15, 2007, with early adoption permitted provided that the entity also adopts Statement No. 157, "Fair Value Measurements" ("SFAS 157"). We are currently evaluating the effect that the application of SFAS 159 will have on our consolidated results of operations and financial condition.

In September 2006, the Financial Accounting Standards Board (FASB) issued Statement No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans," an amendment of FASB Statements No. 87, 88, 106 and 132(R) ("SFAS 158"). SFAS 158 requires an entity to recognize in its statement of financial position an asset for a defined benefit postretirement plan's overfunded status or a liability for a plan's underfunded status, measure a defined benefit postretirement plan's assets and obligations that determine its funded status as of the end of the employer's fiscal year, and recognize changes in the funded status of a defined benefit postretirement plan in comprehensive income in the year in which the changes occur.

SFAS 158 does not change the amount of net periodic benefit cost included in net income or address the various measurement issues associated with postretirement benefit plan accounting. The requirement to recognize the funded status of a defined benefit postretirement plan and the disclosure requirements are effective for fiscal years ending after December 15, 2006. The requirement to measure plan assets and benefit obligations as of the date of the employer's fiscal year-end statement of financial position is effective for fiscal years ending after December 15, 2008. We have adopted SFAS 158 in the fourth quarter of fiscal year 2007. The net of tax impact on accumulated other comprehensive income of adopting Statement 158 was \$0.7 million at September 30, 2007.

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements" ("SFAS 157"). SFAS No. 157 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles (GAAP), and expands disclosures about fair value measurements. SFAS No. 157 applies under other accounting pronouncements that require or permit fair value measurements. SFAS 157 will be effective for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. We are currently evaluating the effect that the application of SFAS 157 will have on our consolidated results of operations and financial condition.

In September 2006, the SEC issued Staff Accounting Bulletin No. 108, "Financial Statements -- Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements" ("SAB 108"). SAB 108 requires companies to quantify the impact of all correcting misstatements, including both the carryover and reversing effects of prior year misstatements, on the current year financial statements. SAB 108 is effective for fiscal years ending after November 15, 2006. We applied the provisions of SAB 108 in the first quarter of fiscal 2007 and there was no impact to the consolidated financial statements.

In June 2006, the FASB issued Interpretation No. 48, "Accounting for Uncertainty in Income Taxes," An Interpretation of SFAS No. 109, ("FIN 48"). FIN 48 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with SFAS No. 109, Accounting for Income Taxes. FIN 48 also prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return that results in a tax benefit. Additionally, FIN 48 provides guidance on de-recognition, income statement classification of interest and penalties, accounting in interim periods, disclosure, and transition. This interpretation is effective for fiscal years beginning after December 15, 2006. While we continue to analyze the effect of adopting the provisions of FIN 48, we currently expect that the adoption of FIN 48 will not have a material effect on our reserve for uncertain tax positions.

In February 2006, the FASB issued SFAS No. 155, "Accounting for Certain Hybrid Financial Instruments," an amendment of FASB Statement No. 133 and 140 ("FAS 155"), which permits fair value measurement for any hybrid financial instrument that contains an embedded derivative that otherwise would require bifurcation, with changes in fair value recognized in earnings. The fair-value election will eliminate the need to separately recognize certain derivatives embedded in hybrid financial instruments under FASB Statement No. 133, Accounting for Derivative Instruments and Hedging Activities. SFAS 155 is effective for all financial instruments acquired or issued after the beginning of the first fiscal year that begins after September 15, 2006. We applied the provisions of SFAS 155 in the first quarter of fiscal 2007 and there was no material impact to the consolidated financial statements.

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

DIRECTORS AND SENIOR MANAGEMENT

We rely on the executive officers of our principal operating subsidiaries to manage our business. In addition, Amdocs Management Limited, our management subsidiary, performs certain executive coordination functions for all of our operating subsidiaries.

As of November 30, 2007, our directors, senior managers and key employees upon whose work we are dependent were as follows:

NAME	AGE	POSITION
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Bruce K. Anderson	(2)	
(4)(5)	67	Chairman of the Board, Amdocs Limited
Adrian Gardner	(1)(3)	45 Director and Chairman of the Audit Committee, Amdocs Limited
Charles E. Foster	(1)	
(3)	71	Director and Chairman of the Nominating and Corporate Governance Committee, Amdocs Limited
James S. Kahan	(2)(3)(4)	60 Director and Chairman of the Compensation Committee, Amdocs Limited
Joseph Vardi	(5)	65 Director and Chairman of the Technology and Innovation Committee, Amdocs Limited
Julian A. Brodsky	(3)	74 Director, Amdocs Limited
Nehemia Lemelbaum	(4)(5)	65 Director, Amdocs Limited
John T. McLennan	(1)	62 Director, Amdocs Limited
Robert A. Minicucci	(2)	
(4)	55	Director, Amdocs Limited
Simon Olswang	(1)	
(3)	63	Director, Amdocs Limited
Mario Segal	(3)	60 Director, Amdocs Limited
Dov Baharav	(4)	57 Director, Amdocs

Limited; President
and Chief Executive
Officer, Amdocs
Management Limited
Eli

Gelman(5).....
49 Director, Amdocs
Limited; Executive
Vice President and
Chief Operating
Officer, Amdocs
Management Limited
Guy

Dubois.....
53 Executive Vice
President, Amdocs
Management Limited
Tamar Rapaport

Dagim..... 36 Senior
Vice President and
Chief Financial
Officer, Amdocs
Management Limited
Harel

Kodesh.....
49 Senior Vice
President and Chief
Products Officer,
Amdocs Management
Limited Thomas G.

O'Brien..... 46
Treasurer and
Secretary, Amdocs
Limited

- - - - -
- (1) Member of the Audit Committee
 - (2) Member of the Compensation Committee
 - (3) Member of the Nominating and Corporate Governance Committee
 - (4) Member of the Executive Committee
 - (5) Member of the Technology and Innovation Committee

Bruce K. Anderson has been Chairman of the Board of Directors of Amdocs since September 1997. Since August 1978, Mr. Anderson has been a general partner of Welsh, Carson, Anderson & Stowe ("WCAS"), an investment firm that specializes in the acquisition of companies in the information and business services and health care industries. Until September 2003, investment partnerships affiliated with WCAS had been among our largest shareholders. Mr. Anderson served for nine years with Automated Data Processing, Inc. ("ADP") until his resignation as Executive Vice President and a director of ADP, and President of ADP International, effective August 1978. Mr. Anderson serves on the board of Alliance Data Systems, Inc., a publicly held company that provides transaction, credit and marketing services to large consumer based businesses.

Adrian Gardner has been a director of Amdocs since April 1998 and is Chairman of the Audit Committee. Since November 2007, Mr. Gardner has been Chief Financial Officer of PA Consulting Group, a London-based business consulting firm. From April until November 2007, Mr. Gardner was a private investor. Mr. Gardner was Chief Financial Officer of ProStrakan Group plc, a pharmaceuticals company based in the United Kingdom and listed on the London Stock Exchange, from 2002 until April 2007 and a director from 2002 until June 2007. Prior to joining ProStrakan, he was a Managing Director of Lazard LLC, based in London, where he worked with technology- and telecommunications-related companies. Prior to joining Lazard in 1989, Mr. Gardner qualified as a chartered accountant with Price Waterhouse (now PricewaterhouseCoopers). Mr. Gardner is a member of the Institute of Chartered Accountants in England & Wales.

Charles E. Foster has been a director of Amdocs since December 2001 and is Chairman of the Nominating and Corporate Governance Committee. He was Chairman of the Board of Prodigy Communications Corporation from June until November 2001. From April 1997 until June 2001, Mr. Foster served as Group President of SBC, where he was responsible, at various times, for engineering, network, centralized services, marketing and operations, information systems, procurement, treasury, international operations, wireless services, merger integration, real estate, yellow pages and cable TV operations. In 2005, SBC acquired AT&T Corp. and became AT&T Inc. AT&T, together with its affiliates, holds 5.1% of our outstanding ordinary shares and is a significant customer of ours. Mr. Foster serves as trustee of the Southwest Foundation for Bio-Medical Research, a non-profit research institute. Mr. Foster is a member of the Texas Society of Professional Engineers and a director of Morningside Ministries, a non-profit operator of nursing homes in the San Antonio area.

James S. Kahan has been a director of Amdocs since April 1998 and is Chairman of the Compensation Committee. From 1983 until his June 2007 retirement, he worked at SBC, which is now AT&T, and served as a Senior Executive Vice President from 1992 until June 2007. AT&T, together with its affiliates, holds 5.1% of our outstanding ordinary shares and is a significant customer of ours. Prior to joining AT&T, Mr. Kahan held various positions at several telecommunications companies, including Western Electric, Bell Laboratories, South Central Bell and AT&T Corp.

Joseph Vardi has been a director of Amdocs since November 2006. He co-founded numerous technology and other companies, including Advanced Technology Ltd, International Technologies Lasers Ltd and Contigo Mobility Inc. In 1998, Dr. Vardi served as chairman of Mirabilis Ltd., which created ICQ, the first internet-wide instant messaging application, and which was acquired by America Online Inc in 1998. Dr. Vardi has served as an advisor to AOL since 1999. From 2003 to 2005, Dr. Vardi served as an advisor to Amazon Inc. Since May 2006, he has served as an advisor to Commtouch Software Ltd., an email security company, and since April 2006, he has served as an advisor to RichFX Inc, a rich media merchandising company. From 1970 to 1974, Dr. Vardi was Director General of the Israeli Ministry of Development, and from 1977 to 1979, he was Director General of the Ministry of Energy and the chairman of the Israeli National Oil Company. From 1971 to 1974 he was chairman of Israel Chemicals LTD., Israel's largest natural resources company. Dr. Vardi has served on the boards of numerous government and private corporations, including the advisory board of the Central Bank of Israel, Israel Electric Corp., Bezeq, Scitex and Israel Oil Refineries LTD. Dr. Vardi has determined not to stand for reelection as a director upon expiration of his current term.

Julian A. Brodsky has been a director of Amdocs since July 2003. Mr. Brodsky has served as a director and as Vice Chairman of Comcast Corporation since 1989. From 1989 to May 2004, Mr. Brodsky was Chairman of Comcast Interactive Capital, LP, a venture fund affiliated with Comcast. He is a director of RBB Fund, Inc.

Nehemia Lemelbaum has been a director of Amdocs since December 2001 and was a Senior Vice President of Amdocs Management Limited from 1985 until January 2005. Since 2005, Mr Lemelbaum has been a private investor. He joined Amdocs in 1985, with initial responsibility for U.S. operations. Mr. Lemelbaum led our development of graphic products for the yellow pages industry and later led our development of customer care and billing systems, as well as our penetration into that market. Prior to joining Amdocs, he served for nine years with Contahal Ltd., a leading Israeli software company, first as a senior consultant, and later as Managing Director. From 1967 to 1976, Mr. Lemelbaum was employed by the Ministry of Communications of Israel (the organization that predated Bezeq, the Israel Telecommunication Corp. Ltd.), with responsibility for computer technology in the area of business data processing.

John T. McLennan has been a director of Amdocs since November 1999. From May 2000 until June 2004, he served as Vice-Chair and Chief Executive Officer of Allstream (formerly AT&T Canada). Mr. McLennan founded and was the President of Jenmark Consulting Inc. from 1997 until May 2000. From 1993 to 1997, Mr. McLennan served as the President and Chief Executive Officer of Bell Canada. Prior to that, he held various positions at several telecommunications companies, including BCE Mobile Communications and Cantel Inc. Mr. McLennan is also a director of Manitoba Telephone Systems, Air Canada Enterprises, Emera Inc., a Canadian publicly held energy services company, Hummingbird Ltd., a Canadian publicly held enterprise management software company, Medisys Health Group Inc., a Canadian publicly held health services company, and several other private software and communication companies.

Robert A. Minicucci has been a director of Amdocs since September 1997. He has been a general partner of WCAS since 1993. From 1992 to 1993, Mr. Minicucci served as Senior Vice President and Chief Financial Officer of First Data Corporation, a provider of information processing and related services for credit card and other payment transactions. From 1991 to 1992, he served as Senior Vice President and Treasurer of the American Express Company. He served for twelve years with Lehman Brothers (and its predecessors) until his resignation as a Managing Director in 1991. Mr. Minicucci is also a director of Alliance Data Systems, Inc., a publicly held company, and several private companies.

Simon Olswang has been a director of Amdocs since November 2004. In 2002, Mr. Olswang retired as Chairman of Olswang, a media and communications law firm in the United Kingdom that he founded in 1981. He is a member of the Boards of Directors of The British Library, DIC Entertainment Corporation and the British Screen Advisory Council, and he has served as a non-executive director of a number of companies and organizations, including Aegis Group plc, The Press Association and the British Film Institute. Mr. Olswang serves as Chairman of Governors of Langdon College of Further (Special) Education in Salford, of which he is a co-founder and trustee.

Mario Segal has been a director of Amdocs since December 2001 and served as a Senior Vice President and the Chief Operating Officer of Amdocs Management Limited from 1995 until July 2002. He joined Amdocs in 1984 as Senior Vice President and was a leading member of the team that developed our directory automation systems and our customer care and billing systems platform. Prior to joining Amdocs, Mr. Segal was an account manager for a major North American yellow pages publisher and prior thereto managed the computer department of a major Israeli insurance company, leading large-scale software development projects and strategic planning of automation systems.

Dov Baharav has been a director of Amdocs and the President and Chief Executive Officer of Amdocs Management Limited, our wholly-owned subsidiary, since July 2002. Mr. Baharav has overall coordination responsibilities for the operations and activities of our operating subsidiaries. In 1991, Mr. Baharav joined Amdocs Inc., our principal wholly-owned U.S. subsidiary, serving as its Vice President and then President in St. Louis, Missouri until 1995. From 1995 until July 2002, Mr. Baharav was a Senior Vice President and the Chief Financial Officer of Amdocs Management Limited. Prior to joining Amdocs, Mr. Baharav served as

Chief Operating Officer of Optrotech Ltd., a publicly held company that develops, manufactures and markets electro-optical devices.

Eli Gelman has been a director of Amdocs and the Executive Vice President of Amdocs Management Limited since 2002 and its Chief Operating Officer since October 2006. Mr. Gelman has more than 28 years of experience in the software industry, including the last 20 years with Amdocs. Prior to his current position, he was a division president, where he headed our United States sales and marketing operations and helped spearhead our entry into the customer care and billing systems market. Before that, Mr. Gelman was an account manager for our major European and North American installations, and has led several major software development projects. Before joining Amdocs, Mr. Gelman was involved in the development of real-time software systems for communications networks.

Guy Dubois has been an Executive Vice President and head of the Product Business Group of Amdocs Management Limited since July 2007, where he oversees our product businesses, global product strategy and direction, sales, marketing, customer service and professional services, as well as product planning and development. Prior to joining Amdocs, Mr. Dubois was President and Chief Executive Officer of Cramer from 2005 until our 2006 acquisition of Cramer. In 2006, Mr. Dubois was appointed President of the newly formed Cramer, Amdocs OSS Division, a position he held until his appointment as Executive Vice President in 2007. Mr. Dubois was Executive Vice President of PeopleSoft Corporation from 2000 until 2005, where he led overall strategy, business development and execution for all company activities outside North America. Previously, he held senior positions with Vantive, Sybase and Digital Equipment Corporation.

Tamar Rapaport-Dagim has been Senior Vice President and Chief Financial Officer of Amdocs Management Limited since November 2007. Ms. Rapaport-Dagim joined Amdocs in 2004 and served as Vice President of Finance from 2004 until 2007. Prior to joining Amdocs, from 2000 to 2004, Ms. Rapaport-Dagim was the Chief Financial Officer of Emblaze, a provider of multimedia solutions over wireless and IP networks. She has also served as controller of Teledata Networks (formerly a subsidiary of ADC Telecommunications) and has held various finance management positions in public accounting.

Harel Kodesh has been the Chief Products Officer of Amdocs Management Limited since 2003. Mr. Kodesh oversees our product activities and is responsible for the company's technological vision and execution. From 2000 until 2003, Mr. Kodesh served as president and chief executive officer of Wingcast LLC, a joint venture between Qualcomm Inc. and Ford Motor Company formed to offer telecommunications and other technology services for vehicles. Between 1990 and 2000, Mr. Kodesh held executive positions at Microsoft Corp., where he served from 1998 until 2000 as vice president of its information appliances division.

Thomas G. O'Brien has been Treasurer and Secretary of Amdocs Limited since 1998 and has held other financial management positions within Amdocs since 1995. From 1993 to 1995, Mr. O'Brien was Controller of Big River Minerals Corporation, a diversified natural resources company. From 1989 to 1993, Mr. O'Brien was the Assistant Controller for Big River Minerals Corporation. From 1983 to 1989, Mr. O'Brien was with Arthur Young and Company (now Ernst & Young LLP). Mr. O'Brien is a member of the American Institute of Certified Public Accountants.

COMPENSATION

Our directors who are not employees of the Company, which we refer to as our Non-Employee Directors, receive compensation for their services as directors in the form of cash and options to purchase ordinary shares. Our compensation policy provides that each Non-Employee Director receives an annual cash payment of \$35,000. Each member of our Audit and Executive Committees who is a Non-Employee Director receives an annual cash payment of \$10,000. In addition, the chairmen of our Audit and Executive Committees each receive an annual cash payment of \$10,000 and the chairmen of our Compensation, Nominating and Corporate Governance and Technology and Innovation Committees each receive an annual cash payment of \$5,000. Each Non-Employee Director receives \$1,500 per meeting of the Board of Directors and \$1,000 per meeting of a committee of the Board of Directors, except for Non-Employee Directors who are members of our Audit Committee or Executive Committee, who each receive \$2,000 per meeting. Upon election or appointment to

our Board of Directors, each Non-Employee Director also receives an initial option grant for the purchase of 12,000 ordinary shares. Thereafter, Non-Employee Directors receive an annual option grant for the purchase of 11,500 ordinary shares. All option grants to our Non-Employee Directors vest as to one-quarter of the shares immediately, with the remainder vesting annually in three equal installments. The exercise price of all options granted to our Non-Employee Directors is the NYSE closing price of our shares on the last trading day preceding the grant date. We reimburse all of our directors for their reasonable travel expenses incurred in connection with attending Board or committee meetings.

During fiscal 2007, we granted to 11 Non-Employee Directors options to purchase an aggregate of 127,000 ordinary shares at a weighted average price of \$39.14 per share, with vesting over three year terms.

All options were granted pursuant to our 1998 Stock Option and Incentive Plan, as amended. See discussion below -- "Share Ownership -- Employee Stock Option and Incentive Plan".

A total of 19 persons who served either as directors of Amdocs or members of its administrative, supervisory or management bodies during all or part of fiscal 2007 received remuneration from Amdocs. The aggregate remuneration paid by us to such persons was approximately \$7.3 million, which includes amounts set aside or accrued to provide bonuses, pension, retirement or similar benefits, but does not include amounts expended by us for automobiles made available to such persons, expenses (including business travel, professional and business association dues) or other fringe benefits. Included in this amount is remuneration to one former officer and to one new officer for the applicable portions of fiscal 2007.

BOARD PRACTICES

Our Board of Directors is comprised of 13 directors, each of whom was elected to our Board of Directors at our annual meeting of shareholders on January 18, 2007. All directors hold office until the next annual meeting of our shareholders, which generally is in January of each calendar year, or until their respective successors are duly elected and qualified or their positions are earlier vacated by resignation or otherwise.

Executive officers of Amdocs are elected by the Board of Directors on an annual basis and serve until the next annual meeting of the Board of Directors or until their respective successors have been duly elected and qualified or their positions are earlier vacated by resignation or otherwise. The executive officers of each of the Amdocs subsidiaries are elected by the board of directors of such subsidiary on an annual basis and serve until the next annual meeting of such board of directors or until their respective successors have been duly elected and qualified or their positions are earlier vacated by resignation or otherwise.

Other than the employment agreements between us and the President and Chief Executive Officer of Amdocs Management Limited, and the Executive Vice President and Chief Operating Officer of Amdocs Management Limited, which provide for immediate cash severance upon termination of employment, there are currently no service contracts in effect between us and any of our directors providing for immediate cash severance upon termination of their employment.

BOARD COMMITTEES

Our Board of Directors has formed five committees set forth below. Members of each committee are appointed by the Board of Directors.

The Audit Committee reviews, acts on and reports to the Board of Directors with respect to various auditing and accounting matters, including the selection of our independent registered public accounting firm, the scope of the annual audits, fees to be paid to our independent registered public accounting firm, the performance of our independent registered public accounting firm, and assists with the Board of Directors' oversight of our accounting practices, financial statement integrity and compliance with legal and regulatory requirements, including establishing and maintaining adequate internal control over financial reporting. The current members of our Audit Committee are Messrs. Gardner (Chair), Foster, McLennan and Olswang, all of whom are independent directors, as defined by the rules of the NYSE, and pursuant to the categorical director independence standards adopted by our Board of Directors. The Board of Directors has determined that Mr. Gardner is an "audit committee financial expert" as defined by rules promulgated by the SEC, and that

each member of the Audit Committee is financially literate as required by the rules of the NYSE. The Audit Committee written charter is available on our website at www.amdocs.com.

The Nominating and Corporate Governance Committee identifies individuals qualified to become members of our Board of Directors, recommends to the Board of Directors the persons to be nominated for election as directors at the annual general meeting of shareholders, develops and makes recommendations to the Board of Directors regarding our corporate governance principles and oversees the evaluations of our Board of Directors and our management. The current members of the Nominating and Corporate Governance Committee are Messrs. Foster (Chair), Brodsky, Gardner, Kahan and Segal, all of whom are independent directors, as required by the NYSE listing standards, and pursuant to the categorical director independence standards adopted by our Board of Directors. The Nominating and Corporate Governance Committee written charter is available on our website at www.amdocs.com. The Nominating and Corporate Governance Committee has approved corporate governance guidelines that are also available on our website at www.amdocs.com.

The Compensation Committee discharges the responsibilities of our Board of Directors relating to the compensation of the Chief Executive Officer of Amdocs Management Limited and makes recommendations to our Board of Directors with respect to the compensation of our other executive officers. The current members of our Compensation Committee are Messrs. Kahan (Chair), Anderson and Minicucci, all of whom are independent directors, as defined by the rules of the NYSE, and pursuant to the categorical director independence standards adopted by our Board of Directors. The Compensation Committee written charter is available on our website at www.amdocs.com.

The Executive Committee has such responsibilities as may be delegated to it from time to time by the Board of Directors. The current members of our Executive Committee are Messrs. Anderson (Chair), Baharav, Kahan, Lemelbaum and Minicucci.

The Technology and Innovation Committee was established to assist the Board of Directors in reviewing the Company's technological development, opportunities and innovation, in connection with the current and future business and markets. The current members of our Technology and Innovation Committee are Messrs. Vardi (Chair), Anderson, Gelman and Lemelbaum.

Our independent directors receive no compensation from the Company, except in connection with their membership on the Board of Directors and its committees as described above regarding Non-Employee Directors under "-- Compensation".

WORKFORCE PERSONNEL

The following table presents the approximate number of our workforce as of each date indicated, by function and by geographical location:

AS OF SEPTEMBER 30, -----	2007	2006	2005	-----	-----	-----	-----
Software and Information Technology				-----	-----	-----	-----
Israel.....				4,588	4,686	4,090	North
America.....				4,541	4,391	4,173	Rest of the
World.....				6,849			
	5,749	3,747		-----	-----	-----	15,978
				12,010			Management and
Administration.....				1,483			
	1,408	1,190		-----	-----	-----	Total
workforce.....				-----	-----	-----	-----
	17,461	16,234	13,200	=====	=====	=====	=====

As of September 30, 2007, our workforce consisted of approximately 16,000 software and information technology specialists, engaged in research, development, consulting, maintenance and support activities, and approximately 1,500 management and administrative professionals.

As a company with global operations, we are required to comply with various labor and immigration laws throughout the world, including laws and regulations in Australia, Brazil, Canada, China, Cyprus,

Europe, India, Israel, Japan, Mexico, South Africa and the United States. Our employees in Europe are protected, in some countries, by mandatory collective bargaining agreements. To date, compliance with such laws has not been a material burden for us. As the number of our employees increases over time in particular countries, our compliance with such regulations could become more burdensome.

Our principal operating subsidiaries are not party to any collective bargaining agreements. However, our Israeli subsidiaries are subject to certain labor-related statutes and to certain provisions of general extension orders issued by the Israeli Ministry of Labor and Welfare. A significant provision applicable to all employees in Israel under collective bargaining agreements and extension orders is an adjustment of wages in relation to increases in the consumer price index, or CPI. The amount and frequency of these adjustments are modified from time to time.

Some employees in Canada have union representation. In addition, all employees in Brazil, including members of management, are represented by unions. Collective bargaining between employers and unions is mandatory, negotiated annually, and covers work conditions, including cost of living increases, minimum wages that exceed government thresholds and overtime pay. In the Netherlands we have works council which represents the employees. We work closely with the works council to ensure compliance with the local law. In France, we have employee representatives.

We consider our relationship with our employees to be good and have never experienced an organized labor dispute, strike or work stoppage.

SHARE OWNERSHIP

SECURITY OWNERSHIP OF DIRECTORS AND SENIOR MANAGEMENT AND CERTAIN KEY EMPLOYEES

As of November 26, 2007, the aggregate number of our ordinary shares beneficially owned by our directors and officers was 5,994,979 shares. Historically, this number had included shares held by AT&T, since Mr. Kahan, who served as Senior Executive Vice President of AT&T until June 2007, serves on our Board of Directors. As of November 26, 2007, none of our directors or officers beneficially owned 1% or more of our outstanding ordinary shares.

Beneficial ownership by a person, as of a particular date, assumes the exercise of all options and warrants held by such person that are currently exercisable or are exercisable within 60 days of such date.

STOCK OPTION AND INCENTIVE PLAN

Our Board of Directors has adopted, and our shareholders have approved, our 1998 Stock Option and Incentive Plan, as amended (the "1998 Plan"), pursuant to which up to 46,300,000 of our ordinary shares may be issued. The 1998 Plan expires on January 17, 2016.

The 1998 Plan provides for the grant of restricted shares, stock options and other stock-based awards to our directors, officers, employees and consultants. The purpose of the 1998 Plan is to enable us to attract and retain qualified personnel and to motivate such persons by providing them with an equity participation in the Company. As of September 30, 2007, of the 46,300,000 ordinary shares available for issuance under the 1998 Plan, 17,105,035 ordinary shares had been issued as a result of option exercises and restricted share issuances under the provisions of the 1998 Plan, and 9,188,928 ordinary shares remained available for future grants. As of October 31, 2007, there were outstanding options to purchase an aggregate of 19,805,379 ordinary shares at exercise prices ranging from \$1.92 to \$78.31 per share and an aggregate of 878,234 restricted shares outstanding under the 1998 Plan. On October 31, 2007, the Board of Directors adopted, subject to shareholder approval, an amendment to the 1998 Plan increasing from 46,300,000 to 55,300,000 the maximum number of ordinary shares issuable under the 1998 Plan.

The 1998 Plan is administered by a committee, which determines all the terms of the awards (subject to the above), including which employees, directors or consultants are granted awards. The Board of Directors may amend or terminate the 1998 Plan, provided that shareholder approval is required to increase the number of ordinary shares available under the 1998 Plan, to materially increase the benefits accruing to participants, to change the class of employees eligible for participation, to decrease the basis upon which the minimum

exercise price of options is determined or to extend the period in which awards may be granted or to grant an option that is exercisable for more than ten years. Ordinary shares acquired upon exercise of an award are subject to certain restrictions on sale, transfer or hypothecation. No awards may be granted after January 2016.

As a result of acquisitions, as of September 30, 2007, we are obligated to issue (and have reserved for issuance) an additional 450,451 ordinary shares upon exercise of options that had previously been granted under the option plans of the acquired companies and were exchanged for options to purchase our ordinary shares. These options have exercise prices ranging from \$0.38 to \$71.97 per share. No additional options have been or will be granted under these predecessor plans.

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

MAJOR SHAREHOLDERS

The following table sets forth specified information with respect to the beneficial ownership of the ordinary shares as of November 26, 2007 of (i) any person known by us to be the beneficial owner of more than 5% of our ordinary shares, and (ii) all of our directors and executives officers as a group. Beneficial ownership is determined in accordance with the rules of the SEC and, unless otherwise indicated, includes voting and investment power with respect to all ordinary shares, subject to community property laws, where applicable. The number of ordinary shares used in calculating the percentage beneficial ownership included in the table below is based on 208,739,891 ordinary shares outstanding as of November 26, 2007.

OWNED OWNERSHIP	SHARES	PERCENTAGE	NAME AND ADDRESS
(1)	11,420,559	5.5	Massachusetts Financial Services Company, Inc. Price Associates, Inc.
(2)	11,263,600	5.4	Thornburg Investment Management, Inc.
(3)	11,023,305	5.3	AT&T Inc.
(4)	10,717,482	5.1	All directors and executive officers as a group (17 persons)
(5)	5,994,979	2.8	

- (1) The address of Massachusetts Financial Services Company ("MFS") is 500 Boylston Street, Boston, Massachusetts 02116. Based on a Schedule 13G filed by MFS with the SEC on February 9, 2007, as of December 31, 2006, MFS had sole voting power over 11,146,785 of our ordinary shares and sole dispositive power over 11,420,559 ordinary shares.
- (2) The address of T. Rowe Price Associates, Inc. ("Price Associates") is 100 E. Pratt Street, Baltimore, Maryland 21202. Based on a Schedule 13G filed by Price Associates with the SEC on February 14, 2007, as of December 31, 2006, Price Associates had sole voting power over 1,677,400 of our ordinary shares and sole dispositive power over 11,263,600 ordinary shares.
- (3) The address of Thornburg Investment Management, Inc. ("Thornburg") is 119 E. Marcy Street, Santa Fe, New Mexico 87501. Based on a Schedule 13G/A filed by Thornburg with the SEC on March 21, 2007, as of December 31, 2006, Price Associates had sole voting power over 10,832,880 of our ordinary shares and sole dispositive power over 11,023,305 ordinary shares.
- (4) The address of AT&T Inc. is 175 East Houston, San Antonio, Texas 78205. Based upon information provided to us by AT&T, as of November 26, 2007, AT&T beneficially owned 10,717,482 of our ordinary shares.
- (5) Includes options held by such directors and executive officers that are exercisable within 60 days of November 26, 2007.

Over the last three years, our major shareholders have included our directors and executive officers as a group, AT&T, and other institutional investors including MFS, Price Associates and Thornburg. AT&T's share ownership has decreased to 5.1% as of November 26, 2007 from 9.1% in November 2002. FMR

ceased to be a major shareholder in fiscal 2004.

As of November 26, 2007, our ordinary shares were held by 747 record holders. Based on a review of the information provided to us by our transfer agent, 386 record holders, holding approximately 99% of our outstanding ordinary shares held of record, were residents of the United States.

RELATED PARTY TRANSACTIONS

In addition to being a major shareholder, AT&T and some of its operating subsidiaries are also significant customers of ours. During the last three fiscal years, AT&T and those subsidiaries (giving retroactive effect to Cingular becoming a wholly-owned AT&T subsidiary in December 2006) accounted for approximately 20% or more of our revenue in each year. AT&T is also a beneficial owner of companies that provide certain miscellaneous support services to us in United States.

ITEM 8. FINANCIAL INFORMATION

FINANCIAL STATEMENTS

See "Financial Statements" for our audited Consolidated Financial Statements and Financial Statement Schedule filed as part of this Annual Report.

LEGAL PROCEEDINGS

The Company is involved in various legal proceedings arising in the normal course of its business. The Company does not believe that the ultimate resolution of these matters will have a material adverse effect on the Company's consolidated financial position, results of operations or cash flows.

DIVIDEND POLICY

After the payment of dividends in 1998 that followed a corporate reorganization, we decided in general to retain earnings to finance the development of our business, and we have not paid any cash dividends on our ordinary shares since that time. The payment of any future dividends will be paid by us based on conditions then existing, including our earnings, financial condition and capital requirements, as well as other conditions we deem relevant. The terms of any debt that we may incur could effectively limit our ability to pay dividends.

ITEM 9. THE OFFER AND LISTING

Our ordinary shares have been quoted on the NYSE since June 19, 1998, under the symbol "DOX". The following table sets forth the high and low reported sale prices for our ordinary shares for the periods indicated:

HIGH	LOW	FISCAL YEAR ENDED SEPTEMBER 30	
2003.....		\$27.25	\$ 5.85
2004.....		\$30.69	\$18.08
2005.....		\$30.96	\$20.70
2006.....		\$41.01	\$24.30
2007.....		\$40.74	\$32.50
Quarter.....		QUARTER Fiscal 2006: First	
		\$24.30	Second
Quarter.....		\$27.00	Third
Quarter.....		\$33.20	Fourth
Quarter.....		\$32.89	Fiscal 2007: First
Quarter.....		\$35.22	Second
Quarter.....		\$32.50	Third
Quarter.....		\$34.39	Fourth
Quarter.....		\$32.75	Fiscal 2008: First Quarter (through November 26, 2007)
June 2007.....		\$38.03	\$30.42
		\$40.26	\$37.00
2007.....		\$40.36	\$35.80
2007.....		\$33.68	September
2007.....		\$34.13	October
2007.....		\$32.75	November 2007 (through November 26, 2007)
		\$38.03	\$30.42

ITEM 10. ADDITIONAL INFORMATION

MEMORANDUM AND ARTICLES OF ASSOCIATION

The Company is registered at the Greffe (Companies Registry) in Guernsey, the Channel Islands and has been assigned company number 19528, with its registered office situated at Suite 5, Tower Hill House, Le Bordage, St Peter Port, Island of Guernsey, GY1 3QT, Channel Islands. The telephone number at that location is +44-1481-728444.

The purpose of the Company is to perform any and all corporate activities permissible under Guernsey law, as set forth in detail at Clause 3(1) to (37) of the Memorandum of Association of the Company (the "Memorandum of Association").

Article 21(2) of the Amended and Restated Articles of Association of the Company (the "Articles of Association") provides that a director may vote in respect of any contract or arrangement in which such director has an interest notwithstanding such director's interest and an interested director will not be liable to the Company for any profit realized through any such contract or arrangement by reason of such director holding the office of director. Article 20 of the Articles of Association provides that the remuneration of the directors shall from time to time be determined by the Company by ordinary resolution, but that the directors are authorized to determine from time to time the remuneration for any outside or unaffiliated directors. Article 22 provides that directors may exercise all the powers of the Company to borrow money, and to

mortgage or charge its undertaking, property and uncalled capital or any part thereof, and to issue securities whether outright or as security for any debt, liability or obligation of the Company for any third party. Such borrowing powers can only be altered through an amendment to the Articles of Association. Directors of the Company are not required to own shares of the Company in order to serve as directors.

The share capital of the Company is L5,750,000 divided into (i) 25,000,000 preferred shares with a par value of L0.01 per share and (ii) 550,000,000 ordinary shares with a par value of L0.01 per share, consisting of 500,000,000 voting ordinary shares and 50,000,000 non-voting ordinary shares. As of September 30, 2007, 209,762,394 ordinary shares were outstanding (net of treasury shares) and no non-voting ordinary shares or preferred shares were outstanding. The rights, preferences and restrictions attaching to each class of the shares are as follows:

PREFERRED SHARES

- Issue -- the preferred shares may be issued from time to time in one or more series of any number of shares up to the amount authorized.
- Authorization to Issue Preferred Shares -- authority is vested in the directors from time to time to authorize the issue of one or more series of preferred shares and to provide for the designations, powers, preferences and relative participating, optional or other special rights and qualifications, limitations or restrictions thereon.
- Relative Rights -- all shares of any one series of preferred shares must be identical with each other in all respects, except that shares of any one series issued at different times may differ as to the dates from which dividends shall be cumulative.
- Liquidation -- in the event of any liquidation, dissolution or winding-up of the Company, the holders of preferred shares are entitled to preference with respect to payment and to receive payment (at the rate fixed in any resolution or resolutions adopted by the directors in such case) plus an amount equal to all dividends accumulated to the date of final distribution to such holders. The holders of preferred shares are entitled to no further payment other than that stated above. If upon any liquidation the assets of the Company are insufficient to pay in full the amount stated above then such assets shall be distributed among the holders of preferred shares.
- Voting Rights -- except as otherwise provided for by the directors upon the issue of any new series of preferred shares, the holders of preferred shares have no right or power to vote on any question or in any proceeding or to be represented at, or to receive notice of, any meeting of members.

ORDINARY SHARES AND NON-VOTING ORDINARY SHARES

Except as otherwise provided by the Memorandum of Association and Articles of Association, the ordinary shares and non-voting ordinary shares are identical and entitle holders thereof to the same rights and privileges.

- Dividends -- when and as dividends are declared on the shares of the Company the holders of voting ordinary shares and non-voting shares are entitled to share equally, share for share, in such dividends except that if dividends are declared that are payable in voting ordinary shares or non-voting ordinary shares, dividends must be declared that are payable at the same rate in both classes of shares.
- Conversion of Non-Voting Ordinary Shares into Voting Ordinary Shares -- upon the transfer of non-voting ordinary shares from the original holder thereof to any third party not affiliated with such original holder, non-voting ordinary shares are redesignated in the books of the Company as voting ordinary shares and automatically convert into the same number of voting ordinary shares.
- Liquidation -- upon any liquidation, dissolution or winding-up of the Company, the assets of the Company remaining after creditors and the holders of any preferred shares have been paid in full shall be distributed to the holders of voting ordinary shares and non-voting ordinary shares equally share for share.

- Voting Rights -- the holders of voting ordinary shares are entitled to vote on all matters to be voted on by the members, and the holders of non-voting ordinary shares are not entitled to any voting rights.
- Preferences -- the voting ordinary shares and non-voting ordinary shares are subject to all the powers, rights, privileges, preferences and priorities of the preferred shares as are set out in the Articles of Association.

As regards both preferred shares and voting and non-voting ordinary shares, the Company has power to purchase any of its own shares, whether or not they are redeemable and may make a payment out of capital for such purchase, however the terms of such repurchases must be approved in advance by a special resolution of the holders of our ordinary shares.

There are no provisions for a classified Board of Directors or for cumulative voting for directors.

Article 8 of the Articles of Association provides that all or any of the rights, privileges, or conditions attached to any class or group of shares may be changed as follows:

- by an agreement between the Company and any person purporting to contract on behalf of the holders of shares of the class or group affected, provided that such agreement is ratified in writing by the holders of at least two-thirds of the issued shares of the class affected; or
- with the consent in writing of the holders of three-fourths of the issued shares of that class or with the sanction of an extraordinary resolution passed by majority of three-fourths of the votes of the holders of shares of the class or group affected entitled to vote and voting in person or by attorney or proxy and passed at a separate meeting of the holders of such shares but not otherwise.

A special resolution must be passed by not less than three-quarters of the votes recorded at a meeting called for purposes of voting on the matter. As such, the conditions set out above are as significant as the requirements of Guernsey law.

Provisions in respect of the holding of general meetings and extraordinary general meetings are set out at Articles 14, 15 and 16 of the Articles of Association. The Articles of Association provide that an annual general meeting must be held once in every calendar year (provided that not more than 15 months have elapsed since the last such meeting) at such time and place as the directors appoint and, in default, an annual general meeting may be convened by any two members holding at least 10% in the aggregate of the Company's share capital. The directors may, whenever they deem fit, convene an extraordinary general meeting, and extraordinary general meetings will also be convened on the requisition in writing of holders of at least 20% of the issued share capital of the Company carrying voting rights or, if the directors fail upon such requisition to convene such meeting within 21 days, then such meeting may be convened by such holders in such manner as provided by the Companies (Guernsey) Law, 1994 (the "Companies Law"). A minimum of 10 days' written notice is required in connection with an annual general meeting and a minimum of 14 days' written notice is required in connection with any other meeting. The notice shall specify the place, the day and the hour of the meeting, and in the case of any special business, the general nature of that business to such persons as are entitled by the Articles of Association to receive such notices from the Company provided that a meeting of the Company shall, notwithstanding that it is called by shorter notice than that specified in the Articles, be deemed to have been duly called if it is so agreed by all the members entitled to attend and vote thereat.

There are no limitations on the rights to own securities, including the rights of non-resident or foreign shareholders to hold or exercise voting rights on the securities.

There are no provisions in the Memorandum of Association or Articles of Association that would have the effect of delaying, deferring or preventing a change in control of the Company and that would operate only with respect to a merger, acquisition or corporate restructuring involving the Company (or any of its subsidiaries).

There are no provisions in the Memorandum of Association or Articles of Association governing the ownership threshold above which shareholder ownership must be disclosed. United States federal law,

however, requires that all directors, executive officers and holders of 10% or more of the stock of a company that has a class of stock registered under the Securities Exchange Act of 1934, as amended (other than a foreign private issuer, such as Amdocs), disclose such ownership. In addition, holders of more than 5% of a registered equity security of a company (including a foreign private issuer) must disclose such ownership.

Pursuant to Article 13 of the Articles of Association, the Company may from time to time by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as the resolution prescribes. A restructuring of the existing share capital must be done by extraordinary resolution (which requires the same vote as a special resolution), and the Company may by special resolution reduce its share capital, any capital redemption reserve fund or any share premium account in accordance with Guernsey law. These provisions in relation to the alteration of the Company's capital are in accordance with but no more onerous than the Companies Law.

MATERIAL CONTRACTS

On April 17, 2006, we and a wholly-owned subsidiary entered into an Agreement and Plan of Merger with Qpass and Ray A. Rothrock, as agent of the shareholders of Qpass. The aggregate purchase price for Qpass was \$281.8 million, which consisted of \$274.0 million in cash, \$2.4 million related to the assumption of stock options held by Qpass employees and \$5.4 million of transaction costs. The description of this agreement is not complete and is qualified in its entirety by reference to the full text of agreement, which was filed as Exhibit 99.1 to our April 21, 2006 Form 6-K Report of Foreign Private Issuer.

On July 18, 2006, we and a wholly-owned subsidiary entered into a Share Sale and Purchase Agreement to acquire all the capital stock of Cramer. The aggregate purchase price for Cramer was \$417.2 million, which consisted of \$410.6 million in cash (including cash on hand), \$2.2 million related to the assumption of stock options and restricted shares held by Cramer employees and \$4.4 million of transaction costs. The purchase price is subject to post closing adjustments that we expect will not be material. The description of this agreement is not complete and is qualified in its entirety by reference to the full text of agreement, which was filed as Exhibit 99.1 to our July 20, 2006 Form 6-K Report of Foreign Private Issuer.

On November 27, 2007, we entered into a Credit Agreement among us, certain of our subsidiaries, the lenders from time to time party thereto, JPMorgan Chase Bank, N.A., as administrative agent, J.P. Morgan Europe Limited, as London agent, and JPMorgan Chase Bank, N.A., Toronto branch, as Canadian agent. The agreement provides for an unsecured \$500 million five-year revolving credit facility with a syndicate of banks, which facility will be available for general corporate purposes, including acquisitions and repurchases of our ordinary shares that we may consider from time to time.

In the past two years, we have not entered into any other material contracts other than contracts entered into in the ordinary course of our business.

TAXATION

TAXATION OF THE COMPANY

The following is a summary of certain material tax considerations relating to Amdocs and our subsidiaries. To the extent that the discussion is based on tax legislation that has not been subject to judicial or administrative interpretation, there can be no assurance that the views expressed in the discussion will be accepted by the tax authorities in question. The discussion is not intended, and should not be construed, as legal or professional tax advice and is not exhaustive of all possible tax considerations.

General

Our effective tax rate was 10.6% for the year ended September 30, 2007, compared to 14.8% for fiscal 2006 and 20% for fiscal 2005. We expect our effective tax rate in fiscal 2008 to be between 9% and 12%.

There can be no assurance that our effective tax rate will not change over time as a result of a change in corporate income tax rates or other changes in the tax laws of the various countries in which we operate.

Moreover, our effective tax rate in future years may be adversely affected in the event that a tax authority challenged the manner in which items of income and expense are allocated among us and our subsidiaries. In addition, the Company and certain of our subsidiaries benefit from certain special tax benefits. The loss of any such tax benefits could have an adverse effect on our effective tax rate.

Certain Guernsey Tax Considerations

We qualify as an exempt company (i.e., our shareholders are not Guernsey residents and we do not carry on business in Guernsey) so we generally are not subject to taxation in Guernsey. Tax legislation recently enacted in Guernsey with effect from January 1, 2008 is expected to repeal the exemption and subject us to a zero percent corporate tax rate, which we believe will not impact our effective tax rate.

Certain Indian Tax Considerations

Through subsidiaries, we operate a development center and a business processing operations center in India. In 2007, the corporation tax rate applicable in India on trading activities was 33.99%. Our subsidiaries in India operate under a specific favorable tax entitlement that is based upon pre-approved information technology related services activity. As a result, our subsidiaries are entitled to corporate income tax exemptions on all income derived from such pre-approved information technology activity, provided they continue to meet the conditions required for such tax benefits. The benefits are scheduled to expire April 1, 2009. It should be noted however, that as of April 1, 2007, the Minimum Alternative Tax ("MAT") would be applicable to our Indian subsidiaries currently enjoying such tax benefits. The MAT is levied on book profits at the rate of 11.33% and could be carried forward for five years to be credited against corporate income tax. Under Indian laws, any dividend distribution by our Indian subsidiaries shall be subject to dividend distribution tax at the rate of 16.995% to be paid by such subsidiaries.

Certain Israeli Tax Considerations

Our Israeli subsidiary, Amdocs (Israel) Limited, operates our largest development center. Discussed below are certain Israeli tax considerations relating to this subsidiary.

General Corporate Taxation in Israel. In August 2005, the Israeli parliament enacted legislation, which has gradually reduced the "Companies Tax" rates of taxable income apply to Israeli companies. According to this legislation, the Companies Tax rate on taxable income in 2005 and upcoming years was and will be as follows: 34% in 2005, 31% in 2006, and 29% in 2007, 27% in 2008, 26% in 2009 and 25% for 2010 and thereafter. However, the effective tax rate payable by an Israeli company that derives income from an Approved Enterprise may be considerably less.

Law for the Encouragement of Capital Investments, 1959. Certain production and development facilities of our Israeli subsidiary have been granted "Approved Enterprise" status pursuant to the Law for the Encouragement of Capital Investments, 1959 (the "Investment Law"), which provides certain tax and financial benefits to investment programs that have been granted such status.

In April 2005, the Israeli parliament enacted legislation which significantly revised the Investment Law. Generally, investment programs of our Israeli subsidiary that have already obtained instruments of approval for an Approved Enterprise by the Israeli Investment Center will continue to be subject to the old provisions as described below of the Investment Law prior being revised. The revisions that were introduced into the Investment Law did not affect our effective tax rate for year ended September 30, 2007 and we do not expect them to have a significant impact on our effective tax rate in fiscal 2008.

The provisions of the Investment Law applicable to investment programs approved prior to the effective date of the amendments to the Investment Law provide that capital investments in production facilities (or other eligible assets) may, upon application to the Israeli Investment Center, be designated as an Approved Enterprise. Each instrument of approval for an Approved Enterprise relates to a specific investment program delineated both by the financial scope of the investment, including source of funds, and by the physical characteristics of the facility or other assets. The tax benefits available under any instrument of approval relate

only to taxable profits attributable to the specific investment program and are contingent upon compliance with the conditions set out in the instrument of approval.

Tax Benefits. Taxable income derived from an Approved Enterprise is subject to a reduced corporate tax rate of 25% until the earlier of:

- seven consecutive years (or ten in the case of an FIC (as defined below)) commencing in the year in which the Approved Enterprise first generates taxable income,
- twelve years from the year of commencement of production, or
- fourteen years from the year of the approval of the Approved Enterprise status.

Such income is eligible for further reductions in tax rates if we qualify as a Foreign Investors' Company ("FIC") depending on the percentage of the foreign ownership. Subject to certain conditions, an FIC is a company more than 25% of whose share capital (in terms of shares, rights of profits, voting and appointment of directors) and more than 25% of whose combined share and loan capital are owned by non-Israeli residents. The tax rate is 20% if the foreign investment is 49% or more but less than 74%; 15% if the foreign investment is 74% or more but less than 90%; and 10% if the foreign investment is 90% or more. The determination of foreign ownership is made on the basis of the lowest level of foreign ownership during the tax year. A company that owns an Approved Enterprise approved after April 1, 1986, may elect to forego the entitlement to grants and apply for an alternative package of tax benefits. In addition, a company (like our Israeli subsidiary) with an enterprise outside the National Priority Regions (which is not entitled to grants) may also apply for the alternative benefits. Under the alternative benefits, undistributed income from the Approved Enterprise operations is fully tax exempt (a tax holiday) for a defined period. The tax holiday ranges between two to ten years from the first year of taxable income subject to the limitations as described above, depending principally upon the geographic location within Israel. On expiration of the tax holiday, the Approved Enterprise is eligible for a beneficial tax rate (25% or lower in the case of an FIC, as described above) for the remainder of the otherwise applicable period of benefits.

Our primary Israeli subsidiary has elected the alternative benefits with respect to its current Approved Enterprise and its enlargements, pursuant to which the Israeli subsidiary enjoys, in relation to its Approved Enterprise operations, certain tax holidays, based on the location of activities within Israel, for a period of two or ten years (and in some cases for a period of four years) and, in the case of a two year tax holiday, reduced tax rates for an additional period of up to eight years. In case this Israeli subsidiary pays a dividend, at any time, out of income earned during the tax holiday period in respect of its Approved Enterprise, it will be subject, assuming that the current level of foreign investment in Amdocs is not reduced, to corporate tax at the otherwise applicable rate of 10% of the income from which such dividend has been paid and up to 25% if such foreign investments are reduced (as detailed above). This tax is in addition to the withholding tax on dividends as described below. Under an instrument of approval issued in December 1997 and an amendment issued in September 2006 to an instrument of approval issued in December 2000 and relating to specific investment programs of our Israeli subsidiary and to the income derived therefrom, the subsidiary is entitled to a reduced tax rate period of thirteen years (instead of the eight-year period referred to above). The tax benefits, available with respect to an Approved Enterprise only to taxable income attributable to that specific enterprise, are given according to an allocation formula provided for in the Investment Law or in the instrument of approval, and are contingent upon the fulfillment of the conditions stipulated by the Investment Law, the regulations published thereunder and the instruments of approval for the specific investments in the Approved Enterprises. In the event our Israeli subsidiary fails to comply with these conditions, the tax and other benefits could be canceled, in whole or in part, and the subsidiary might be required to refund the amount of the canceled benefits, with the addition of CPI linkage differences and interest. We believe that the Approved Enterprise of our Israeli subsidiary substantially complies with all such conditions currently, but there can be no assurance that it will continue to do so.

Dividends

Dividends paid out of income derived by an Approved Enterprise during the benefit periods (or out of dividends received from a company whose income is derived by an Approved Enterprise) are subject to

withholding tax at a reduced rate of 15% (deductible at source). In the case of companies that do not qualify as a FIC, the reduced rate of 15% is limited to dividends paid at any time up to twelve years thereafter. This withholding tax is in addition to the corporate tax that a company is subject to in the event it pays a dividend out of income earned during the tax holiday period related to its Approved Enterprise status.

TAXATION OF HOLDERS OF ORDINARY SHARES

Certain United States Federal Income Tax Considerations

The following discussion describes the material United States federal income tax consequences to the ownership or disposition of our ordinary shares to a holder that is:

- (i) an individual who is a citizen or resident of the United States;
- (ii) a corporation created or organized in, or under the laws of, the United States or of any state thereof;
- (iii) an estate, the income of which is includable in gross income for United States federal income tax purposes regardless of its source; or
- (iv) a trust, if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons has the authority to control all substantial decisions of the trust.

This summary generally considers only U.S. holders that own ordinary shares as capital assets. This summary does not discuss the United States federal income tax consequences to a holder of ordinary shares that is not a U.S. holder.

This discussion is based on current provisions of the Internal Revenue Code of 1986, as amended (the "Code"), current and proposed Treasury regulations promulgated thereunder, and administrative and judicial decisions as of the date hereof, all of which are subject to change, possibly on a retroactive basis. This discussion does not address all aspects of United States federal income taxation that may be relevant to a holder of ordinary shares based on such holder's particular circumstances (including potential application of the alternative minimum tax), United States federal income tax consequences to certain holders that are subject to special treatment (such as taxpayers who are broker-dealers, insurance companies, tax-exempt organizations, financial institutions, holders of securities held as part of a "straddle", "hedge" or "conversion transaction" with other investments, or holders owning directly, indirectly or by attribution at least 10% of the ordinary shares), or any aspect of state, local or non-United States tax laws. Additionally, this discussion does not consider the tax treatment of persons who hold ordinary shares through a partnership or other pass-through entity or the possible application of United States federal gift or estate taxes.

This summary is for general information only and is not binding on the Internal Revenue Service ("IRS"). There can be no assurance that the IRS will not challenge one or more of the statements made herein. U.S. holders are urged to consult their own tax advisers as to the particular tax consequences to them of owning and disposing of our ordinary shares.

Dividends. In general, a U.S. holder receiving a distribution with respect to the ordinary shares will be required to include such distribution (including the amount of foreign taxes, if any, withheld therefrom) in gross income as a taxable dividend to the extent such distribution is paid from our current or accumulated earnings and profits as determined under United States federal income tax principles. Any distributions in excess of such earnings and profits will first be treated, for United States federal income tax purposes, as a nontaxable return of capital to the extent of the U.S. holder's tax basis in the ordinary shares, and then, to the extent in excess of such tax basis, as gain from the sale or exchange of a capital asset. See "Disposition of Ordinary Shares" below. United States corporate shareholders will not be entitled to any deduction for distributions received as dividends on the ordinary shares.

Dividend income is generally taxed as ordinary income. However, a maximum United States federal income tax rate of 15% will apply to "qualified dividend income" received by individuals (as well as certain

trusts and estates) in taxable years beginning after December 31, 2002 and before January 1, 2009, provided that certain holding period requirements are met. "Qualified dividend income" includes dividends paid on shares of United States corporations as well as dividends paid on shares of "qualified foreign corporations", including shares of a foreign corporation which are readily tradable on an established securities market in the United States. Since our ordinary shares are readily tradable on the New York Stock Exchange, we believe that dividends paid by us with respect to our ordinary shares should constitute "qualified dividend income" for United States federal income tax purposes, provided that the holding period requirements are satisfied and none of the other special exceptions applies.

The amount of foreign income taxes that may be claimed as a credit against United States federal income tax in any year is subject to certain complex limitations and restrictions, which must be determined on an individual basis by each U.S. holder. The limitations set out in the Code include, among others, rules that may limit foreign tax credits allowable with respect to specific classes of income to the United States federal income taxes otherwise payable with respect to each such class of income. Dividends paid by us generally will be foreign source "passive income" or "financial services income" for United States foreign tax credit purposes.

Disposition of Ordinary Shares. Upon the sale, exchange or other disposition of our ordinary shares, a U.S. holder generally will recognize capital gain or loss in an amount equal to the difference between the amount realized on the disposition by such U.S. holder and its tax basis in the ordinary shares. Such capital gain or loss will be long-term capital gain or loss if the U.S. holder has held the ordinary shares for more than one year at the time of the disposition. In the case of a U.S. holder that is an individual, trust or estate, long-term capital gains realized upon a disposition of the ordinary shares after May 5, 2003 and before the end of a taxable year which begins before January 1, 2011 generally will be subject to a maximum United States federal tax income rate of 15%. Gains realized by a U.S. holder on a sale, exchange or other disposition of ordinary shares generally will be treated as United States source income for United States foreign tax credit purposes.

Information Reporting and Backup Withholding. Dividend payments with respect to the ordinary shares and proceeds from the sale, exchange or redemption of ordinary shares may be subject to information reporting to the IRS and possible U.S. backup withholding. Backup withholding will not apply, however, to a U.S. holder who furnishes a correct taxpayer identification number and makes any other required certification or who is otherwise exempt from backup withholding. Generally a U.S. holder will provide such certification on IRS Form W-9 (Request for Taxpayer Identification Number and Certification).

Amounts withheld under the backup withholding rules may be credited against a U.S. holder's tax liability, and a U.S. holder may obtain a refund of any excess amounts withheld under the backup withholding rules by filing the appropriate claim for a refund with the IRS.

Passive Foreign Investment Company Considerations. If, during any taxable year, 75% or more of our gross income consists of certain types of passive income, or the average value during a taxable year of passive assets (generally assets that generate passive income) is 50% or more of the average value of all of our assets, we will be treated as a "passive foreign investment company" under U.S. federal income tax law for such year and succeeding years. If we are treated as a passive foreign investment company, a U.S. holder may be subject to increased tax liability upon the sale of our ordinary shares or upon the receipt of certain distributions, unless such U.S. holder makes an election to mark our ordinary shares to market annually.

Based on an analysis of our financial position, we believe that we have not been a passive foreign investment company for U.S. federal income tax purposes for any preceding taxable year and expect that we will not become a passive foreign investment company during the current taxable year. However, because the tests for determining passive foreign investment company status are applied as of the end of each taxable year and are dependent upon a number of factors, some of which are beyond our control, including the value of our assets, based on the market price of our ordinary shares, and the amount and type of our gross income, we cannot assure you that we will not become a passive foreign investment company in the future or that the IRS will agree with our conclusion regarding our current passive foreign investment company status. We intend to use reasonable efforts to avoid becoming a passive foreign investment company.

Rules relating to a passive foreign investment company are very complex. U.S. holders should consult their own tax advisors regarding the U.S. federal income tax considerations discussed above and the applicability of passive foreign investment company rules to their investments in our ordinary shares.

Certain Guernsey Tax Considerations

Under the laws of Guernsey as currently in effect, a holder of our ordinary shares who is not a resident of Guernsey and who does not carry on business in Guernsey through a permanent establishment situated there is exempt from Guernsey income tax on dividends paid with respect to the ordinary shares and is not liable for Guernsey income tax on gains realized on sale or disposition of such ordinary shares. In addition, Guernsey does not impose a withholding tax on dividends paid by us to the holders of our ordinary shares. Recent tax legislation was enacted in Guernsey, effective as of January 1, 2008, to tax Guernsey resident shareholders on actual or deemed distribution of certain profits of a Guernsey company. We do not believe this legislation will affect the taxation of a holder of ordinary shares who is not a resident of Guernsey and who does not carry on business in Guernsey through a permanent establishment situated there.

There are no capital gains, gift or inheritance taxes levied by Guernsey, and the ordinary shares generally are not subject to any transfer taxes, stamp duties or similar charges on issuance or transfer.

CORPORATE GOVERNANCE

We believe there are no significant ways that our corporate governance practices differ from those followed by U.S. domestic companies under the NYSE listing standards. For further information regarding our corporate governance practices, please refer to our Notice and Proxy Statement to be mailed to our shareholders along with this Annual Report, and to our website at www.amdocs.com.

DOCUMENTS ON DISPLAY

We are subject to the reporting requirements of foreign private issuers under the U.S. Securities Exchange Act of 1934. Pursuant to the Exchange Act, we file reports with the SEC, including this Annual Report on Form 20-F. We also submit reports to the SEC, including Form 6-K Reports of Foreign Private Issuers. You may read and copy such reports at the SEC's public Reference Room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. You may call the SEC at 1-800-SEC-0330 for further information about the Public Reference Room. Such reports are also available to the public on the SEC's website at www.sec.gov. Some of this information may also be found on our website at www.amdocs.com.

You may request copies of our reports, at no cost, by writing to or telephoning us as follows:

Amdocs, Inc.
1390 Timberlake Manor Parkway
Chesterfield, Missouri 63017
Telephone: +1-314-212-8328

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

CURRENCY FLUCTUATIONS

We manage our foreign subsidiaries as integral direct components of our operations. The operations of our foreign subsidiaries provide the same type of services with the same type of expenditures throughout the Amdocs group. Based on the salient economic factors indicated in SFAS No. 52, "Foreign Currency Translation," we have determined that the U.S. dollar is our functional currency.

During fiscal 2007, our revenue and operating expenses in the U.S. dollar or linked to the U.S. dollar were approximately 70% and 50% to 60%, respectively. As a result of long-term contracts in currencies other than the U.S. dollar and more customers seeking contracts that are denominated in currencies such as the Euro, the percentage of our revenue and operating expenses in the U.S. dollar or linked to the U.S. dollar may decrease over time. Historically, the effect of fluctuations in currency exchange rates on our consolidated operations was not material. As more of our customers seek contracts that are denominated in currencies other than the U.S. dollar, our exposure to fluctuations in currency exchange rates could increase. In managing our

foreign exchange risk, we enter from time to time into various foreign exchange hedging contracts and options. We do not hedge all of our exposure in currencies other than the U.S. dollar, but rather our policy is to hedge significant net exposures in the major foreign currencies in which we operate. We periodically assess the applicability of the U.S. dollar as our functional currency by reviewing the salient indicators.

FOREIGN CURRENCY RISK

We enter into foreign exchange forward contracts and options to hedge most of our foreign currency exposure. We use such contracts to hedge exposure to changes in foreign currency exchange rates associated with revenue denominated in a foreign currency, primarily British pounds, Canadian dollars and the Euro, and anticipated costs to be incurred in a foreign currency, primarily Israeli shekels. We also use forward contracts to hedge the impact of the variability in exchange rates on certain accounts receivable, denominated primarily in Australian dollars, Canadian dollars, and the Euro, and on certain accounts payable, primarily Israeli shekels. We seek to minimize the risk that the anticipated cash flow from sales of our products and services and cash flow required for our expenses denominated in a currency other than our functional currency will be affected by changes in exchange rates. See Note 21 to our consolidated financial statements included in this document. The following table summarizes our foreign currency forward exchange agreements and options as of September 30, 2007. A significant portion of the forward contracts are expected to mature during fiscal 2008 and the rest during fiscal 2009. The table below (all dollar amounts in millions) presents the notional amounts and fair value of the total derivative instruments as of September 30, 2007. Notional values are calculated based on forward rates as of September 30, 2007, U.S. dollar translated.

AS OF SEPTEMBER 30, 2007 -----			
----- NOTIONAL AMOUNT TRANSLATED TO U.S.			
DOLLAR(*) -----	DERIVATIVES MATURING		
DURING FISCAL -----	FAIR VALUE OF 2008		
2009 DERIVATIVES -----			
Revenue.....	\$ 58.7	\$15.5	\$(7.3)
Costs.....	(210.9)	(1.0)	6.0
items.....	3.0	--	(0.1)
	-----	-----	-----
		\$(149.2)	\$14.5
		-----	-----
		=====	=====

(*) Positive notional amounts represent forward contracts to sell foreign currency. Negative notional amounts represent forward contracts and options to buy foreign currency.

INTEREST RATE RISK

Our interest expenses and income are sensitive to changes in interest rates, as all of our cash reserves and some of our borrowings, other than the 0.50% Notes, are subject to interest rate changes. Excess liquidity is invested in short-term interest-bearing investments. Such short-term interest-bearing investments consist primarily of commercial paper, certificates of deposit, U.S. government treasuries, U.S. agencies, corporate bonds, asset backed obligations, and mortgages. As of September 30, 2007, there were \$1.8 million outstanding short-term loans and there were no outstanding borrowings under our revolving lines of credit or our short-term credit facilities, and, accordingly, we believe we are subject to short-term interest rate risk which we do not expect to be material.

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

Not applicable.

PART II

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

Not applicable.

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

Not applicable.

ITEM 15. CONTROLS AND PROCEDURES

The Company's management, with the participation of the Chief Executive Officer and Chief Financial Officer of Amdocs Management Limited, evaluated the effectiveness of the Company's disclosure controls and procedures as of September 30, 2007. The term "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time period specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company's management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding adequate disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on the evaluation of the Company's disclosure controls and procedures as of September 30, 2007, the Chief Executive Officer and the Chief Financial Officer of Amdocs Management Limited concluded that, as of such date, the Company's disclosure controls and procedures were effective at the reasonable assurance level.

No change in the Company's internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) occurred during the fiscal year ended September 30, 2007 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Management's report on the Company's internal control over financial reporting (as such defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act), and the related report of our independent public accounting firm, are included in on pages F-3 and F-4 of this Annual Report on Form 20-F, and are incorporated herein by reference.

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

Our Board of Directors has determined that the Company has at least one audit committee financial expert, Adrian Gardner, serving on its Audit Committee. Our Board of Directors has determined that Mr. Gardner is an independent director.

ITEM 16B. CODE OF ETHICS AND BUSINESS CONDUCT

Our Board of Directors has adopted a Code of Ethics and Business Conduct that sets forth legal and ethical standards of conduct for directors and employees, including executive officers, of the Company, our subsidiaries and other business entities controlled by us worldwide.

Our Code of Ethics and Business Conduct is available on our website at www.amdocs.com, or you may request a copy of our code of ethics, at no cost, by writing to or telephoning us as follows:

Amdocs, Inc.
1390 Timberlake Manor Parkway
Chesterfield, Missouri 63017
Telephone: +1-314-212-8328

We intend to post on our website all disclosures that are required by law or NYSE rules concerning any amendments to, or waivers from, any provision of the code.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

During each of the last three fiscal years, Ernst & Young LLP has acted as the Company's independent registered public accounting firm.

AUDIT FEES

Ernst & Young billed the Company approximately \$3.6 million for audit services for fiscal 2007, including fees associated with the annual audit and reviews of the Company's quarterly financial results submitted on Form 6-K, consultations on various accounting issues and performance of local statutory audits. Ernst & Young billed the Company approximately \$3.5 million for audit services for fiscal 2006.

AUDIT-RELATED FEES

Ernst & Young billed the Company approximately \$0.7 million for audit-related services for fiscal 2007. Audit-related services principally include due diligence examinations and SAS 70 report issuances. Ernst & Young billed the Company approximately \$1.5 million for audit-related services for fiscal 2006.

TAX FEES

Ernst & Young billed the Company approximately \$1.9 million for tax advice, including fees associated with tax compliance, tax advice and tax planning services for fiscal 2007. Ernst & Young billed the Company approximately \$1.1 million for tax advice in fiscal 2006.

ALL OTHER FEES

Ernst & Young did not bill the Company for services other than Audit Fees, Audit-Related Fees and Tax Fees described above for fiscal 2007 or fiscal 2006.

PRE-APPROVAL POLICIES FOR NON-AUDIT SERVICES

The Audit Committee has adopted policies and procedures relating to the approval of all audit and non-audit services that are to be performed by the Company's independent registered public accounting firm. These policies generally provide that the Company will not engage its independent registered public accounting firm to render audit or non-audit services unless the service is specifically approved in advance by the Audit Committee or the engagement is entered into pursuant to the pre-approval procedure described below.

From time to time, the Audit Committee may pre-approve specified types of services that are expected to be provided to the Company by its independent registered public accounting firm during the next 12 months. Any such pre-approval is detailed as to the particular service or type of services to be provided and is also generally subject to a maximum dollar amount. In fiscal 2007, the Company's Audit Committee approved all of the services provided by Ernst & Young.

ITEM 16D. EXEMPTION FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

Not applicable.

ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

The following table provides information about purchases by us and our affiliated purchasers during the fiscal year ended September 30, 2007 of equity securities that are registered by us pursuant to Section 12 of the Exchange Act:

Ordinary Shares

(c) (d) TOTAL NUMBER OF (a) SHARES MAXIMUM NUMBER (OR (b) PURCHASED AS PART APPROXIMATE DOLLAR VALUE) TOTAL NUMBER OF OF PUBLICLY OF SHARES THAT SHARES AVERAGE PRICE ANNOUNCED PLANS MAY YET BE PURCHASED UNDER PERIOD PURCHASED PAID PER SHARE OR PROGRAMS THE PLANS OR PROGRAMS(1) - -----			

----- 8/1/07-			
8/31/07.....	829,250	\$35.47	829,250
9/1/07-	\$370,587,069		
9/30/07.....	581,800	\$35.06	581,800
-----	\$350,190,925		---
Total.....	1,411,050	\$35.30	1,411,050
	\$350,190,925	=====	
		=====	

(1) In August 2007, our board of directors authorized a share repurchase plan allowing the repurchase of up to \$400 million of our outstanding ordinary shares. The authorization permits us to purchase our ordinary shares in open market or privately negotiated transactions at times and prices that we consider appropriate.

PART III

ITEM 17. FINANCIAL STATEMENTS

Not applicable.

ITEM 18. FINANCIAL STATEMENTS

FINANCIAL STATEMENTS AND SCHEDULE

The following Financial Statements and Financial Statement Schedule of Amdocs Limited, with respect to financial results for the fiscal years ended September 30, 2007, 2006 and 2005, are included at the end of this Annual Report:

AUDITED FINANCIAL STATEMENTS OF AMDOCS LIMITED

Reports of Independent Registered Public Accounting Firm

Consolidated Balance Sheets as of September 30, 2007 and 2006

Consolidated Statements of Income for the years ended September 30, 2007, 2006 and 2005

Consolidated Statements of Changes in Shareholders' Equity for the years ended September 30, 2007, 2006 and 2005

Consolidated Statements of Cash Flows for the years ended September 30, 2007, 2006 and 2005

Notes to Consolidated Financial Statements

FINANCIAL STATEMENT SCHEDULES OF AMDOCS LIMITED

Valuation and Qualifying Accounts

All other schedules have been omitted since they are either not required or not applicable, or the information has otherwise been included.

ITEM 19. EXHIBITS

The exhibits listed on the Exhibit Index hereof are filed herewith in response to this Item.

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

Amdocs Limited

/s/ THOMAS G. O'BRIEN

Thomas G. O'Brien
Treasurer and Secretary
Authorized U.S. Representative

Date: December 3, 2007

EXHIBIT INDEX

EXHIBIT NO.
DESCRIPTION

----- 1.
Memorandum
and Articles
of
Association
of Amdocs
Limited
(incorporated
by reference
to Exhibits
3.1 and 3.2
to Amdocs'
Registration
Statement on
Form F-1
dated June
19, 1998;
Registration
No. 333-
8826) 2.a.1
Indenture
dated May
30, 2001
between
Amdocs and
United
States Trust
Company of
New York
(incorporated
by reference
to Exhibit
4.1 to
Amdocs' Form
6-K dated
May 31,
2001) 2.a.2
Registration
Rights
Agreement
dated May
30, 2001
between
Amdocs and
Goldman,
Sachs & Co.
(incorporated
by reference
to Exhibit
4.2 to
Amdocs' Form
6-K dated
May 31,
2001) 2.a.3
Indenture,
dated March
5, 2004,
between
Amdocs
Limited and
The Bank of
New York, as
trustee, for
0.50%
Convertible
Senior Notes
due 2024
(incorporated
by reference
to Exhibit
99.1 to
Amdocs' Form
6-K, filed

March 5,
2004) 2.a.4
Registration
Rights
Agreement,
dated March
5, 2004,
among Amdocs
Limited and
Morgan
Stanley &
Co.
Incorporated,
Goldman,
Sachs & Co.
and Merrill
Lynch,
Pierce
Fenner &
Smith
Incorporated
(incorporated
by reference
to Exhibit
99.2 to
Amdocs' Form
6-K, filed
March 5,
2004) 4.a.1
Share Sale
and Purchase
Agreement,
dated as of
July 1,
2005, by and
among DST
Systems,
Inc.,
Amdocs, Inc.
and Amdocs
Limited
(incorporated
by reference
to Exhibit
99.1 to
Amdocs' Form
6-K dated
July 5,
2005) 4.a.2
Agreement
and Plan of
Merger,
dated as of
April 17,
2006, by and
among Amdocs
Limited,
Amdocs
Thesaurus,
Inc., Qpass
Inc. and Ray
A. Rothrock,
as
Shareholders'
Agent
(incorporated
by reference
to Exhibit
99.1 to
Amdocs' Form
6-K dated
April 21,
2006) 4.a.3
Share Sale
and Purchase
Agreement
relating to
Cramer
Systems
Group
Limited,

dated July 18, 2006, by and among Amdocs Limited, Amdocs Astrum Limited and certain shareholders of Cramer Systems Group Limited

(incorporated by reference to Exhibit 99.1 to Amdocs' Form 6-K dated July 20, 2006) 4.a.4 Agreement, dated August 14, 2006, amending the Share Sale and Purchase Agreement relating to Cramer Systems Group Limited

dated July 18, 2006, by and among Amdocs Limited, Amdocs Astrum Limited and certain shareholders of Cramer Systems Group Limited

(incorporated by reference to Exhibit 99.1 to Amdocs' Form 6-K dated August 17, 2006) 4.a.5 Agreement, dated September 14, 2006, amending the Share Sale and Purchase Agreement relating to Cramer Systems Group Limited

dated July 18, 2006, by and among Amdocs Limited, Amdocs Astrum Limited and certain shareholders of Cramer Systems

Group
Limited, as
amended
(incorporated
by reference
to Exhibit
99.1 to
Amdocs' Form
6-K dated
September
14, 2006)

4.b.1
Further
Amended and
Restated
Information
Technology
Services
Agreement,
dated
September 1,
2007,
between
Amdocs, Inc.
and AT&T
Services,
Inc.

(confidential
material has
been
redacted and
complete
exhibits
have been
separately
filed with
the

Securities
and Exchange
Commission)
(incorporated
by reference
to Exhibit
99.3 to
Amdocs'
Report of
Foreign
Private
Issuer on
Form 6-K
dated
December 3,
2007) 4.b.2

Master
Agreement
for Software
and Services
between
Amdocs, Inc.
and SBC
Operations,
Inc.,
effective
July 7, 1998

(confidential
material has
been
redacted and
complete
exhibits
have been
separately
filed with
the

Securities
and Exchange
Commission)
(incorporated
by reference
to Exhibit
10.13 to

Amdocs'
Amendment
No. 1 to
Registration
Statement on
Form F-1,
dated May
21, 1999,
Registration
No. 333-
75151) 4.b.3
Software
Master
Agreement
between
Amdocs
Software
Systems
Limited and
SBC
Services,
Inc.,
effective
December 10,
2003

(confidential
material has
been
redacted and
complete
exhibits
have been
separately
filed with
the
Securities
and Exchange
Commission)

(incorporated
by reference
to Exhibit
99.2 to
Amdocs'
Amendment
No. 1 to
Registration
Statement on
Form F-3,
dated
September
21, 2004,
Registration
No. 333-
114344)
4.b.4

Agreement
between
Amdocs Inc.
and SBC
Services,
Inc. for
Software and
Professional
Services,
effective
August 7,
2003

(confidential
material has
been
redacted and
complete
exhibits
have been
separately
filed with
the
Securities
and Exchange
Commission)
(incorporated

by reference
to Exhibit
99.3 to
Amdocs'
Amendment
No. 1 to
Registration
Statement on
Form F-3,
dated
September
21, 2004,
Registration
No. 333-
114344)

EXHIBIT NO.
DESCRIPTION -

----- 4.b.5
Amended and
Restated
Customer Care
and Billing
Services
Agreement,
dated as of
July 1, 2006,
between
Sprint/United
Management
Company and
Amdocs
Software
Systems
Limited
(confidential
material has
been redacted
and complete
exhibits have
been
separately
filed with
the
Securities
and Exchange
Commission)
(incorporated
by reference
to Exhibit
99.1 to
Amdocs' Form
6-K dated
December 13,
2006) 4.b.6
Agreement
Amending the
Further
Amended and
Restated
Master
Outsourcing
Agreement and
Master
License and
Services
Agreement,
dated as of
October 5,
2006, between
Bell Canada
and Amdocs
Canadian
Managed
Services Inc.
(confidential
material has
been redacted
and complete
exhibits have
been
separately
filed with
the
Securities
and Exchange
Commission)
(incorporated
by reference
to Exhibit
4.c.1 to
Amdocs'
Report of

Foreign
Private
Issuer on
Form 6-K
dated
December 13,
2006) 4.b.7
Information
Technology
Services
Agreement,
dated as of
April 1,
2007, between
Amdocs, Inc.
and AT&T
Services,
Inc.

(confidential
material has
been redacted
and complete
exhibits have
been

separately
filed with
the
Securities
and Exchange
Commission)
(incorporated
by reference
to Exhibit

99.1 to
Amdocs'
Report of
Foreign
Private
Issuer on
Form 6-K
dated

December 3,
2007) 4.b.8
Information
Technology
Services
Agreement,
dated as of
April 17,
2007, between
Amdocs, Inc.
and AT&T
Services,
Inc.

(confidential
material has
been redacted
and complete
exhibits have
been

separately
filed with
the
Securities
and Exchange
Commission)
(incorporated
by reference
to Exhibit

99.2 to
Amdocs'
Report of
Foreign
Private
Issuer on
Form 6-K
dated

December 3,
2007) 4.b.9
Credit
Agreement,

dated as of
November 27,
2007, among
Amdocs
Limited,
certain of
its
subsidiaries,
the lenders
from time to
time party
thereto,
JPMorgan
Chase Bank,
N.A., as
administrative
agent, J.P.
Morgan Europe
Limited, as
London agent,
and JPMorgan
Chase Bank,
N.A., Toronto
branch, as
Canadian
agent 4.c.1
Amdocs
Limited 1998
Stock Option
and Incentive
Plan, as
amended
(incorporated
by reference
to Exhibit
4.c.1 to
Amdocs'
Annual Report
on Form 20-F
filed
December 13,
2006) 8
Subsidiaries
of Amdocs
Limited 12.1
Certification
of Chief
Executive
Officer
pursuant to
Rule 13a-
14(a)/15d-
14(a) 12.2
Certification
of Chief
Financial
Officer
pursuant to
Rule 13a-
14(a)/15d-
14(a) 13.1
Certification
of Chief
Executive
Officer
pursuant to
18U.S.C. 1350
13.2
Certification
of Chief
Financial
Officer
pursuant to
18U.S.C. 1350
14.1 Consent
of Ernst &
Young LLP

AMDOCS LIMITED
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

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	Reports of Independent Registered Public Accounting Firm.....	F-3
	Consolidated Balance Sheets as of September 30, 2007 and 2006.....	F-5
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MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting for the Company. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

- Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The Company's management assessed the effectiveness of the Company's internal control over financial reporting as of September 30, 2007. In making this assessment, the Company's management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control-Integrated Framework.

Based on its assessment, management concluded that, as of September 30, 2007, the Company's internal control over financial reporting is effective based on those criteria.

The financial statements and internal control over financial reporting have been audited by Ernst & Young LLP, an independent registered public accounting firm.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders
Amdocs Limited

We have audited the accompanying consolidated balance sheets of Amdocs Limited as of September 30, 2007 and 2006, and the related consolidated statements of income, changes in shareholders' equity, and cash flows for each of the three years in the period ended September 30, 2007. Our audits also included the financial statement schedule listed in the Index at Item 18 of Part III. These financial statements and the schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and the schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Amdocs Limited at September 30, 2007 and 2006, and the consolidated results of its operations and its cash flows for each of the three years in the period ended September 30, 2007, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

As discussed in Notes 2 and 17 to the consolidated financial statements, effective October 1, 2005, the Company changed its method of accounting for equity-based compensation to adopt Statement of Financial Accounting Standards No. 123(R), Share-Based Payment.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the effectiveness of Amdocs Limited's internal control over financial reporting as of September 30, 2007, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated December 3, 2007 expressed an unqualified opinion thereon.

/s/ ERNST & YOUNG LLP

New York, New York
December 3, 2007

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders
Amdocs Limited

We have audited Amdocs Limited's internal control over financial reporting as of September 30, 2007, based on criteria established in Internal Control -- Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). Amdocs Limited's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying management's report. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Amdocs Limited maintained, in all material respects, effective internal control over financial reporting as of September 30, 2007, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Amdocs Limited as of September 30, 2007 and 2006, and the related consolidated statements of income, changes in shareholders' equity, and cash flows for each of the three years in the period ended September 30, 2007 and our report dated December 3, 2007 expressed an unqualified opinion thereon.

/s/ ERNST & YOUNG LLP

New York, New York
December 3, 2007

AMDOCS LIMITED

CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS, EXCEPT PER SHARE DATA)

AS OF SEPTEMBER 30, -----	2007	2006	----
-----	ASSETS	CURRENT ASSETS:	
equivalents.....	\$ 615,501	Cash and cash	
607,187	Short-term interest-bearing	investments.....	563,779 372,194
425,805	Deferred income taxes and taxes	receivable, net.....	493,418
receivable.....	117,623 136,044	Prepaid expenses	
and other current assets.....	98,746 97,476	and other current assets.....	98,746 97,476
-----	TOTAL CURRENT		
ASSETS.....	1,889,067	1,638,706	
Equipment, vehicles and leasehold improvements,			
net.....	283,839	220,290	Deferred income
taxes.....	192,761		taxes.....
	133,690		
Goodwill.....			
1,489,132	1,461,606	Intangible assets,	
net.....		303,456	347,716
	Other noncurrent		
assets.....	186,344	160,820	
-----	TOTAL		
ASSETS.....	\$4,344,599		
\$3,962,828	=====	=====	LIABILITIES AND
SHAREHOLDERS' EQUITY			CURRENT LIABILITIES:
payable.....	\$ 192,395	Accounts	
\$ 148,398	Accrued expenses and other current	liabilities.....	222,616 270,268
liabilities.....	177,926	178,441	Accrued personnel
costs.....			costs.....
Short-term portion of financing arrangements and capital			
lease obligations.....	2,055	1,963	Deferred
revenue.....			revenue.....
253,376	Deferred income taxes and taxes	payable.....	205,960 179,241
payable.....			-----
-----	TOTAL CURRENT LIABILITIES.....		
974,727	1,031,687	Convertible	
notes.....		450,000	
450,000	Deferred income	taxes.....	122,983
taxes.....			129,339
129,339	Noncurrent liabilities and	other.....	196,646 197,637
other.....			-----
-----	TOTAL		
LIABILITIES.....	1,744,356		
1,808,663	-----	-----	SHAREHOLDERS' EQUITY:
Preferred Shares -- Authorized 25,000 shares; L0.01 par			value; 0 shares issued and outstanding.....
--			--
--			Ordinary Shares -- Authorized 550,000 shares; L0.01 par
outstanding, in 2007 and 2006, respectively... 3,850	3,763		Additional paid-in capital.....
Additional paid-in capital.....	2,168,234	2,035,309	Treasury stock, at cost -- 28,550 and
2,168,234	2,035,309	27,139	Ordinary Shares in 2007 and
2006.....	(652,229)	(602,392)	Accumulated other comprehensive income.....
Accumulated other comprehensive income.....			689 2,723
earnings.....			1,079,699
714,762	-----	-----	TOTAL SHAREHOLDERS'
EQUITY.....	2,600,243	2,154,165	-----
--	-----	-----	TOTAL LIABILITIES AND SHAREHOLDERS'
EQUITY.....	\$4,344,599	\$3,962,828	=====

The accompanying notes are an integral part of these consolidated financial statements.

AMDOCS LIMITED

CONSOLIDATED STATEMENTS OF INCOME
(IN THOUSANDS, EXCEPT PER SHARE DATA)

YEAR ENDED SEPTEMBER 30, -----	-----	-----	-----
----- 2007 2006 2005 -----	-----	-----	-----
----- REVENUE:			
License.....	\$ 159,357	\$ 116,285	\$ 100,044
Service.....	2,676,816	2,363,765	1,938,577
	-----	-----	-----
	2,836,173	2,480,050	2,038,621
----- OPERATING			
EXPENSES: Cost of			
license.....	3,914		
	4,003	4,083	Cost of
service.....	1,792,468		
	1,579,823	1,291,572	Research and
development.....	230,444		
	186,760	144,457	Selling, general and
administrative.....	370,194	313,997	
232,066	Amortization of purchased intangible		
assets..	74,959	37,610	15,356
Restructuring			
charges, in-process research and development			
and other acquisition- related			
costs.....	6,761		
25,725	12,595		
2,478,740	2,147,918	1,700,129	-----
----- Operating			
income.....			
357,433	332,132	338,492	Interest income and
other, net.....	50,566	41,741	
22,303			Income
before income taxes.....			
407,999	373,873	360,795	Income
taxes.....			
43,062	55,237	72,159	-----
----- NET			
INCOME.....			
\$ 364,937	\$ 318,636	\$ 288,636	=====
===== BASIC EARNINGS PER			
SHARE.....	\$ 1.76	\$ 1.57	\$
1.44			
===== DILUTED			
EARNINGS PER SHARE.....	\$		
1.65	\$ 1.48	\$ 1.35	=====
===== BASIC WEIGHTED AVERAGE NUMBER OF			
SHARES			
OUTSTANDING.....			
207,846	203,194	201,023	=====
===== DILUTED WEIGHTED AVERAGE NUMBER OF			
SHARES			
OUTSTANDING.....			
223,256	218,534	217,162	=====
=====			

The accompanying notes are an integral part of these consolidated financial statements.

short-term interest-bearing
investments, net of \$485
tax..... -
- - - - - 1,671 -- -- 1,671
----- Comprehensive
income..... 332,245 ----
----- Employee stock
options
exercised.....
5,869 106 106,853 -- -- --
- 106,959 Tax benefit of
stock options
exercised.....
-- -- 7,619 -- -- --
7,619 Issuance of restricted
stock, net of
cancellations..... 742
13 -- -- -- -- 13
Issuance of restricted stock
and stock options related to
acquisitions,
net..... -- -- 4,634
-- -- -- -- 4,634 Equity-
based compensation expense
related to
employees.....
-- -- 46,178 -- -- --
46,178 Reclassification of
unearned compensation to
additional paid-in
capital..... -- --
(962) -- -- 962 -- --
Equity-based compensation
expense related to non
employee stock
options..... -- -- 65 -- --
- - - - 65 -----

- BALANCE AS OF SEPTEMBER
30,
2006.....
206,793 3,763 2,035,309
(602,392) 2,723 -- 714,762
2,154,165 Comprehensive
income: Net
income..... --
-- -- -- -- 364,937
364,937 Unrealized loss on
foreign currency hedging
contracts, net of \$(1,363)
tax..... -
- - - - (3,420) -- --
(3,420) Unrealized gain on
short-term interest-bearing
investments, net of \$30
tax..... -
- - - - 659 -- -- 659 ---
----- Comprehensive
income..... 362,176 ----
----- Adjustment to
accumulated other
comprehensive income upon
adoption of statement 158
net of \$(378)
tax..... -- -- --
-- 727 -- -- 727 Employee
stock options
exercised.....
3,970 79 74,576 -- -- --
74,655 Repurchase of
shares..... (1,411) --
-- (49,837) -- -- --
(49,837) Tax benefit of
stock options
exercised.....
-- -- 3,965 -- -- --
3,965 Issuance of restricted
stock, net of
cancellations..... 410 8
-- -- -- -- 8 Issuance of

stock options related to acquisitions,			
net.....			
-- -- 768 -- -- -- 768			
Equity-based compensation expense related to employees.....			
-- -- 53,587 -- -- --			
53,587 Equity-based compensation expense related to non-employee stock options.....	-- -- 29 -- -		
- - - 29 - - - - -			

- BALANCE AS OF SEPTEMBER 30,			
2007.....			
209,762 \$3,850 \$2,168,234			
\$(652,229) \$ 689 \$ --			
\$1,079,699 \$2,600,243			
=====			
=====			
=====			

As of September 30, 2007, 2006 and 2005, accumulated other comprehensive income (loss) is comprised of unrealized (loss) gain on derivatives, net of tax, of \$(579), \$2,841 and \$(9,097) unrealized income (loss) on cash equivalents and short-term interest-bearing investments, net of tax, of \$541, \$(118) and \$(1,789) and adjustment to accumulated other comprehensive income upon adoption of statement 158, net of tax, of \$727.

The accompanying notes are an integral part of these consolidated financial statements.

AMDOCS LIMITED

CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN THOUSANDS)

YEAR ENDED SEPTEMBER 30, -----	2007	2006	2005	-----
----- CASH FLOW FROM OPERATING ACTIVITIES:				
Net				
income.....	\$ 364,937	\$ 318,636	\$ 288,636	Reconciliation of
				net income to net cash provided by operating
				activities: Depreciation and
amortization.....	164,994	117,900	93,828	In-process research and development
expenses..	750	25,725	2,760	Equity-based
compensation expense.....	53,587	46,178	--	(Gain) loss on sale of
equipment.....	(8)	789	(786)	Deferred
income taxes.....	(21,095)	22,811	8,062	Excess tax benefit from equity-
				based
compensation.....	(795)	(722)	--	Tax benefit of stock options
exercised.....	--	--	3,147	Realized gain from
				short-term interest-bearing investments and
other.....	(2,936)	(4,030)	(657)	Net changes in operating assets and
				liabilities, net of amounts acquired: Accounts
receivable.....	(66,582)	(79,363)	(15,106)	Prepaid expenses and
other current assets.....	(62)	(10,536)	3,667	Other noncurrent
assets.....	(26,264)	(18,313)	(17,593)	Accounts payable and accrued
expenses.....	29,642	54,569	26,542	Deferred
revenue.....	(97,425)	(52,050)	(5,702)	Income taxes
payable.....	12,243	(10,796)	(6,643)	Noncurrent liabilities and
other.....	13,009	18,422	1,596	-----
----- Net cash provided by				
operating activities.....	423,995	429,220	381,751	-----
CASH				
FLOW FROM INVESTING ACTIVITIES: Proceeds from				
sale of equipment, vehicles and leasehold				improvements.....
improvements.....	3,832	4,274	5,829	Payments for purchase of equipment
				and leasehold
improvements.....	(166,426)	(80,717)	(71,374)	Purchase of short-
				term interest-bearing
investments.....	(969,198)	(1,216,259)	(747,073)	Proceeds from
				sale of short-term interest-bearing
investments.....	781,239	1,288,261	948,711	Net cash paid for
acquisitions.....	(90,724)	(624,801)	(262,253)	-----
--- Net cash used in investing				
activities.....	(441,277)	(629,242)	(126,160)	-----
CASH				
FLOW FROM FINANCING ACTIVITIES: Proceeds from				
employee stock options exercised....	74,663	106,853	24,024	Excess tax benefit from equity-
				based compensation..
shares.....	795	722	--	Repurchase of
				shares.....
	(49,837)	--	(99,976)	Repurchase of 2% convertible
notes.....	--	(97)	--	Principal
payments under financing arrangements....	--	(4,677)	(667)	Principal payments on capital
lease obligations....	(25)	(3,144)	(21,772)	-----
----- Net cash provided by				
(used in) financing				activities.....
	25,596	99,657	(98,391)	-----

-----	Net increase (decrease) in cash and cash		
equivalents.....			
	8,314 (100,365) 157,200	Cash and cash	
	equivalents at beginning of year.....	607,187	
707,552	550,352	-----	-----
	Cash and cash equivalents at end of		
year.....	\$ 615,501	\$ 607,187	\$ 707,552
	=====	=====	=====

The accompanying notes are an integral part of these consolidated financial statements.

AMDOCS LIMITED

CONSOLIDATED STATEMENTS OF CASH FLOWS -- (CONTINUED)
(IN THOUSANDS)

YEAR ENDED SEPTEMBER 30, -----			
2007	2006	2005	----- SUPPLEMENTARY
CASH FLOW INFORMATION Interest and Income Taxes Paid			
Cash paid for: Income taxes, net of			
refunds.....		\$43,590	\$40,861
	\$62,668		
Interest.....			
	4,167	2,630	5,233

The accompanying notes are an integral part of these consolidated financial statements.

AMDOCS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(DOLLAR AND SHARE AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)
SEPTEMBER 30, 2007

NOTE 1 -- NATURE OF ENTITY

Amdocs Limited (the "Company") is a leading provider of software products and services to the communications industry. The Company and its subsidiaries operate in one segment, providing integrated offering products and services that enable the Company's customers to move toward an integrated approach to customer management. The Company designs, develops, markets, supports, operates and provides information system solutions, including managed services, primarily to leading communications companies throughout the world.

The Company is a Guernsey corporation, which directly or indirectly holds several wholly-owned subsidiaries around the world. The majority of the Company's customers are in North America, Europe, Latin America and the Asia-Pacific region. The Company's main production and operating facilities are located in Cyprus, India, Ireland, Israel, the United States and China.

NOTE 2 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

The consolidated financial statements are prepared in accordance with U.S. generally accepted accounting principles.

CONSOLIDATION

The financial statements include the accounts of the Company and its wholly-owned subsidiaries. All intercompany transactions and balances have been eliminated in consolidation.

FUNCTIONAL CURRENCY

The Company manages its foreign subsidiaries as integral direct components of its operations. The operations of the Company's foreign subsidiaries provide the same type of services with the same type of expenditures throughout the Amdocs group. Based on the salient economic factors indicated in Statement of Financial Accounting Standards ("SFAS") No. 52, "Foreign Currency Translation," the Company has determined that its functional currency is the U.S. dollar. The Company periodically assesses the applicability of the U.S. dollar as the Company's functional currency by reviewing the salient indicators.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash and interest-bearing investments with insignificant interest rate risk and original maturities of 90 days or less.

INVESTMENTS

The Company classifies all of its short-term interest-bearing investments as available-for-sale securities. Such short-term interest-bearing investments consist primarily of commercial paper, certificates of deposit, U.S. government treasuries, U.S. agencies, corporate bonds, asset backed obligations and mortgages, which are stated at market value. Unrealized gains and losses are comprised of the difference between market value and amortized costs of such securities and are reflected, net of tax, as "accumulated other comprehensive income" in shareholders' equity. Realized gains and losses on short-term interest-bearing investments are included in earnings and are derived using the specific identification method for determining the cost of securities.

AMDOCS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)
(DOLLAR AND SHARE AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)

EQUIPMENT, VEHICLES AND LEASEHOLD IMPROVEMENTS

Equipment, vehicles and leasehold improvements are stated at cost. Assets under capital leases are recorded at the present value of the future minimum lease payments at the date of acquisition. Depreciation is computed using the straight-line method over the estimated useful life of the asset, which primarily ranges from 3 to 10 years and includes the amortization of assets under capitalized leases. Leasehold improvements are amortized over the shorter of the estimated useful lives or the term of the related lease. Management reviews property and equipment and other long-lived assets on a periodic basis to determine whether events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable.

GOODWILL AND OTHER INTANGIBLE ASSETS

SFAS No. 141, "Business Combinations" ("SFAS No. 141") requires that the purchase method of accounting be used for all business combinations. Under SFAS No. 142, "Goodwill and Other Intangible Assets," goodwill and intangible assets deemed to have indefinite lives are subject to an annual impairment test in accordance with the Statement. Goodwill impairment is deemed to exist if the net book value of a reporting unit exceeds its estimated fair value. Other intangible assets are amortized over their useful lives.

The total purchase price of business acquisitions accounted for using the purchase method is allocated first to identifiable assets and liabilities based on estimated fair values. The excess of the purchase price over the fair value of net assets of purchased businesses is recorded as goodwill.

Other intangible assets consist primarily of purchased computer software, intellectual property rights, core technology, customer arrangements and trademarks. Intellectual property rights, purchased computer software, core technology and trademarks acquired by the Company are amortized over their estimated useful lives on a straight-line basis.

Some of the acquired customer arrangements are amortized over their estimated useful lives in proportion to the economic benefits realized. This accounting policy results in accelerated amortization of such customer arrangements as compared to the straight-line method. All other acquired customer arrangements are amortized over their estimated useful lives on a straight-line basis.

LONG-LIVED ASSETS

The Company considers whether there are indicators of impairment that would require the comparison of the estimated net realizable value of intangible assets with finite lives, equipment, leasehold improvements and vehicles and other long-lived assets, using an undiscounted cash flow analysis, to their carrying value under SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets." Any impairment would be recognized when the fair market value of such long-lived assets is less than their carrying value.

COMPREHENSIVE INCOME (LOSS)

The Company accounts for comprehensive income (loss) under the provisions of SFAS No. 130, "Reporting Comprehensive Income," which established standards for the reporting and display of comprehensive income (loss) and its components. Comprehensive income (loss) represents the change in shareholders' equity during a period from transactions and other events and circumstances from nonowner sources. It includes all changes in equity except those resulting from investments by owners and distributions to owners.

AMDOCS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)
(DOLLAR AND SHARE AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)

CONVERTIBLE NOTES

Accrued interest on the Company's convertible notes is included in "accrued expenses and other current liabilities." The Company amortizes the issuance costs related to the convertible notes on a straight-line basis over the term of the convertible notes. The amortized issuance cost, calculated on a pro-rata basis, related to the repurchased 0.5% convertible notes is included in "interest income and other, net."

TREASURY STOCK

The Company repurchases its Ordinary Shares from time to time on the open market or in other transactions and holds such shares as treasury stock. The Company presents the cost to repurchase treasury stock as a reduction of shareholders' equity.

INCOME TAXES

The Company records deferred income taxes to reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting and tax purposes. Deferred taxes are computed based on tax rates anticipated to be in effect when the deferred taxes are expected to be paid or realized. A valuation allowance is provided for deferred tax assets if it is more likely than not these items will either expire before the Company is able to realize their benefit, or where future deductibility is uncertain. In the event that a valuation allowance relating to a business acquisition is subsequently reduced, the adjustment will reduce the original amount allocated to goodwill.

Deferred tax liabilities and assets are classified as current or noncurrent based on the classification of the related asset or liability for financial reporting, or according to the expected reversal dates of the specific temporary differences if not related to an asset or liability for financial reporting, and also include anticipated withholding taxes due on subsidiaries' earnings when paid as dividends to the Company.

It is the Company's policy to establish accruals for taxes that may become payable in future years as a result of examinations by tax authorities. The Company establishes the accruals based upon management's assessment of probable contingencies. The Company believes it has appropriately accrued for probable contingencies.

REVENUE RECOGNITION

Revenue is recognized only when all of the following conditions have been met: (i) there is persuasive evidence of an arrangement; (ii) delivery has occurred; (iii) the fee is fixed and determinable; and (iv) collectibility of the fee is reasonably assured. The Company usually sells its software licenses as part of an overall solution offered to a customer that combines the sale of software licenses with a broad range of services, which normally include significant customization, modification, implementation and integration. As a result, combined license and service revenue generally is recognized over the course of these long-term projects, using the percentage of completion method of accounting in conformity with Accounting Research Bulletin ("ARB") No. 45, "Long Term Construction-Type Contracts," Statement of Position ("SOP") 81-1, "Accounting for Performance of Construction-Type and Certain Production-Type Contracts" and SOP 97-2, "Software Revenue Recognition." When total cost estimates exceed revenues in a fixed-price arrangement, the estimated losses are recognized immediately based upon the cost applicable to the delivering unit in accordance with SOP 81-1.

Initial license fee for software revenue is recognized as work is performed, under the percentage of completion method of accounting. Subsequent license fee revenue is recognized upon completion of specified conditions in each contract, based on a customer's subscriber level or transaction volume or other measurements when greater than the level specified in the contract for the initial license fee.

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Service revenue that involves significant ongoing obligations, including fees for software customization, implementation and modification as part of a long-term contract, is recognized as work is performed, under the percentage of completion method of accounting. Revenue from software solutions that do not require significant customization and modification is recognized upon delivery or as services are provided, in accordance with SAB 104, "Revenue Recognition" and SOP 97-2. The Company complies with Emerging Issues Task Force ("EITF") 03-05, "Applicability of AICPA SOP 97-2 to Non-Software Deliverables in an Arrangement Containing More Than Incidental Software."

Fees are generally considered fixed and determinable unless a significant portion (more than 10%) of the licensing and related service fee is due more than 12 months after delivery, in which case license and related customization fees are recognized when payments are due, in accordance with SOP 97-2.

In managed services contracts as well as in other long-term contracts, revenue from the operation of a customer's system is recognized either as services are performed based on time elapsed, output produced or volume of data processed. Revenue from ongoing support services is recognized as work is performed or based on straight line over the service period.

Revenue from third-party hardware sales is recognized upon delivery and installation, and revenue from third-party software sales is recognized upon delivery. Revenue from third-party hardware and software sales is recorded according to the criteria established in EITF 99-19, "Recording Revenue Gross as a Principal versus Net as an Agent" and SAB 104. Revenue is recorded at gross amount for transactions in which the Company is the primary obligor under the arrangement and/or possesses other attributes such as pricing and supplier selection latitude. In specific circumstances where the Company does not meet the above criteria, particularly when the contract stipulates that the Company is not the primary obligor, the Company recognizes revenue on a net basis.

Included in service revenue are sales of third-party products. Revenue from sales of such products includes third-party computer hardware and computer software products and was less than 10% of total revenue in each of fiscal 2007, 2006 and 2005.

Maintenance revenue is recognized ratably over the term of the maintenance agreement, which in most cases is one year.

As a result of a significant portion of the Company's revenue being subject to the percentage of completion accounting method, the Company's annual and quarterly operating results may be significantly affected by the size and timing of customer projects and the Company's progress in completing such projects.

Many of the Company's agreements include multiple deliverables. For these multiple element arrangements, the Company allocates revenue to each element based upon its relative fair value as determined by Vendor Specific Objective Evidence ("VSOE"). The Company uses the residual method in accordance with SOP 97-2 and EITF 00-21, "Revenue Arrangements with Multiple Deliverables," ("EITF 00-21") in the absence of fair value for a delivered element the Company first allocates revenue to the fair value of the undelivered elements and residual revenue to delivered elements. The residual method is used mainly in multiple element arrangements that include license for the sale of software solutions that do not require significant customization and modification and first year maintenance to determine the appropriate value for the license component.

In circumstances where the Company enters into a contract with a customer for the provision of managed services for a defined period of time, the Company defers, in accordance with SAB 104, certain incremental costs incurred at the inception of the contract. These costs include time and expense incurred in association with the origination of a contract. In addition, under the provisions of EITF No. 00-21, if the revenue for a delivered item is not recognized because it is not separable from the managed services arrangement, then the

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Company also defers the cost of the delivered item. The deferred costs are amortized on a straight-line basis over the life of the applicable customer contract. Revenue associated with these capitalized costs is deferred and is recognized over the same period.

In cases where extended payment terms exist and revenue is deferred until payments are due, related costs are capitalized as contract costs and recognized as revenue is recognized.

Deferred revenue represents billings to customers for licenses, services and third-party products for which revenue has not been recognized. Unbilled accounts receivable include all revenue amounts that had not been billed as of the balance sheet date due to contractual or other arrangements with customers. Allowances that are netted against accounts receivable represent amounts provided for accounts for which their collectibility is not reasonably assured.

COST OF LICENSE AND COST OF SERVICE

Cost of license and cost of service consist of all costs associated with providing services to customers, including identified losses on contracts and warranty expense. Estimated losses on contracts are recognized in the period in which the loss is identified in accordance with SOP 81-1. Estimated costs related to warranty obligations are initially provided at the time the product is delivered and are revised to reflect subsequent changes in circumstances and estimates. Cost of license includes royalty payments to software suppliers, amortization of purchased computer software and intellectual property rights.

Cost of service also includes costs of third-party products associated with reselling third-party computer hardware and software products to customers, when revenue from third-party products is recorded at the gross amount. Customers purchasing third-party products from the Company generally do so in conjunction with the purchase of services.

RESEARCH AND DEVELOPMENT

Research and development expenditures consist of costs incurred in the development of new software modules and product offerings, either as part of the Company's internal product development programs or in conjunction with customer projects. Research and development costs, which are incurred in conjunction with a customer project, are expensed as incurred.

Based on the Company's product development process, technological feasibility, as defined in SFAS No. 86, "Accounting for the Costs of Computer Software to be Sold, Leased or Otherwise Marketed," is established upon completion of a detailed program design or, in the absence thereof, completion of a working model. Costs incurred by the Company after achieving technological feasibility and before the product is ready for customer release have been insignificant.

EQUITY-BASED COMPENSATION

Effective October 1, 2005, the Company adopted FASB Statement No. 123 (revised 2004), "Share-Based Payment," a revision of SFAS No. 123 ("SFAS 123(R)"). SFAS 123(R) supersedes Accounting Principles Board ("APB") Opinion No. 25, "Accounting for Stock Issued to Employees" ("APB No. 25") and related interpretations, and amends FASB Statement No. 95, "Statement of Cash Flows." Generally, the approach in SFAS 123(R) is similar to the approach described in SFAS 123. However, SFAS 123(R) requires all equity-based payments to employees, including grants of employee stock options, to be recognized in the income statement based on their fair values. Pro forma disclosure is no longer an alternative. In March 2005, the SEC issued Staff Accounting Bulletin No. 107 ("SAB 107"), which provides supplemental implementation guidance on SFAS 123(R). The Company has applied the provisions of SAB 107 in its adoption of SFAS 123(R).

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The Company adopted SFAS 123(R) using the modified prospective method. Under this transition method, compensation costs recognized in fiscal 2006 include (a) compensation costs for all equity-based payments granted prior to, but that had not yet vested as of, October 1, 2005, based on the grant date fair value estimated in accordance with the pro forma provisions of SFAS 123, and (b) compensation costs for the equity-based payments granted subsequent to October 1, 2005, based on the grant date fair value estimated in accordance with SFAS 123(R). The Company's consolidated financial statements for prior periods have not been restated to reflect, and do not include, the impact of SFAS 123(R). The Company selected the Black-Scholes option pricing model as the most appropriate fair value method for its stock-options awards and values restricted stock based on the market value of the underlying shares at the date of grant. The Company recognizes compensation costs using the graded vesting attribution method that results in an accelerated recognition of compensation costs in comparison to the straight line method.

Prior to the adoption of SFAS 123(R), the Company presented all tax benefits of deductions resulting from the exercise of stock options as operating cash flows in the statement of cash flows. SFAS 123(R) requires the cash flows resulting from the tax deductions in excess of the compensation costs recognized for those stock options to be classified as financing cash flows.

The Company uses a combination of implied volatility of the Company's traded options and historical stock price volatility ("blended volatility") as the expected volatility assumption required in the Black-Scholes option valuation model. Prior to October 1, 2005, the Company had used its historical stock price volatility in accordance with SFAS 123 for purposes of presenting its pro forma information. The selection of the blended volatility approach was based upon the availability of traded options on the Company's shares and the Company's assessment that blended volatility is more representative of future share price trends than historical volatility. As equity-based compensation expense recognized in the Company's consolidated statements of income for fiscal 2007 and 2006 is based on awards ultimately expected to vest, such expense has been reduced for estimated forfeitures. SFAS 123(R) requires forfeitures to be estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. In the Company's pro forma information required under SFAS 123 for the periods prior to fiscal 2006, the Company accounted for forfeitures as they occurred.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The financial instruments of the Company consist mainly of cash and cash equivalents, short-term interest-bearing investments, accounts receivable, accounts payable, short-term financing arrangements, forward exchange contracts and options, lease obligations and convertible notes. The fair value of the financial instruments, excluding the convertible notes (for which the fair value as of September 30, 2007 is approximately \$472,000), included in the accounts of the Company does not significantly vary from their carrying amount. The fair values of the Company's foreign currency exchange contracts are estimated based on quoted market prices of comparable contracts. See Note 21.

CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Company to concentration of credit risk consist principally of cash and cash equivalents, short-term interest-bearing investments and trade receivables. The Company invests its excess cash primarily in highly liquid U.S. dollar-denominated securities primarily with major U.S. institutions. The Company does not expect material losses with respect to these items.

The Company's revenue is generated primarily in North America and Europe. To a lesser extent, revenue is generated in the Asia-Pacific region and Latin America. Most of the Company's customers are among the largest communications and directory publishing companies in the world (or are owned by them). The Company's business is subject to the effects of general global economic conditions and, in particular, market

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conditions in the communications industry. The Company performs ongoing credit analyses of its customer base and generally does not require collateral. The allowance for doubtful accounts is for estimated losses resulting from the inability of the Company's customers to make required payments. The Company evaluates accounts receivable to determine if they will ultimately be collected. In performing this evaluation, significant judgments and estimates are involved, such as past experience, credit quality of the customer, age of the receivable balance and current economic conditions that may affect a customer's ability to pay. As of September 30, 2007, the Company had two customers that had accounts receivable balances of more than 10% of total accounts receivable, aggregating 31.4% (21.0% and 10.4%). As of September 30, 2006, the Company had two customers that had accounts receivable balances of more than 10% of total accounts receivable, aggregating 32.4% (21.1% and 11.3%).

EARNINGS PER SHARE

The Company accounts for earnings per share based on SFAS No. 128, "Earnings per Share." SFAS No. 128 requires companies to compute earnings per share under two different methods, basic and diluted earnings per share, and to disclose the methodology used for the calculations. Basic earnings per share are calculated using the weighted average number of shares outstanding during the period. Diluted earnings per share is computed on the basis of the weighted average number of shares outstanding and the effect of dilutive outstanding equity-based awards using the treasury stock method and the effect of dilutive outstanding convertible notes using the if-converted method.

DERIVATIVES AND HEDGING

The Company accounts for derivatives and hedging based on SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended and related Interpretations. SFAS No. 133 requires the Company to recognize all derivatives on the balance sheet at fair value. If a derivative meets the definition of a hedge and is so designated, depending on the nature of the hedge, changes in the fair value of the derivative will either be offset against the change in fair value of the hedged assets, liabilities, or firm commitments through earnings or recognized in other comprehensive income until the hedged item is recognized in earnings. The ineffective portion of a derivative's change in fair value is recognized in earnings.

GUARANTOR'S ACCOUNTING AND DISCLOSURE REQUIREMENTS FOR GUARANTEES

The Company follows FASB Interpretation No. 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others" ("FIN No. 45"). FIN No. 45 requires that, at the inception of certain types of guarantees, the guarantor must disclose and recognize a liability for the fair value of the obligation it assumes under the guarantee.

RECLASSIFICATIONS

Certain immaterial amounts in prior years' financial statements have been reclassified to conform to the current year's presentation.

RECENT ACCOUNTING PRONOUNCEMENTS

In February 2007, the Financial Accounting Standards Board ("FASB") issued Statement No. 159 "The Fair Value Option for Financial Assets and Financial Liabilities" including an amendment of FASB Statement No. 115 ("SFAS 159"), which allows an entity the irrevocable option to elect fair value for the initial and subsequent measurement for certain financial assets and liabilities under an instrument-by-instrument election. If the fair value option is elected for an instrument, subsequent changes in fair value for that instrument will be recognized in earnings. SFAS 159 also establishes additional disclosure requirements and is effective for

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fiscal years beginning after November 15, 2007, with early adoption permitted provided that the entity also adopts Statement No. 157, "Fair Value Measurements" ("SFAS 157"). The Company is currently evaluating the effect that the application of SFAS 159 will have on its consolidated results of operations and financial condition.

In September 2006, the Financial Accounting Standards Board (FASB) issued Statement No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans," an amendment of FASB Statements No. 87, 88, 106 and 132(R) ("SFAS 158"). SFAS 158 requires an entity to recognize in its statement of financial position an asset for a defined benefit postretirement plan's over funded status or a liability for a plan's under funded status, measure a defined benefit postretirement plan's assets and obligations that determine its funded status as of the end of the employer's fiscal year, and recognize changes in the funded status of a defined benefit postretirement plan in comprehensive income in the year in which the changes occur.

SFAS 158 does not change the amount of net periodic benefit cost included in net income or address the various measurement issues associated with postretirement benefit plan accounting. The requirement to recognize the funded status of a defined benefit postretirement plan and the disclosure requirements are effective for fiscal years ending after December 15, 2006. The requirement to measure plan assets and benefit obligations as of the date of the employer's fiscal year-end statement of financial position is effective for fiscal years ending after December 15, 2008. The Company has adopted SFAS 158 in the fourth quarter of fiscal year 2007. The net of tax impact on accumulated other comprehensive income of adopting Statement 158 was \$727 at September 30, 2007.

In September 2006, the FASB issued Statement No. 157, "Fair Value Measurements" ("SFAS 157"). SFAS 157 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements. SFAS No. 157 applies under other accounting pronouncements that require or permit fair value measurements. SFAS 157 will be effective for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. The Company is currently evaluating the effect that the application of SFAS 157 will have on its consolidated results of operations and financial condition.

In September 2006, the SEC issued Staff Accounting Bulletin No. 108, "Financial Statements -- Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements" ("SAB 108"). SAB 108 requires companies to quantify the impact of all correcting misstatements, including both the carryover and reversing effects of prior year misstatements, on the current year financial statements. SAB 108 is effective for fiscal years ending after November 15, 2006. The Company adopted the provisions of SAB 108 in the first quarter of fiscal 2007 and there was no impact to the consolidated financial statements.

In June 2006, the FASB issued Interpretation No. 48, "Accounting for Uncertainty in Income Taxes," an Interpretation of SFAS No. 109 ("FIN 48"). FIN 48 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with SFAS No. 109, "Accounting for Income Taxes." FIN 48 also prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return that results in a tax benefit. Additionally, FIN 48 provides guidance on de-recognition, income statement classification of interest and penalties, accounting in interim periods, disclosure, and transition. This interpretation is effective for fiscal years beginning after December 15, 2006. While the Company continues to analyze the effect of adopting the provisions of FIN 48, it currently expects that the adoption of FIN 48 will not have a material effect on its reserve for uncertain tax positions.

In February 2006, the FASB issued Statement No. 155, "Accounting for Certain Hybrid Financial Instruments," an amendment of FASB Statement No. 133 and 140 ("SFAS 155"), which permits fair value

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measurement for any hybrid financial instrument that contains an embedded derivative that otherwise would require bifurcation, with changes in fair value recognized in earnings. The fair-value election will eliminate the need to separately recognize certain derivatives embedded in hybrid financial instruments under FASB Statement No. 133, "Accounting for Derivative Instruments and Hedging Activities." SFAS 155 is effective for all financial instruments acquired or issued after the beginning of the first fiscal year that begins after September 15, 2006. The Company applied the provisions of SFAS 155 in the first quarter of fiscal 2007 and there was no material impact to the consolidated financial statements.

USE OF ESTIMATES

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 3 -- ACQUISITIONS

SIGVALUE

On February 7, 2007, the Company acquired SigValue Technologies, Inc. ("SigValue"), a provider of an integrated billing, customer care and service control platform designed for telecommunications service providers in high-growth emerging markets around the world, where the customer base is predominantly comprised of mobile pre-paid subscribers. Prior to the acquisition, the Company owned 14% of SigValue's outstanding capital stock. Under the terms of the agreement, the Company acquired the balance of SigValue's remaining share capital. The Company expects that this acquisition will expand its offering for the fast growing emerging markets.

The aggregate purchase price for the remaining 86% of SigValue's outstanding capital stock was \$71,193, which consisted of \$69,728 in cash (including cash on hand), \$768 related to the assumption of stock options held by SigValue employees and \$697 of transaction costs. The fair value of the stock options was estimated using the Black-Scholes option pricing model. The acquisition was accounted for using the purchase method of accounting, as required by Statement of Financial Accounting Standard No. 141, "Business Combinations" ("SFAS No. 141"). The fair market value of SigValue's assets and liabilities has been included in the Company's consolidated balance sheets and the results of SigValue's operations are included in the Company's consolidated statements of operations, commencing on February 8, 2007. The Company obtained a preliminary independent valuation of the intangible assets acquired in the SigValue transaction. The total purchase price was allocated to SigValue's assets and liabilities, including identifiable intangibles, based on their respective estimated fair values, on the date the transaction was consummated. The value of acquired technology included both existing technology and in-process research and development. The valuation of these items was determined by applying the income forecast method, which considered the present value of cash flows by product lines. Of the \$27,436 of acquired identifiable intangible assets (which represents 86% of total identifiable intangible assets), \$2,666 was assigned to in-process research and development. The in-process research and development was written-off as of the closing date of the acquisition, in accordance with Financial Accounting Standards Board Interpretation No. 4, "Applicability of FASB Statement No. 2 to Business Combinations Accounted for by the Purchase Method." The in-process research and development had no alternative future use and had not reached technological feasibility as such date. The fair value assigned to core technology was \$19,513 and is being amortized over four years commencing on February 8, 2007. The fair value assigned to customer arrangements was \$4,775 and is being amortized over six years commencing on February 8, 2007 based on pro-rata amounts of the future discounted cash flows. The fair value assigned to

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trademarks was \$482 and is being amortized over two years commencing on February 8, 2007. The excess of the purchase price over 86% of the fair value of the net assets and identifiable intangibles acquired, or goodwill, was \$28,707 of which none is tax deductible.

As described above, prior to the acquisition the Company's ownership interest in SigValue was 14%, and therefore the Company accounted for the investment in SigValue under the cost method. In the second quarter of 2007, the Company recognized its 14% share in SigValue's results from the time it first acquired an ownership interest in SigValue through the acquisition of 100% ownership of SigValue on February 7, 2007. The Company's share in SigValue's pre-acquisition results was income of \$1,916, which is included in restructuring charges, in-process research and development and other.

The following is the allocation of the purchase price:

Assets acquired(1).....	\$22,231
Liabilities assumed.....	(2,912)

Net assets acquired.....	19,319
Core technology.....	19,513
Customer arrangements.....	4,775
Trademarks.....	482
In-process research and development.....	2,666
Net deferred tax liability resulting from the difference between the assigned value of certain assets and their respective tax bases and loss carry forward, net.....	(4,269)
Goodwill.....	28,707

	\$71,193
	=====

(1) Includes primarily cash and cash equivalents.

CRAMER

On August 14, 2006, the Company acquired all of the capital stock of Cramer Systems Group Limited, or Cramer, a privately-held leading provider of operations support systems (OSS) solutions. This acquisition enabled the Company to leverage and greatly enhance its assets in the BSS (business support systems) and OSS market.

The aggregate purchase price for Cramer was \$420,997 which consisted of \$412,402 in cash (including cash on hand), \$2,228 related to the assumption of stock options and restricted shares held by Cramer employees and \$6,367 of transaction costs. The fair value of the stock options was estimated using the Black-Scholes option pricing model and the fair value of the restricted shares was valued based on the market value of the underlying shares at the date of grant (see Note 17). The acquisition was accounted for as a business combination using the purchase method of accounting, as required by SFAS No. 141. The fair market value of Cramer assets and liabilities has been included in the Company's consolidated balance sheets and the results of Cramer's operations have been included in the Company's consolidated statements of income, commencing on August 15, 2006. The Company obtained an independent valuation of the intangible assets acquired in the Cramer transaction. The total purchase price was allocated to Cramer's assets and liabilities, including identifiable intangibles, based on their respective estimated fair values, on the date the transaction was consummated. The value of acquired technology included both existing technology and in-process research and development. The valuation of these items was determined by applying the income forecast method, which considered the present value of cash flows by product lines. Of the \$177,203 of acquired identifiable

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intangible assets, \$17,310 was assigned to in-process research and development related to the next two major releases of Cramer's current technology. The in-process research and development was written-off as of the closing date of the acquisition, in accordance with Financial Accounting Standards Board Interpretation No. 4, "Applicability of FASB Statement No. 2 to Business Combinations Accounted for by the Purchase Method." The in-process research and development had no alternative future use and had not reached technological feasibility as of such date. The fair value assigned to core technology was \$88,690 and is being amortized over five years commencing on August 15, 2006. The fair value assigned to customer arrangements was \$69,043 and is being amortized over seven years commencing on August 15, 2006 based on pro-rata amounts of the future discounted cash flows. The fair value assigned to trademarks was \$2,160 and is being amortized over two years commencing on August 15, 2006. The excess of the purchase price over the fair value of the net assets and identifiable intangibles acquired, or goodwill, was \$243,681 of which none is tax deductible. During fiscal 2007, within the one year allocation period, the Company revised the allocation of the purchase price as it obtained more information and changed its estimates related to the tax basis of assumed liabilities and related to certain other acquired assets and assumed liabilities. The revised purchase price allocation resulted in a net decrease of \$5,783 in goodwill.

The following is the allocation of the purchase price:

Assets acquired.....	\$ 93,480
Liabilities assumed.....	(72,782)

Net assets acquired.....	20,698
Core technology.....	88,690
Customer arrangements.....	69,043
Trademarks.....	2,160
In-process research and development.....	17,310
Deferred taxes resulting from the difference between the assigned value of certain assets and their respective tax bases and loss carry forward, net.....	(20,585)
Goodwill.....	243,681

	\$420,997
	=====

QPASS

On May 31, 2006, the Company acquired all of the capital stock of Qpass Inc., or Qpass, a leading provider of digital commerce software and solutions. This acquisition has allowed the Company to support service providers and media companies seeking to launch and monetize digital content, and the Company believes that this acquisition positioned it as a leader in the emerging digital content market.

The aggregate purchase price for Qpass was \$280,984, which consisted of \$274,024 in cash, \$2,405 related to the assumption of stock options held by Qpass employees and \$4,555 of transaction costs. The fair value of the stock options was estimated using the Black-Scholes option pricing model (see Note 17). The acquisition was accounted for as a business combination using the purchase method of accounting, as required by SFAS No. 141. The fair market value of Qpass assets and liabilities has been included in the Company's consolidated balance sheets and the results of Qpass's operations have been included in the Company's consolidated statements of income, commencing on June 1, 2006. The Company obtained a preliminary independent valuation of the intangible assets acquired in the Qpass transaction. The total purchase price was allocated to Qpass's assets and liabilities, including identifiable intangibles, based on their respective estimated fair values, on the date the transaction was consummated. The value of acquired technology included both existing technology and in-process research and development. The valuation of these items was determined by

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applying the income forecast method, which considered the present value of cash flows by product lines. Of the \$72,981 of acquired identifiable intangible assets, \$8,340 was assigned to in-process research and development and was written-off as of the closing date of the acquisition, in accordance with Financial Accounting Standards Board Interpretation No. 4. The in-process research and development had no alternative future use and had not reached technological feasibility as of such date. The fair value assigned to core technology was \$28,060 and is being amortized over three to 4.5 years commencing on June 1, 2006. The fair value assigned to customer arrangements was \$36,581 and is being amortized over seven years commencing on June 1, 2006. The excess of the purchase price over the fair value of the net liabilities and identifiable intangibles acquired, or goodwill, was \$234,737 of which none is tax deductible. During fiscal 2007, within the one year allocation period, the Company revised the allocation of the purchase price as it obtained more information and changed its estimates related to certain acquired assets and assumed liabilities. The revised purchase price allocation resulted in a net decrease of \$3,718 in goodwill.

The following is the allocation of the purchase price:

Assets acquired.....	\$ 25,743
Liabilities assumed.....	(54,601)

Net liabilities assumed.....	(28,858)
Core technology.....	28,060
Customer arrangements.....	36,581
In-process research and development.....	8,340
Deferred taxes resulting from the difference between the assigned value of certain assets and liabilities and their respective tax bases and loss carry forward, net.....	2,124
Goodwill.....	234,737

	\$280,984
	=====

LONGSHINE

On August 3, 2005, the Company acquired Longshine Information Technology Company Ltd., or Longshine, a privately-held leading vendor of customer care and billing software in China. This acquisition enables the Company to offer its products and services to Chinese service providers, and the Company believes it will allow the Company to expand its presence in this fast growing market. The purchase price for Longshine was approximately \$49,835, which included \$16,990 of additional purchase price as a result of the achievements of specified performance targets at the end of the first and second years from acquisition, and \$1,312 of transaction costs. The fair market value of Longshine assets and liabilities has been included in the Company's consolidated balance sheets and the results of Longshine operations have been included in the Company's consolidated statement of income, commencing on August 4, 2005. The Company obtained an independent valuation of the intangible assets acquired in the Longshine transaction. The total purchase price was allocated to Longshine's assets and liabilities, including identifiable intangibles, based on their respective estimated fair values, on the date the transaction was consummated. The excess of the purchase price over the fair value of the net liabilities and identifiable intangibles acquired, or goodwill, was \$53,444. During fiscal 2006, within the one year allocation period the Company revised the allocation of the purchase price as it obtained more information required to measure the fair value of the assets and liabilities acquired and as a result of the additional purchase price of \$8,851 earned in that year. The revised purchase price allocation resulted in an increase of \$4,033 in goodwill in fiscal 2006.

AMDOCS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)
(DOLLAR AND SHARE AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)

The following is the final allocation of the purchase price:

Net liabilities assumed.....	\$(11,109)
Core technology.....	1,000
Customer arrangements.....	6,500
Goodwill.....	53,444

	\$ 49,835
	=====

DST INNOVIS

On July 1, 2005, the Company acquired from DST Systems, Inc., or DST, all of the common stock of DST's wholly-owned subsidiaries, DST Innovis, Inc. and DST Interactive, Inc. The Company refers to these acquired subsidiaries together as DST Innovis, a leading provider of customer care and billing solutions to broadband media cable and satellite companies, which the Company refers to as the Broadband Industry. The Company believes that this acquisition has positioned the Company to offer a comprehensive set of solutions to companies in the Broadband Industry as they transition to integrated customer management.

The purchase price for DST Innovis was approximately \$237,461, which included \$3,150 of transaction costs. The acquisition was accounted for as a business combination using the purchase method of accounting, as required by SFAS No. 141. The fair market value of DST Innovis's assets and liabilities has been included in the Company's consolidated balance sheets and the results of DST Innovis's operations are included in the Company's consolidated statements of income, commencing on July 1, 2005. The Company obtained an independent valuation of the intangible assets acquired in the DST Innovis transaction. The total purchase price was allocated to DST Innovis's assets and liabilities, including identifiable intangibles, based on their respective estimated fair values, on the date the transaction was consummated. The value of acquired technology included both existing technology and in-process research and development. The valuation of these items was made by applying the income forecast method, which considered the present value of cash flows by product lines. Of the \$125,642 of acquired identifiable intangible assets, \$2,760 was assigned to in-process research and development and was written-off as of the closing date of the acquisition, in accordance with FASB Interpretation No. 4, "Applicability of FASB Statement No. 2 to Business Combinations Accounted for by the Purchase Method." The fair value assigned to core technology was \$63,180 and is amortized over 3 to 4.5 years commencing on July 1, 2005. The fair value assigned to customer arrangements was \$59,702 and is amortized over 15 years commencing on July 2, 2005. The excess of the purchase price over the fair value of the net assets and identifiable intangibles acquired, or goodwill, was \$130,253, of which \$101,312 is tax deductible. During fiscal 2006, within the one year allocation period the Company revised the allocation of the purchase price as it obtained more information and changed its estimations relating to the printing and mailing obligation and to other assets and liabilities acquired. The revised purchase price allocation resulted in a decrease of \$1,266 in goodwill.

In connection with the DST acquisition, the Company signed a long-term agreement with DST, pursuant to which DST continues to support the printing and mailing of bills for the DST Innovis customer base. Under the terms of that agreement, DST is a preferred vendor of billing, printing, and mailing for projects that combine those services with billing support for additional Amdocs customers in the United States. The Company recorded a liability of \$25,777 resulting from this agreement. This liability is being amortized over the life of the agreement.

AMDOCS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)
(DOLLAR AND SHARE AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)

The following is the final allocation of the purchase price and deferred tax assets:

Net assets acquired.....	\$ 7,388
Core technology.....	63,180
Customer arrangements.....	59,702
In-process research and development.....	2,760
EITF 95-3 and other liabilities.....	(17,059)
Printing and mailing obligation.....	(25,777)
Deferred taxes resulting from the difference between the assigned value of certain assets and liabilities and their respective tax bases.....	17,014
Goodwill.....	130,253

	\$237,461
	=====

PRO FORMA FINANCIAL INFORMATION

Set forth below are the unaudited pro forma revenue, operating income, net income and per share figures for the years ended September 30, 2006 and 2005 as if DST Innovis and Cramer had been acquired as of October 1, 2004, excluding the capitalization of research and development expense, write-off of purchased in-process research and development and other acquisition related costs:

YEAR ENDED SEPTEMBER 30, -----	
-- 2006 2005 -----	
Revenue.....	
\$2,575,703 \$2,290,361 Operating	
income..... 321,333	
314,173 Net	
income.....	
297,746 259,412 Basic earnings per	
share..... 1.47 1.29 Diluted	
earnings per share..... 1.38	
1.21	

Pro forma information regarding the Company's consolidated statements of income for the years ended September 30, 2007, 2006 and 2005 to reflect the SigValue, Longshine and Qpass acquisitions is not presented, as these acquisitions are not considered material business combinations.

AMDOCS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)
(DOLLAR AND SHARE AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)

NOTE 4 -- SHORT-TERM INTEREST-BEARING INVESTMENTS

Short-term interest-bearing investments consist of the following:

AMORTIZED COST MARKET VALUE AS OF			
SEPTEMBER 30, AS OF SEPTEMBER 30, -----		2007	
2006	2007	2006	-----
----- U.S.			
agencies.....			
\$108,468	\$ 45,928	\$109,789	\$ 46,202
U.S. government			
treasuries..... 40,546 11,815			
40,990 11,940 Asset backed			
obligations..... 155,358			
131,129 154,646 130,921 Corporate			
bonds..... 73,653			
47,892 73,554 47,776 Mortgages			
(including government and			
corporate).....			
102,128	81,656	101,739	81,559
Commercial			
paper/CD..... 45,342			
39,458 45,342 39,458 Private			
placement..... 37,676			
14,397	37,719	14,338	-----
----- 563,171 372,275			
563,779 372,194 Unrealized gain			
(loss).....	608	(81)	-- --

Total.....			
\$563,779	\$372,194	\$563,779	\$372,194
=====	=====	=====	=====

As of September 30, 2007, short-term interest-bearing investments had the following maturity dates:

MARKET VALUE -----	
2008.....	\$ 78,051
2009.....	145,563
2010.....	110,688
2011.....	44,115
Thereafter.....	185,362 ----- \$563,779 =====

NOTE 5 -- ACCOUNTS RECEIVABLE, NET

Accounts receivable, net consists of the following:

AS OF SEPTEMBER 30, -----	
2007	2006 -----
receivable -- billed.....	Accounts
\$457,393	\$383,763 Accounts receivable --
unbilled.....	63,441 54,117
Less --	
allowances.....	allowances.....
(27,416)	(12,075) -----
Accounts receivable,	
net.....	\$493,418
\$425,805	=====

AMDOCS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)
(DOLLAR AND SHARE AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)

NOTE 6 -- EQUIPMENT, VEHICLES AND LEASEHOLD IMPROVEMENTS, NET

Components of equipment, vehicles and leasehold improvements, net are:

AS OF SEPTEMBER 30, -----	2007	2006	-----
Computer			
equipment.....	\$ 574,294	\$ 474,794	Vehicles furnished
			to employees..... 3,363
			11,642 Leasehold
improvements.....			
	127,707	93,397	Furniture and
fixtures.....			
	48,814	45,281	-----
	754,178	625,114	Less accumulated
depreciation.....			
(470,339) (404,824) -----			
- \$ 283,839 \$ 220,290 =====			
=====			

Total depreciation expense on equipment, vehicles and leasehold improvements for fiscal years 2007, 2006 and 2005, was \$85,916, \$75,964 and \$74,193, respectively.

NOTE 7 -- GOODWILL AND INTANGIBLE ASSETS, NET

The following table presents details of the Company's total goodwill:

As of October 1, 2005.....	\$ 969,639
Goodwill resulted from Cramer acquisition.....	249,464
Goodwill resulted from Qpass acquisition.....	238,455
Decrease in DST goodwill as a result of a purchase price allocation adjustment (see Note 3).....	(1,266)
Increase in Longshine goodwill as a result of a purchase price allocation adjustment (see Note 3).....	4,033
Other(1).....	1,281

As of September 30, 2006.....	1,461,606
Goodwill resulted from SigValue acquisition (see Note 3).....	28,707
Increase in Longshine goodwill as a result of a additional purchase price (see Note 3).....	8,139
Decrease in Cramer goodwill as a result of a purchase price allocation adjustments (see Note 3).....	(5,783)
Decrease in Qpass goodwill as a result of a purchase price allocation adjustments (see Note 3).....	(3,718)
Other.....	181

As of September 30, 2007.....	\$1,489,132
	=====

(1) Represents goodwill related to immaterial acquisition.

AMDOCS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)
(DOLLAR AND SHARE AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)

The following table presents the amortization expense of our purchased intangible assets included in each financial statement caption reported in the consolidated statements of income:

YEAR ENDED SEPTEMBER 30, -----	-----	-----	-----
2007	2006	2005	-----
----- Cost of			
license..... \$			
2,402	\$ 2,620	\$ 2,620	Amortization of
			purchased intangible
assets.....			
74,959	37,610	15,356	-----
			-
Total.....			
\$77,361	\$40,230	\$17,976	=====
			=====

The Company performs an annual impairment test during the fourth quarter of each fiscal year, or more frequently if impairment indicators are present. The Company operates in one operating segment, and this segment comprises its only reporting unit. In calculating the fair value of the reporting unit, the Company used a discounted cash flow methodology. There was no impairment of goodwill upon adoption of SFAS No. 142, and there was no impairment at the annual impairment test dates.

The following table presents details of the Company's total purchased intangible assets:

ESTIMATED USEFUL LIFE ACCUMULATED (IN YEARS) GROSS AMORTIZATION NET -----	-----	-----	-----
SEPTEMBER 30, 2007	Core		
technology..... 3-5			
\$263,790	\$(126,095)	\$137,695	Customer
			arrangements..... 6-15
252,930	(88,440)	164,490	Intellectual
			property rights and purchased computer
software..... 3-10	51,996		
	(51,996)	--	
Trademarks.....			
2	2,642	(1,371)	1,271 -----
			-- -----
Total.....			
\$571,358	\$(267,902)	\$303,456	=====
			=====
			SEPTEMBER 30, 2006
			Core
technology..... 3-5			
\$235,946	\$(78,560)	\$157,386	Customer
			arrangements..... 7-15
248,155	(62,251)	185,904	Intellectual
			property rights and purchased computer
software..... 3-10	51,996		
	(49,595)	2,401	
Trademarks.....			
2	2,160	(135)	2,025 -----

Total.....			
\$538,257	\$(190,541)	\$347,716	=====
			=====

The estimated future amortization expense of purchased intangible assets as of September 30, 2007 is as follows:

AMOUNT -----	FISCAL YEAR:
2008.....	
	\$ 81,517
2009.....	
	70,694
2010.....	

	59,543
2011.....	38,336
2012.....	14,248
Thereafter.....	39,118 -----
Total.....	\$303,456 =====

AMDOCS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)
(DOLLAR AND SHARE AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)

NOTE 8 -- OTHER NONCURRENT ASSETS

Other noncurrent assets consist of the following:

AS OF SEPTEMBER 30, -----	2007	2006	-----
2006 -----			Funded employee benefit
costs(1).....	\$ 87,938	\$ 70,669	
			Managed services deferred
costs(2).....	70,438	63,352	Prepaid
maintenance and other.....	10,733		
			8,262 Rent and other
deposits.....	8,372	10,599	
Other.....			
8,863 7,938 -----	\$186,344	\$160,820	
	=====	=====	

(1) See Note 15.

(2) See Note 2.

NOTE 9 -- INCOME TAXES

The provision for income taxes consists of the following:

YEAR ENDED SEPTEMBER 30, -----	2007	2006	2005	-----

				-
Current.....	\$ 66,780	\$42,290	\$64,038	
Deferred.....	(23,718)	12,947	8,121	-----
----	\$ 43,062	\$55,237	\$72,159	=====
	=====	=====		

All income taxes are from continuing operations reported by the Company in the applicable taxing jurisdiction. Income taxes also include anticipated withholding taxes due on subsidiaries' earnings when paid as dividends to the Company.

AMDOCS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)
(DOLLAR AND SHARE AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)

Deferred income taxes are comprised of the following components:

AS OF SEPTEMBER 30, -----			
2007	2006	-----	Deferred tax
			assets: Deferred
			revenue..... \$
			22,766 \$ 29,369
			Accrued employee
			costs..... 52,544 53,851
			Equipment, vehicles and leasehold
			improvements, net.....
			12,371 18,842
			Intangible assets, computer
			software and intellectual
			property..... 19,886 17,221
			Net operating loss carry
			forwards..... 122,969 97,813
Other.....			
			80,101 58,102
			Valuation
			allowances..... (33,251)
			(29,335) -----
			Total deferred
			tax assets..... 277,386
			245,863 -----
			Deferred tax
			liabilities: Anticipated withholdings on
			subsidiaries'
			earnings.....
			(50,618) (47,004)
			Equipment, vehicles and
			leasehold improvements,
			net..... (3,817) (3,992)
			Intangible assets, computer software and
			intellectual property.....
			(102,603) (108,171)
			Managed services
			costs..... (16,086)
			(14,580)
Other.....			
			(12,752) (12,025) -----
			Total
			deferred tax liabilities.....
			(185,876) (185,772) -----
			Net
			deferred tax assets.....
			\$ 91,510 \$ 60,091 =====

The effective income tax rate varied from the statutory Guernsey tax rate as follows:

YEAR ENDED SEPTEMBER 30, -----			
- 2007	2006	2005	-----
			Statutory
			Guernsey tax rate.....
			20% 20% 20%
			Guernsey tax-exempt
			status..... (20) (20)
			(20) Foreign
			taxes.....
			11 15 20 --- --- ---
			Effective income tax
			rate..... 11% 15% 20%
			=== === ===

As a Guernsey company with tax-exempt status, the Company's overall effective tax rate is attributable solely to foreign taxes.

During fiscal 2007, the net change in valuation allowances was \$3,916, which related to the uncertainty of realizing tax benefits for net capital and operating loss carry forwards related to certain of its subsidiaries. When realization of the tax benefits associated with such net capital and operating losses is deemed more likely than not, the valuation allowance will be released through income taxes or through goodwill when it relates to a business combination. The expiration period of \$5,745 of these losses carry forwards is up to 20 years, the remainder of the losses do not expire. The Company recorded \$5,667 of the valuation allowance in connection with fiscal 2006 acquisitions. During fiscal 2007, the Company released certain valuation allowances in connection with the Company's estimation that carry forward losses related to one of its subsidiaries will be realized through future taxable earnings. The decrease in the valuation allowance was partially offset by an increase in tax

reserves for this same subsidiary.

AMDOCS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)
(DOLLAR AND SHARE AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)

During fiscal 2006, deferred tax assets of \$15,033 derived from net capital and operating loss carry forwards related to certain of the Company's subsidiaries were offset by valuation allowances related to the uncertainty of realizing tax benefit for such losses. When realization of the tax benefits associated with such net capital and operating losses is deemed more likely than not, the valuation allowance will be released through income taxes or through goodwill when it relates to a business combination. The expiration period of \$7,451 of these loss carry forwards is up to 20 years, the remainder of the losses do not expire. The Company recorded \$11,393 of the valuation allowance in connection with fiscal 2006 acquisitions.

NOTE 10 -- FINANCING ARRANGEMENTS

The Company's financing transactions are described below:

As of September 30, 2007, the Company had available short-term general revolving lines of credit totaling \$30,900. As of September 30, 2007, no amounts were outstanding under these credit lines. The cost of maintaining these revolving lines of credit was insignificant.

As of September 30, 2007, the Company had outstanding stand-by letters of credit and bank guarantees of \$8,009. These were mostly supported by a combination of the credit facilities and restricted cash balances that the Company maintains with various banks.

In addition, as of September 30, 2007, the Company had outstanding short-term loans of \$1,825, which are secured by certain pledges and guarantees and \$175 related to another debt instrument.

NOTE 11 -- CONVERTIBLE NOTES

In March 2004, the Company issued \$450,000 aggregate principal amount of 0.50% Convertible Senior Notes due 2024 (the "0.50% Notes") through a private placement to qualified institutional buyers pursuant to Rule 144A under the Securities Act. The Company is obligated to pay interest on the 0.50% Notes semi-annually on March 15 and September 15 of each year. The 0.50% Notes are senior unsecured obligations of the Company and rank equal in right of payment with all existing and future senior unsecured indebtedness of the Company. The 0.50% Notes are convertible, at the option of the holders at any time before the maturity date, into Ordinary Shares of the Company at a conversion rate of 23.1911 shares per one thousand dollars principal amount, representing a conversion price of approximately \$43.12 per share, as follows: (i) during any fiscal quarter commencing after March 31, 2004, and only during that quarter if the closing sale price of the Company's Ordinary Shares exceeds 130% of the conversion price for at least 20 trading days in the 30 consecutive trading days ending on the last trading day of the proceeding fiscal quarter (initially 130% of \$43.12 or \$56.06); (ii) upon the occurrence of specified credit rating events with respect to the notes; (iii) subject to certain exceptions, during the five business day period after any five consecutive trading day period in which the trading price per note for each day of that measurement period was less than 98% of the product of the closing sale price of the Company's Ordinary Shares and the conversion rate; provided, however, holders may not convert their notes (in reliance on this subsection) if on any trading day during such measurement period the closing sale price of the Company's Ordinary Shares was between 100% and 130% of the then current conversion price of the notes (initially, between \$43.12 and \$56.06); (iv) if the notes have been called for redemption, or (v) upon the occurrence of specified corporate events.

The 0.50% Notes are subject to redemption at any time on or after March 20, 2009, in whole or in part, at the option of the Company, at a redemption price of 100% of the principal amount plus accrued and unpaid interest, if any, on such redemption date. The 0.50% Notes are subject to repurchase, at the holders' option, on March 15, 2009, 2014 and 2019, at a repurchase price equal to 100% of the principal amount plus accrued and unpaid interest, if any, on such repurchase date ("Put Rights"). The Company may choose to pay the repurchase price in cash, Ordinary Shares or a combination of cash and Ordinary Shares.

AMDOCS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)
(DOLLAR AND SHARE AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)

The FASB issued an exposure draft that would amend SFAS No. 128 to require that, if a convertible financial instrument has an option to settle a required redemption in cash or shares, the assumption is the option would be settled in shares and therefore the "if converted" method should be applied based on the current share price and not according to the conversion price (the current accounting guidelines) when computing diluted earnings per share. The Board of Directors has authorized the Company to amend the 0.50% Notes by waiving its right to a share settlement upon exercise of Put Rights and committing to a cash settlement. If the Company amends the 0.50% Notes as authorized by its Board of Directors, then the expected new accounting rule would have no impact on the Company's consolidated financial results.

NOTE 12 -- NONCURRENT LIABILITIES AND OTHER

Noncurrent liabilities and other consist of the following:

AS OF SEPTEMBER 30, -----	2007	2006
Accrued employees costs(1).....	\$137,167	
\$111,909 Noncurrent customer advances.....	13,018	28,936
Accrued pension liability(2).....	22,281	24,476
Accrued print and mail obligation.....	10,468	14,424
Accrued lease obligations.....	8,534	
	8,514	
Other.....		
5,178	9,378	\$196,646
		\$197,637
	=====	=====

- (1) Primarily severance pay liability in accordance with Israeli law (see Note 15).
- (2) Relates to funded status of non-contributory defined benefit plans (see Note 15).

NOTE 13 -- INTEREST INCOME AND OTHER, NET

Interest income and other, net consists of the following:

YEAR ENDED SEPTEMBER 30, -----	2007	2006	2005
Interest income.....	\$49,138	\$50,962	\$32,341
Interest expense.....	(6,540)	(5,433)	(5,734)
Other, net.....	7,968	(3,788)	(4,304)
	\$50,566	\$41,741	\$22,303
	=====	=====	=====

AMDOCS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)
(DOLLAR AND SHARE AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)

NOTE 14 -- CONTINGENCIES

COMMITMENTS

The Company leases office space under non-cancelable operating leases in various countries in which it does business. Future minimum non-cancelable lease payments required after October 1, 2007 are as follows:

FOR THE YEARS ENDED SEPTEMBER 30, - --	

2008.....	\$ 64,152
2009.....	55,181
2010.....	51,460
2011.....	44,624
2012.....	21,630
Thereafter.....	28,615 ----- \$265,662 =====

Future minimum non-cancelable lease payments, as stated above, do not reflect committed future sublease income of \$7,299, \$5,346, \$5,158, \$5,705, \$3,804 and \$2,309 for the years ended September 30, 2008, 2009, 2010, 2011, 2012 and thereafter, respectively. Of the \$236,041 net operating leases, net of \$29,621 of sublease income, \$3,474 has been included in accrued restructuring charges as of September 30, 2007.

Rent expense net of sublease income, including accruals for future lease losses, was approximately \$42,209, \$41,088 and \$38,982 for fiscal 2007, 2006 and 2005, respectively.

The Company leases vehicles under operating leases. Future minimum non-cancelable lease payments required after October 1, 2007 are as follows:

FOR THE YEARS ENDED SEPTEMBER 30, - ---	

2008.....	\$13,371
2009.....	8,872
2010.....	4,937 ----- \$27,180 =====

LEGAL PROCEEDINGS

The Company is involved in various legal proceedings arising in the normal course of its business. Based upon the advice of counsel, the Company does not believe that the ultimate resolution of these matters will have a material adverse effect on the Company's consolidated financial position, results of operations or cash flows.

GUARANTOR'S ACCOUNTING AND DISCLOSURE REQUIREMENTS FOR GUARANTEES

The Company generally sells its products with a limited warranty for a period of 90 days. The Company's policy is to accrue for warranty costs, if needed, based on historical trends in product failure. Based on the Company's experience, only minimal warranty services have been required and, as a result, the Company did not accrue any amounts for product warranty liability during fiscal years 2007 and 2006.

AMDOCS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)
(DOLLAR AND SHARE AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)

The Company generally indemnifies its customers against claims of intellectual property infringement made by third parties arising from the use of the Company's software. To date, the Company has incurred and recorded only minimal costs as a result of such obligations in its consolidated financial statements.

NOTE 15 -- EMPLOYEE BENEFITS

The Company accrues severance pay for the employees of its Israeli operations in accordance with Israeli law and certain employment procedures on the basis of the latest monthly salary paid to these employees and the length of time that they have worked for the Israeli operations. The severance pay liability, which is included as accrued employee costs in noncurrent liabilities and other, is partially funded by amounts on deposit with insurance companies, which are included in other noncurrent assets. These severance expenses were approximately \$28,832, \$26,403 and \$16,720 for fiscal 2007, 2006 and 2005, respectively.

The Company sponsors defined contribution plans covering certain of its employees around the world. The plans provide for Company matching contributions based upon a percentage of the employees' voluntary contributions. The Company's contributions in fiscal 2007, 2006 and 2005 under such plans were not material compared to total operating expenses.

In September 2006, SFAS 158 was issued which requires plan sponsors of defined benefit pension and other postretirement benefit plans to recognize the funded status of such plans in the balance sheet, measure the fair value of plan assets and benefit obligations as of the date of the balance sheet and provide additional disclosures.

The Company maintains non-contributory defined benefit plans that provide for pension, other retirement and post employment benefits for employees of a Canadian subsidiary based on length of service and rate of pay. The Company accrues its obligations to these employees under employee benefit plans and the related costs net of returns on plan assets. Pension expense and other retirement benefits earned by employees are actuarially determined using the projected benefit method pro-rated on service and based on management's best estimates of expected plan investments performance, salary escalation, retirement ages of employees and expected health care costs.

The fair value of the employee benefit plans' assets is based on market values. The plan assets are valued at market value for the purpose of calculating the expected return on plan assets and the amortization of experience gains and losses. Past service costs, which may arise from plan amendments, are amortized on a straight-line basis over the average remaining service period of the employees who were active at the date of amendment. The excess of the net actuarial gain (loss) over 10% of the greater of the benefit obligation and the market-related value of plan assets is amortized over the average remaining service period of active employees.

On September 30, 2007, the Company adopted the recognition and disclosure provisions of SFAS 158. SFAS 158 required the Company to recognize the funded status (i.e., the difference between the fair value of plan assets and the projected benefit obligations) of its pension plan in the September 30, 2007 balance sheet, with a corresponding adjustment to accumulated other comprehensive income, net of tax. The net of tax impact on accumulated other comprehensive income of adopting SFAS 158 was \$727 at September 30, 2007. The pension and other benefits costs in fiscal 2007, 2006, and 2005 were \$1,237, \$3,193, and \$3,533 respectively.

NOTE 16 -- CAPITAL TRANSACTIONS

In August 2007, the Company announced that its board of directors had authorized a share repurchase plan allowing the repurchase of up to \$400 million of its outstanding Ordinary Shares. The authorization permits the Company to purchase its Ordinary Shares in open market or privately negotiated transactions at

AMDOCS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)
(DOLLAR AND SHARE AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)

times and prices that it considers appropriate. In fiscal 2007, the Company repurchased 1,411 Ordinary Shares at an average price of \$35.30 per share under this plan.

In December 2004, the Company announced that its Board of Directors had extended a previously announced share repurchase program for the additional repurchase of up to \$100,000 of its Ordinary Shares in the open market or privately negotiated transactions and at times and prices the Company deems appropriate. In accordance with this extension, the Company repurchased in the third quarter of fiscal 2005, 3,525 Ordinary Shares, at an average price of \$28.33 per share.

NOTE 17 -- STOCK OPTION AND INCENTIVE PLAN

In January 1998, the Company adopted the 1998 Stock Option and Incentive Plan (the "Plan"), which provides for the grant of restricted stock awards, stock options and other equity-based awards to employees, officers, directors, and consultants. The purpose of the Plan is to enable the Company to attract and retain qualified personnel and to motivate such persons by providing them with an equity participation in the Company. Since its adoption, the Plan has been amended on several occasions to, among other things, increase the number of Ordinary Shares issuable under the Plan. In October 2007, subject to shareholder approval, the Company's board of directors approved an increase in the maximum number of Ordinary Shares authorized to be granted under the Plan from 46,300 to 55,300. Awards granted under the Plan generally vest over a period of four years and stock options have a term of ten years. In the fourth quarter of fiscal 2005, the Company commenced routinely granting restricted shares and the Company's equity-based grant package may be comprised of restricted stock awards and a fewer number of stock options. As of September 30, 2007, and without giving effect to the October 2007 increase, 9,189 Ordinary Shares remained available for grant pursuant to the Plan.

The following table summarizes information about options to purchase the Company's Ordinary Shares, as well as changes during the years ended September 30, 2007, 2006 and 2005:

NUMBER OF SHARE WEIGHTED AVERAGE OPTIONS		EXERCISE PRICE -----	
Outstanding as of October 1,			
2004.....	26,046.5	\$26.61	
Granted.....	4,892.0	24.36	
Exercised.....	(2,228.7)	10.78	
Forfeited.....	(2,902.4)	32.32	----- Outstanding as of
September 30, 2005.....	25,807.4	26.91	
Granted(1).....	4,812.1	29.41	
Exercised.....	(5,869.5)	18.24	
Forfeited.....	(1,956.0)	34.42	----- Outstanding as of
September 30, 2006.....	22,794.0	29.02	
Granted.....	2,830.2	35.92	
Exercised.....	(3,970.1)	18.80	
Forfeited.....	(1,197.6)	34.77	----- Outstanding as of
September 30, 2007.....	20,456.5	\$31.62	
===== Exercisable on September 30,			
2007.....	12,089.4	\$32.66	=====

(1) Includes options to purchase 297.6 Ordinary Shares assumed in connection with the Company's acquisition of Qpass at weighted average exercise price of \$8.01, and options to purchase 161.0

AMDOCS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)
(DOLLAR AND SHARE AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)

Ordinary Shares assumed in connection with the Company's acquisition of Cramer at weighted average exercise price of \$6.50.

The following table summarizes information relating to awards of restricted shares, as well as changes during the years ended September 30, 2007 and 2006:

WEIGHTED AVERAGE NUMBER OF GRANT DATE FAIR		SHARES VALUE -----	
	Outstanding as of October 1, 2005.....	133.8	\$26.43
Granted(1).....		747.4	33.22
Vested.....		(94.9)	26.43
Forfeited.....	(6.0) 32.12 ----- Outstanding as of September 30, 2006.....	780.3	32.89
Granted.....		468.1	37.04
Vested.....		(235.8)	33.76
Forfeited.....	(57.5) 36.43 ----- Outstanding as of September 30, 2007.....	955.1	\$34.50
	=====		

(1) Includes 156.8 restricted shares assumed in connection with the Company's acquisition of Cramer at weighted average grant date fair value of \$40.70 per share.

The total intrinsic value of options exercised and the value of restricted shares vested during fiscal 2007 was \$75,219 and \$8,765, respectively. The aggregate intrinsic value of outstanding and exercisable stock options as of September 30, 2007 was \$168,822 and \$107,096, respectively.

The total income tax benefit recognized in the income statement for stock-based compensation (including restricted shares) for fiscal 2007 and 2006 was \$8,633 and \$5,575, respectively.

As of September 30, 2007, there was \$50,362 of unrecognized compensation expense related to nonvested stock options and nonvested restricted stock awards. The Company recognizes compensation costs using the graded vesting attribution method which results in a weighted average period of approximately one year over which the unrecognized compensation expense is expected to be recognized.

AMDOCS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)
(DOLLAR AND SHARE AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)

The following table summarizes information about stock options outstanding as of September 30, 2007:

OUTSTANDING	EXERCISABLE	WEIGHTED AVERAGE	WEIGHTED AVERAGE	WEIGHTED AVERAGE	WEIGHTED AVERAGE
NUMBER	NUMBER	PRICE	PRICE	PRICE	PRICE
4.76	270.2	4.82	\$ 2.31		
18.60	179.9	\$ 2.19	6.40		
1,548.3	1,548.3	4.63	12.31		
1,333.8	1,333.8	11.96	19.78		
22.75	2,855.4	6.74	22.00		
26.68	1,279.0	21.98	23.43		
29.91	2,430.8	4.98	25.07		
32.15	1,621.0	24.52	27.30		
2,681.4	2,182.0	7.51	27.88		
34.96	869.0	28.09	31.01		
2,677.9	3,394.2	5.34	31.31		
824.4	2,681.4	31.10	32.95		
40.80	34.96	2,677.9	7.45	34.35	
65.01	824.4	33.75	35.87		
2,630.9	2,137.6	8.77	38.63		
78.31	340.8	38.87	43.10		
	65.01	2,630.9	3.19	52.72	
	2,630.9	52.72	66.25		
	78.31	329.2	2.80	70.00	
		329.2	70.00		

On October 1, 2005, the Company adopted FASB Statement No. 123 (revised 2004), "Share-Based Payment," a revision of SFAS No. 123 ("SFAS 123(R)"). SFAS 123(R) requires all equity-based payments to employees, including grants of employee stock options, to be recognized in the income statement based on their fair values. In March 2005, the SEC issued Staff Accounting Bulletin No. 107 ("SAB 107"), which provides supplemental implementation guidance on SFAS 123(R). The Company has applied the provisions of SAB 107 in its adoption of SFAS 123(R).

Employee equity-based compensation pre-tax expense under SFAS 123(R) for the years ended September 30, 2007 and 2006 was as follows:

YEAR ENDED SEPTEMBER 30,	2007	2006
Cost of service.....	\$25,418	\$18,042
Research and development.....	6,574	4,711

Selling, general and administrative.....	21,595	23,425	-----
	--	-----	
Total.....			

\$53,587 \$46,178

The fair value of options granted was estimated on the date of grant using the Black-Scholes pricing model with the assumptions noted in the following table (all in weighted averages for options granted during the year):

YEAR ENDED SEPTEMBER 30, -----			
----- 2007 2006 2005 -----			
----- Risk-free interest			
rate(1).....	4.57%		
4.56% 3.42% Expected life of stock			
options(2).....	4.43	4.37	
4.47 Expected			
volatility(3).....			
31.6% 34.9% 63.0% Expected dividend			
yield(4).....	None		
None None Fair value per			
option(5).....			
\$12.65 \$13.36 \$12.75			

(1) Risk-free interest rate is based upon U.S. Treasury yield curve appropriate for the term of the Company's employee stock options.

AMDOCS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)
(DOLLAR AND SHARE AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)

- (2) Expected life of stock options is based upon historical experience.
- (3) Expected volatility for fiscal years 2007 and 2006 are based on blended volatility. For fiscal year 2005, expected volatility is based on the Company's historical stock price.
- (4) Expected dividend yield is based on the Company's history and future expectation of dividend payouts.
- (5) Fiscal 2006 includes fair value of options assumed in connection with the Company's acquisitions of Qpass and Cramer (see Note 3). Fiscal 2006 fair value excluding Qpass and Cramer assumed options is \$11.34.

The following table sets forth the pro forma effect of applying SFAS No. 123 on net income and earnings per share for the presented periods:

YEAR ENDED SEPTEMBER 30, -----	2005 -----
----- Net income as reported.....	
\$288,636 Add: Equity-based compensation expense included in net income, net of related tax effects.....	632
Less: Total equity-based compensation expense determined under fair value method for all awards, net of related tax effects.....	(35,666)
----- Pro forma net income.....	
\$253,602 ===== Basic earnings per share: As reported.....	
\$ 1.44 ===== Pro forma.....	
\$ 1.26 ===== Diluted earnings per share: As reported.....	
\$ 1.35 ===== Pro forma.....	
\$ 1.19 =====	

AMDOCS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)
(DOLLAR AND SHARE AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)

NOTE 18 -- EARNINGS PER SHARE

The following table sets forth the computation of basic and diluted earnings per share:

YEAR ENDED SEPTEMBER 30, -----	2007	2006	2005	-----
----- Numerator:				
Numerator for basic earnings per share.....	\$364,937	\$318,636	\$288,636	Effect of assumed conversion of 0.50% convertible notes.....
	3,940	3,948	3,939	-----
----- Numerator for diluted earnings per share.....	\$368,877	\$322,584	\$292,575	=====
===== Denominator:				
Denominator for basic earnings per share -- weighted average number of shares outstanding.....	207,846	203,194	201,023	Restricted stock.....
				373 141
25 Effect of assumed conversion of 0.50% convertible notes.....	10,436	10,436		
10,436 Effect of dilutive stock options granted.....	4,601	4,763	5,678	-----
----- Denominator for dilutive earnings per share -- adjusted weighted average shares and assumed conversions.....	223,256	218,534		
	217,162			=====
Basic earnings per share.....	\$ 1.76	\$ 1.57		\$
1.44	=====	=====	=====	
Diluted earnings per share.....	\$ 1.65	\$ 1.48		\$
1.35	=====	=====	=====	

The effect of the 0.50% Notes issued by the Company in March 2004 on diluted earnings per share was included in the above calculation (See Note 2).

The weighted average effect of the repurchase of Ordinary Shares by the Company has been included in the calculation of basic earnings per share.

NOTE 19 -- SEGMENT INFORMATION AND SALES TO SIGNIFICANT CUSTOMERS

The Company and its subsidiaries operate in one operating segment, providing business and operations support systems and related services primarily for the communications industry.

AMDOCS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)
(DOLLAR AND SHARE AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)

GEOGRAPHIC INFORMATION

The following is a summary of revenue and long-lived assets by geographic area. Revenue is attributed to geographic region based on the location of the customers.

YEAR ENDED SEPTEMBER 30, -----	-----	2007	2006
-----	2005		
		REVENUE United	
	States.....	\$1,482,668	\$1,319,261
	Canada.....	400,530	406,941
	Europe.....	609,170	539,784
	Rest of the world.....	488,193	488,193
	-----	214,064	160,405
	Total.....	\$2,836,173	\$2,480,050
	=====	=====	=====

AS OF SEPTEMBER 30, -----	-----	2007	2006	2005
-----	-----			
		LONG-LIVED ASSETS United		
	States(1).....	\$890,306	\$889,879	\$588,448
	Canada(2).....	625,980	637,328	655,014
	Europe(3).....	432,203	447,106	18,187
	Rest of the world.....	145,450	133,774	226,343

	Total.....	\$2,174,832	\$2,119,763	\$1,395,423
	=====	=====	=====	=====

(1) Primarily goodwill, intangible assets and computer software and hardware.

(2) Primarily goodwill.

(3) Primarily goodwill and intangible assets as of September 30, 2007 and 2006.

REVENUE AND CUSTOMER INFORMATION

Customer experience systems includes the following offerings: revenue management (including billing, mediation and partner settlement), customer management (including ordering, customer relationship management, or CRM and self-service), service and resource management (network management, planning and fulfillment), digital commerce management (including content revenue management) and foundation (enterprise product catalog). Directory includes directory sales and publishing systems and related services for publishers of both traditional printed yellow pages and white pages directories and electronic Internet directories.

YEAR ENDED SEPTEMBER 30, -----	-----	2007	2006
-----	2005		
		Customer experience systems.....	
		\$2,201,245	\$1,776,536
	Directory.....	284,455	278,805
	-----	262,085	-----

Total.....
\$2,836,173 \$2,480,050 \$2,038,621
=====

AMDOCS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)
(DOLLAR AND SHARE AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)

SALES TO SIGNIFICANT CUSTOMERS

The following table summarizes the percentage of sales to significant customer groups (when they exceed 10 percent of total revenue for the year).

YEAR ENDED SEPTEMBER 30, -----	2007	2006(1)	2005(1)	Customer
1.....	22%	23%	20%	Customer
2.....	15	13	15	Customer
3.....	11	14	17	

(1) The percentage of sales to significant customer groups for fiscal years 2006 and 2005 have been restated to give effect to customer consolidations as if such consolidations were completed as of October 1, 2004.

NOTE 20 -- OPERATIONAL EFFICIENCY AND COST REDUCTION PROGRAMS

In accordance with SFAS No. 112 "Employers' Accounting for Post Employment Benefits" ("SFAS 112") and SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities" ("SFAS 146"), the Company recognized a total of \$6,011, \$0 and \$8,135 in restructuring charges in fiscal 2007, 2006 and 2005, respectively.

In the quarter ended March 31, 2007, the Company commenced a series of measures designed to align its operational structure to its expected future growth and to improve efficiency. As part of this plan, the Company recorded a charge of \$6,011, consisting primarily of employee separation costs in connection with the termination of the employment of software and information technology specialists and administrative professionals at various locations around the world and for facility related costs. Approximately \$4,768 of the total charge had been paid in cash as of September 30, 2007. The facility related costs are expected to be paid through May 2013.

Each of these expenses related to our operational efficiency and cost reduction program is included in restructuring charges and in-process research and development and other.

The restructuring accrual for this cost reduction program is comprised of the following as of September 30, 2007:

EMPLOYEE SEPARATION COSTS	FACILITIES	TOTAL
-----	-----	-----
of October 1, 2006.....	\$ --	\$ --
	\$ --	
Charge.....	4,935	1,076
payments.....		6,011
cash.....	(4,583)	(185)
(151) 209 58	(4,768)	Non-
Balance as of September 30,		
2007.....	\$ 201	\$1,100
	=====	=====
		\$ 1,301

The following describes restructuring actions the Company initiated in fiscal 2005:

In the fourth quarter of fiscal 2005, the Company commenced a series of measures designed to align its operational structure to its expected future growth, to allow better integration following the acquisitions of DST Innovis and Longshine, and to improve efficiency. As part of this plan, the Company recorded a charge of \$8,135 in connection with the termination of employment of software and information technology

AMDOCS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)
(DOLLAR AND SHARE AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)

specialists and administrative professionals. Approximately \$7,432 of the total charge had been paid in cash as of September 30, 2007.

EMPLOYEE SEPARATION COSTS -----	Balance as of
October 1, 2005.....	\$ 7,002 Cash
payments.....	
	(6,105)
Adjustments(1).....	
(651) -----	Balance as of September 30,
2006.....	246 Cash
payments.....	
(194) -----	Balance as of September 30,
2007.....	\$ 52 =====

(1) Reflects adjustments due to changes in previous estimates, which were recorded in cost of service expenses, and differences in foreign exchange rates from balances paid in currencies other than the U.S. dollar, which were recorded in interest income and other, net.

In connection with the acquisition of DST Innovis, Inc. and DST Interactive, Inc (collectively, "DST Innovis") in fiscal 2005, the Company commenced integration activities with respect to the DST Innovis business based on a plan to exit specific research and development activities and to terminate employees associated with these activities. The liabilities associated with this plan, which were recorded as part of the purchase accounting, are presented in the following table:

CONTRACTUAL OBLIGATIONS OTHER TOTAL --	
-----	Balance as of
October 1, 2006.....	\$ 6,875
\$112 \$ 6,987 Cash	
payments.....	
(2,628) -- (2,628) -----	
- Balance as of September 30,	
2007.....	\$ 4,247 \$112 \$ 4,359
=====	====

NOTE 21 -- FINANCIAL INSTRUMENTS

The Company enters into forward contracts and options to purchase and sell foreign currencies to reduce the exposure associated with revenue denominated in a foreign currency and exposure associated with anticipated expenses (primarily personnel costs) in non-U.S. dollar-based currencies and designates these for accounting purposes as cash flow hedges. The Company also may enter into forward contracts to sell foreign currency in order to hedge its exposure associated with some firm commitments from customers in non-U.S. dollar-based currencies and designates these for accounting purposes as fair value hedges. As of September 30, 2007 and 2006, the Company had no outstanding fair value hedges. The derivative financial instruments are afforded hedge accounting because they are effective in managing foreign exchange risks and are appropriately assigned to the underlying exposures. The Company does not engage in currency speculation. The Company currently enters into forward exchange contracts exclusively with major financial institutions. Forward contracts, which are not designated as hedging instruments under SFAS No. 133, are used to offset the effect of exchange rates on certain assets and liabilities. The Company currently hedges its exposure to the variability in future cash flows for a maximum period of two years.

The hedges are evaluated for effectiveness at least quarterly. As the critical terms of the forward contract or options and the hedged transaction are matched at inception, the hedge effectiveness is assessed generally based on changes in the fair value for cash flow hedges as compared to the changes in the fair value of the cash flows associated with the underlying hedged transactions. The effective portion of the change in the fair

AMDOCS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)
(DOLLAR AND SHARE AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)

value of forward exchange contracts or options, which are classified as cash flow hedges, is recorded as comprehensive income until the underlying transaction is recognized in earnings. Any residual change in fair value of the forward contracts, such as time value, excluded from effectiveness testing for hedges of estimated receipts from customers, is recognized immediately in "interest income and other, net." Hedge ineffectiveness, if any, is also included in current period in earnings in "interest income and other, net."

The Company discontinues hedge accounting for a forward contract or options when (1) it is determined that the derivative is no longer effective in offsetting changes in the fair value of cash flows of hedged item; (2) the derivative matures or is terminated; (3) it is determined that the forecasted hedged transaction will no longer occur; (4) a hedged firm commitment no longer meets the definition of a firm commitment; or (5) management decides to remove the designation of the derivative as a hedging instrument.

When hedge accounting is discontinued, and if the derivative remains outstanding, the Company will record the derivative at its fair value on the consolidated balance sheet, recognizing changes in the fair value in current period earnings in "interest income and other, net." When the Company discontinues hedge accounting because it is no longer probable that the forecasted transaction will occur, the gains and losses that were accumulated in other comprehensive income will be recognized immediately in earnings in "interest income and other, net."

The fair value of the open contracts recorded by the Company in its consolidated balance sheets as an asset or a liability is as follows:

AS OF SEPTEMBER 30, -----	2007	2006
----- ----- Prepaid expenses and other		
current assets.....	\$ 6,492	\$ 7,792
Other noncurrent		
assets.....	10	9
Accrued expenses and other current		
liabilities.....	(6,494)	(4,165)
Noncurrent liabilities and		
other.....	(1,388)	-- -----
-- ----- Net fair		
value.....	\$(1,380)	\$ 3,636 =====

A significant portion of the forward contracts and options outstanding as of September 30, 2007 are expected to mature within the next year.

During fiscal years 2007, 2006 and 2005, the gains or losses recognized in earnings for hedge ineffectiveness, excluding the time value portion excluded from effectiveness testing, were not material. During fiscal years 2007, 2006 and 2005, the Company did not recognize any losses for a hedged firm commitment that no longer qualified as a fair value hedge. During fiscal years 2007, 2006 and 2005, the Company recognized losses of \$35, \$0 and \$265, respectively, resulting from hedged forecasted cash flows that no longer qualified as cash flow hedges. All of the above gains or losses are included in "interest income and other, net."

Derivatives gains and losses, which are included in other comprehensive income, are reclassified into earnings at the time the forecasted revenue or expenses are recognized. The Company estimates that a \$809 net loss related to forward contracts and options that are included in other comprehensive income as of September 30, 2007 will be reclassified into earnings within the next twelve months. The amount ultimately realized in earnings will likely differ due to future changes in foreign exchange rates.

AMDOCS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)
(DOLLAR AND SHARE AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)

NOTE 22 -- SELECTED QUARTERLY RESULTS OF OPERATIONS (UNAUDITED)

The following are details of the unaudited quarterly results of operations for the three months ended:

	SEPTEMBER 30,	JUNE 30,	MARCH 31,	DECEMBER 31,	
	-----	-----	-----	-----	----
	----- 2007				
Revenue.....	\$726,689	\$712,091	\$706,361	\$691,032	
	Operating				
income.....				94,140	
	91,989	83,798	87,506	Net	
income.....					
	96,243	88,181	87,171	93,342	Basic
earnings per share.....	0.46				
	0.42	0.42	0.45	Diluted earnings per	
share.....				0.43	0.40
				0.40	0.42
	2006				
Revenue.....	\$665,445	\$626,448	\$601,129	\$587,028	
	Operating				
income.....				76,194	
	84,470	88,789	82,679	Net	
income.....					
	75,955	85,585	81,762	75,334	Basic
earnings per share.....	0.37				
	0.42	0.40	0.38	Diluted earnings per	
share.....				0.35	0.39
				0.38	0.36

VALUATION AND QUALIFYING ACCOUNTS
(IN THOUSANDS)

VALUATION ALLOWANCES ON NET ACCOUNTS
RECEIVABLE DEFERRED TAX ALLOWANCES ASSETS --

Balance as of September 30,	
2004.....	\$12,171 \$ 11,424
Additions: Charged to costs and	
expenses.....	571 2,878 (1) Charged
to revenue.....	426 --
Charged to other accounts.....	
2,580 (2) --	
Deductions.....	
(8,840) --	----- Balance as of
September 30, 2005.....	6,908 14,302
Charged to costs and expenses.....	
1,592 3,640 (3) Charged to	
revenue.....	1,448 --
Charged to other accounts.....	
4,406 (4) 11,393 (5)	
Deductions.....	
(2,279) --	----- Balance as of
September 30, 2006.....	12,075
29,335 Charged to costs and	
expenses.....	1,316 9,933 (6)
Charged to revenue.....	
23,102 -- Charged to other	
accounts.....	27 5,667 (5)
Deductions.....	
(9,104) (11,684) Balance as of September 30,	
2007.....	\$27,416 \$ 33,251 =====
=====	

-
- (1) Valuation allowances on deferred tax assets incurred during fiscal 2005.
 - (2) Includes accounts receivable allowance of \$2,580 acquired as part of the acquisitions of DST Innovis and Longshine.
 - (3) Valuation allowances on deferred tax assets incurred during fiscal 2006.
 - (4) Includes accounts receivable allowance of \$4,406 acquired primarily as part of the acquisition of Cramer.
 - (5) Includes valuation allowances on deferred tax assets incurred in connection with the 2006 acquisitions.
 - (6) Valuation allowances on deferred tax assets incurred during fiscal 2007.

=====

(JPMORGAN LOGO)

CREDIT AGREEMENT

dated as of November 27, 2007,

among

AMDOCS LIMITED

The Borrowing Subsidiaries Party Hereto

The Lenders Party Hereto

and

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent

J. P. MORGAN EUROPE LIMITED,
as London Agent

and

JPMORGAN CHASE BANK, N.A., TORONTO BRANCH,
as Canadian Agent

J.P. MORGAN SECURITIES INC.

and

BANC OF AMERICA SECURITIES LLC,
as Joint Lead Arrangers and Joint Bookrunners

BANK OF AMERICA, N.A.,
as Syndication Agent

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- Exhibit A Form of Assignment and Assumption
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- Exhibit B-2 Form of Borrower Termination Agreement
- Exhibit C Form of Borrowing Request
- Exhibit D Mandatory Costs Rate
- Exhibit E Maturity Date Extension Request

CREDIT AGREEMENT dated as of November 27, 2007 (this "Agreement"), among AMDOCS LIMITED (the "Company"); the Borrowing Subsidiaries from time to time party hereto; the LENDERS from time to time party hereto; JPMORGAN CHASE BANK, N.A., as Administrative Agent; J.P. MORGAN EUROPE LIMITED, as London Agent; and JPMORGAN CHASE BANK, N.A., TORONTO BRANCH, as Canadian Agent.

The Borrowers (such term and each other capitalized term used and not otherwise defined herein having the meaning assigned to it in Article I) have requested the Lenders to extend, and the Lenders are willing, on the terms and subject to the conditions set forth herein, to extend, credit in the form of:

(a) Tranche A Commitments under which (i) the Tranche A Borrowers may obtain Revolving Loans in US Dollars, Sterling and Euro, (ii) Tranche A Borrowers that are US Subsidiaries may obtain Swingline Loans in US Dollars and (iii) Tranche A Borrowers may obtain Letters of Credit in US Dollars, Sterling or Euro;

(b) Tranche B Commitments under which (i) the Tranche B Borrowers other than Canadian Borrowing Subsidiaries may obtain Revolving Loans in US Dollars, Sterling and Euro, (ii) Tranche B Borrowers that are Canadian Borrowing Subsidiaries may obtain Revolving Loans denominated in US Dollars and Canadian Dollars and may issue and sell BAs in Canadian Dollars, (iii) Tranche B Borrowers that are US Subsidiaries or Canadian Subsidiaries may obtain Swingline Loans in US Dollars and (iv) Tranche B Borrowers that are Canadian Subsidiaries may obtain Swingline Loans in Canadian Dollars; and

(c) Tranche C Commitments under which the Tranche C Borrowers may obtain Revolving Loans in US Dollars.

The proceeds of Loans made and BAs accepted and purchased, and the Letters of Credit issued, under this Agreement will be used for general corporate purposes of the Company and the Subsidiaries, including for acquisitions, investments and share repurchases.

Accordingly, the parties hereto agree as follows:

ARTICLE I

Definitions

SECTION 1.01. Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

"ABR", when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Alternate Base Rate.

"Accession Agreement" has the meaning set forth in Section 2.09(d).

"Adjusted EURIBO Rate" means, with respect to any EURIBOR Borrowing for any Interest Period, an interest rate per annum equal to the sum of (a) the EURIBO Rate for such Interest Period and (b) the Mandatory Costs Rate.

"Adjusted LIBO Rate" means (a) with respect to any LIBOR Borrowing denominated in US Dollars for any Interest Period, an interest rate per annum equal to the product of (i) the LIBO Rate for US Dollars for such Interest Period multiplied by (ii) the Statutory Reserve Rate and (b) with respect to any LIBOR Borrowing denominated in Sterling for any Interest Period, an interest rate per annum equal to the sum of (x) the LIBO Rate for such currency and such Interest Period plus (y) the Mandatory Costs Rate.

"Administrative Agent" means JPMorgan Chase Bank, N.A., in its capacity as administrative agent for the Lenders hereunder, or any successor appointed in accordance with Article VIII.

"Administrative Questionnaire" means an Administrative Questionnaire in a form supplied by the Administrative Agent.

"Affiliate" means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"Agents" means the Administrative Agent, the London Agent and the Canadian Agent.

"Alternate Base Rate" means, for any day, a rate per annum equal to the greater of (a) the Prime Rate (in the case of a Loan or Borrowing made to a US Borrowing Subsidiary) or the US Base Rate (in the case of a Loan or Borrowing made to a Canadian Borrowing Subsidiary) in effect on such day and (b) the Federal Funds Effective Rate in effect on such day plus 1/2 of 1%. Any change in the Alternate Base Rate due to a change in the Prime Rate or the Federal Funds Effective Rate shall be effective from and including the effective date of such change in the Prime Rate or the Federal Funds Effective Rate, as the case may be.

"Applicable Agent" means (a) with respect to a Loan or Borrowing of a US Borrowing Subsidiary denominated in US Dollars or any Letter of Credit, and with respect to any payment hereunder that does not relate to a particular Loan, Borrowing, BA or Letter of Credit, the Administrative Agent, (b) with respect to a Loan or Borrowing of a Canadian Borrowing Subsidiary denominated in US Dollars, a Loan or Borrowing denominated in Canadian Dollars or a BA, the Canadian Agent and (c) with respect to a Loan or Borrowing denominated in a currency other than US Dollars or Canadian Dollars or a Loan or Borrowing denominated in US Dollars and made to a Borrower that is not a US Borrowing Subsidiary or a Canadian Borrowing Subsidiary, the London Agent.

"Applicable Funding Account" means, as to each Borrower, the applicable account with the Applicable Agent (or one of its Affiliates) specified on Schedule 1.01 hereto or set forth in such Borrower's Borrower Joinder Agreement entered pursuant to Section 2.21 (or if no such account is specified for such Borrower on such Schedule or such Joinder Agreement, in a written notice signed by a Financial Officer and delivered to and approved by such Applicable Agent prior to the initial extension of credit to such Borrower hereunder), or, following the initial designation of an Applicable Funding Account for such Borrower, any other account with the Applicable Agent (or one of its Affiliates) that shall be specified in a written notice signed by a Financial Officer and delivered to and approved by such Applicable Agent.

"Applicable Rate" means, for any day, the applicable rate per annum set forth below under the caption "Facility Fee Rate", "LIBOR/EURIBOR Spread and BA Stamping Fee" or "Utilization Fee", as the case may be, based upon the ratings established by S&P and Moody's for the Index Debt as of the most recent determination date:

CATEGORY	RATINGS (S&P/MOODY'S)	FACILITY FEE RATE	LIBOR/EURIBOR SPREAD AND BA STAMPING FEE	UTILIZATION FEE
Category 1	BBB+/Baa1	.080%	.270%	.075%
Category 2	BBB/Baa2	.100%	.350%	.075%
Category 3	BBB-/Baa3	.125%	.425%	.075%
Category 4	BB+/Ba1	.150%	.500%	.100%
Category 5	BB/Ba2 or lower	.200%	.650%	.100%

For purposes of the foregoing, (i) if Moody's or S&P shall not have in effect a rating for the Index Debt (other than by reason of the circumstances referred to in the last sentence of this definition), then such rating agency shall be deemed to have established a rating in Category 5; (ii) if the ratings established or deemed to have been established by Moody's and S&P for the Index Debt shall fall within different Categories, the Applicable Rate shall be based on the higher of the two ratings unless one of the two ratings is two or more Categories lower than the other, in which case the Applicable Rate shall be determined by reference to the Category next below that in which the higher of the two ratings falls; and (iii) if the rating established or deemed to have been established by Moody's or S&P for the Index Debt shall be changed (other than as a result of a change in the rating system of Moody's or S&P), such change shall be effective as of the date on which it is first announced by the applicable rating agency. Each change in the Applicable Rate shall apply during the period commencing on the effective date of such change and ending on the date immediately preceding the effective date of the next such change. If the rating system of Moody's or S&P shall change, or if any such rating agency shall cease to be in the business of rating corporate debt obligations, the Company and the Lenders shall negotiate in good faith to amend this definition to reflect such changed rating system or the unavailability of ratings from such rating agency and, pending the effectiveness of any such amendment, the Applicable Rate shall be determined by reference to the ratings of the other rating agency (or, if the circumstances referred to in this sentence shall affect both rating agencies, the ratings most recently in effect prior to such changes or cessations).

"Approved Fund" has the meaning assigned to such term in Section 11.04.

"Arrangers" means J.P. Morgan Securities Inc. and Banc of America Securities LLC.

"Assignment and Assumption" means an assignment and assumption agreement entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 11.04), and accepted by the Administrative Agent, in the form of Exhibit A or any other form approved by the Administrative Agent.

"Attributable Debt" means, with respect to any Sale-Leaseback Transaction, the present value (discounted at the rate set forth or implicit in the terms of the lease included in such Sale-Leaseback Transaction) of the total obligations of the lessee for rental payments (other than amounts required to be paid on account of taxes, maintenance, repairs, insurance, assessments, utilities, operating and labor costs and other items that do not constitute payments for property rights) during the remaining term of the lease included in such Sale-Leaseback Transaction

(including any period for which such lease has been extended). In the case of any lease that is terminable by the lessee upon payment of a penalty, the Attributable Debt shall be the lesser of (a) the Attributable Debt determined assuming termination on the first date such lease may be terminated (in which case the Attributable Debt shall also include the amount of the penalty, but no rent shall be considered as required to be paid under such lease subsequent to the first date upon which it may be so terminated) and (b) the Attributable Debt determined assuming no such termination.

"Authorized Agent" has the meaning set forth in Section 11.09(d).

"Availability Period" means the period from and including the Effective Date to but excluding the earlier of the Maturity Date and the date of termination of the Commitments.

"BA" means a bill of exchange, including a depository bill issued in accordance with the Depository Bills and Notes Act (Canada), denominated in Canadian Dollars, drawn by a Canadian Borrowing Subsidiary and accepted by a Lender in accordance with the terms of this Agreement.

"BA Drawing" means BAs accepted and purchased (and any BA Equivalent Loans made in lieu of such acceptance and purchase) on the same date and as to which a single Contract Period is in effect.

"BA Equivalent Loan" has the meaning assigned to such term in Section 2.06(k).

"Basket Amount" means, at any time, the greater of (a) US\$150,000,000 and (b) 6% of Consolidated Tangible Assets at the end of the most recent fiscal quarter of the Company for which financial statements have been delivered under Section 5.01 (or, prior to the delivery of any such financial statements, at June 30, 2007).

"Board" means the Board of Governors of the Federal Reserve System of the United States of America.

"Borrower" means any Tranche A Borrower, Tranche B Borrower or Tranche C Borrower.

"Borrower Joinder Agreement" means a Borrower Joinder Agreement substantially in the form of Exhibit B-1.

"Borrower Termination Agreement" means a Borrower Termination Agreement, substantially in the form of Exhibit B-2.

"Borrowing" means (a) Loans of the same Class and Type made, converted or continued on the same date and, in the case of LIBOR Loans, as to which a single Interest Period is in effect or (b) a Swingline Loan.

"Borrowing Minimum" means (a) in the case of a Borrowing denominated in US Dollars, US\$3,000,000, (b) in the case of a Borrowing denominated in Sterling, £2,000,000, (c) in the case of a Borrowing denominated in Euros, €3,000,000 and (d) in the case of a Borrowing denominated in Canadian Dollars, Cdn.\$3,000,000.

"Borrowing Multiple" means (a) in the case of a Borrowing denominated in US Dollars, US\$1,000,000, (b) in the case of a Borrowing denominated in Sterling, £1,000,000, (c) in

the case of a Borrowing denominated in Euros, E1,000,000 and (d) in the case of a Borrowing denominated in Canadian Dollars, Cdn.\$1,000,000.

"Borrowing Request" means a request by a Borrower for a Revolving Borrowing in accordance with Section 2.03.

"Borrowing Subsidiary" means (a) European Software Marketing Ltd, a Guernsey corporation, and (b) any other Subsidiary that has become a Borrowing Subsidiary as provided in Section 2.21; provided that any Subsidiary referred to in the preceding clauses (a) and (b) may cease to be a Borrowing Subsidiary as provided in Section 2.21.

"Business Day" means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed; provided, that (a) when used in connection with a LIBOR Loan in any currency, the term "Business Day" shall also exclude any day on which banks are not open for dealings in deposits in such currency in the London interbank market, (b) when used in connection with a EURIBOR Loan, the term "Business Day" shall also exclude any day on which TARGET is not open for the settlement of payments in Euros, (c) when used in connection with a Canadian Prime Rate Loan (including any Swingline Loan denominated in Canadian Dollars) or a BA, the term "Business Day" shall also exclude any day on which banks are not open for business in Toronto and (d) when used in connection with a Loan to any Borrower organized in a jurisdiction other than the United States of America, the United Kingdom or Canada, the term "Business Day" shall also exclude any day on which commercial banks in the jurisdiction of organization of such Borrower are authorized or required by law to remain closed.

"CAM" means the mechanism for the allocation and exchange of interests in the Tranches and the collections thereunder established under Article IX.

"CAM Exchange" means the exchange of the Lenders' interests provided for in Article IX.

"CAM Exchange Date" means the date on which any event referred to in clause (h) or (i) of Article VII shall occur with respect to the Company.

"CAM Percentage" means, as to each Lender, a fraction, expressed as a decimal, of which (a) the numerator shall be the sum of the US Dollar Equivalents (determined on the basis of Exchange Rates prevailing on the CAM Exchange Date) of the Designated Obligations owed to such Lender (whether or not at the time due and payable) immediately prior to the CAM Exchange and (b) the denominator shall be the sum of the US Dollar Equivalents (as so determined) of the Designated Obligations owed to all the Lenders (whether or not at the time due and payable) immediately prior to the CAM Exchange. For purposes of determining the CAM Percentages, the amount payable in respect of any BA shall be deemed to be the face amount thereof, reduced by the unaccreted portion of the discount at which such BA shall have been purchased (taking into account the applicable Discount Rates and acceptance fees), as determined by the Administrative Agent in accordance with accepted financial practice.

"Canadian Agent" means JPMorgan Chase Bank, N.A., Toronto Branch, in its capacity as Canadian agent for the Lenders hereunder, or any successor appointed in accordance with Article VIII.

"Canadian Borrowing Subsidiary" means any Borrowing Subsidiary that is a Canadian Subsidiary.

"Canadian Dollars" or "Cdn.\$" means the lawful money of Canada.

"Canadian Prime Rate" means, for any day, the rate of interest per annum (rounded upwards, if necessary, to the next 1/100 of 1%) equal to the greater of (a) the interest rate per annum publicly announced from time to time by the Canadian Agent as its reference rate in effect on such day at its principal office in Toronto for determining interest rates applicable to commercial loans denominated in Canadian Dollars and made by it in Canada (each change in such reference rate being effective from and including the date such change is publicly announced as being effective) and (b) the interest rate per annum equal to the sum of (i) the CDOR Rate on such day (or, if such rate is not so reported on the Reuters Screen CDOR Page, the average of the rate quotes for bankers' acceptances denominated in Canadian Dollars with a one month term received by the Canadian Agent at approximately 10:00 a.m., Toronto time, on such day (or, if such day is not a Business Day, on the next preceding Business Day) from the Schedule I Reference Lenders) and (ii) 0.50% per annum.

"Canadian Subsidiary" means any Subsidiary that is incorporated or otherwise organized under the laws of Canada or any political subdivision thereof.

"Capital Lease Obligations" of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.

"CDOR Rate" means, on any date, an interest rate per annum equal to the stated average discount rate applicable to bankers' acceptances denominated in Canadian Dollars with a term of one month (for purposes of the definition of "Canadian Prime Rate") or with a term equal to the Contract Period of the relevant BAs (for purposes of the definition of "Discount Rate") appearing on the Reuters Screen CDOR Page (or on any successor or substitute page of such Screen, or any successor to or substitute for such Screen, providing rate quotations comparable to those currently provided on such page of such Screen, as determined by the Canadian Agent from time to time) at approximately 10:00 a.m., Toronto time, on such date (or, if such date is not a Business Day, on the next preceding Business Day).

"Change in Control" means (a) the acquisition of ownership, directly or indirectly, beneficially or of record, by any Person or group (within the meaning of the Securities Exchange Act of 1934 and the rules of the SEC thereunder as in effect on the date hereof), of shares representing more than 35% of the aggregate ordinary voting power represented by the issued and outstanding capital stock of the Company; (b) occupation of a majority of the seats (other than vacant seats) on the board of directors of the Company by Persons who were neither (i) nominated by the board of directors of the Company nor (ii) appointed by directors so nominated; (c) the acquisition of direct or indirect Control of the Company by any Person or group; or (d) the acquisition of any Equity Interests (other than directors' or other qualifying shares) of any Borrowing Subsidiary by any Person other than the Company or a Subsidiary.

"Change in Law" means (a) the adoption of any law, rule or regulation after the Closing Date, (b) any change in any law, rule or regulation or in the interpretation or application thereof by any Governmental Authority after the Closing Date or (c) compliance by any Lender or Issuing Bank (or by any lending office of such Lender or Issuing Bank or by such Lender's or Issuing Bank's holding company, if any) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the Closing Date.

"Claims" has the meaning set forth in Section 2.18(c).

"Class", when used in reference to (a) any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are Tranche A Revolving Loans, Tranche B Revolving Loans, Tranche C Revolving Loans, Tranche A Swingline Loans or Tranche B Swingline Loans, and (b) any Commitment, refers to whether such Commitment is a Tranche A Commitment, a Tranche B Commitment or a Tranche C Commitment.

"Closing Date" means the date of this Agreement.

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Commitments" means the Tranche A Commitments, the Tranche B Commitments and the Tranche C Commitments. The aggregate amount of the Commitments as of the Closing Date is US\$500,000,000.

"Consenting Lender" has the meaning set forth in Section 2.09(e).

"Consolidated Assets" means, at any time, the aggregate amount of assets (less applicable accumulated depreciation, depletion and amortization and other reserves and other properly deductible items) of the Company and its Subsidiaries, all as set forth in the most recent consolidated balance sheet of the Company and its Subsidiaries, determined in accordance with GAAP, included in the periodic reports of the Company filed with the SEC.

"Consolidated EBITDA" means, for any period of four consecutive fiscal quarters, Consolidated Net Income for such period plus (a) without duplication and to the extent deducted in determining such Consolidated Net Income, the sum of (i) consolidated interest expense for such period, (ii) consolidated income tax expense for such period, (iii) all amounts attributable to depreciation and amortization for such period, (iv) noncash equity-based compensation expense for such period and (v) any nonrecurring noncash charges for such period, and minus (b) without duplication, the sum of (i) to the extent included in determining such Consolidated Net Income, any nonrecurring gains for such period and (ii) any cash payments made during such period in respect of items reflected as noncash equity-based compensation expense or nonrecurring noncash charges during any earlier period, all determined on a consolidated basis in accordance with GAAP. If the Company or any Subsidiary shall have made a Material Acquisition or a Material Disposition, Consolidated EBITDA for the quarter in which such event occurs and the four preceding quarters shall be calculated giving pro forma effect thereto, to any related incurrence or repayment of Indebtedness and to such other pro forma adjustments as are permitted under Regulation S-X of the SEC with respect to such Material Acquisition or Material Disposition as if they had occurred on the first day of the earliest of such quarters.

"Consolidated Interest Expense" means, for any fiscal period, the aggregate of all interest expense of the Company and the Consolidated Subsidiaries for such period, all as determined on a consolidated basis in accordance with GAAP, plus the aggregate yield (expressed as a dollar amount) obtained by the purchasers under any Securitization Transactions on their investments in accounts receivable of the Company and the Subsidiaries during such period, determined in accordance with generally accepted financial practice and the terms of such Securitization Transactions. If the Company or any Subsidiary shall have made a Material Acquisition or a Material Disposition, Consolidated Interest Expense for the quarter in which such event occurs and the four preceding quarters shall be calculated giving pro forma effect

thereto, to any related incurrence or repayment of Indebtedness and to such other pro forma adjustments as are permitted under Regulation S-X of the SEC with respect to such Material Acquisition or Material Disposition as if they had occurred on the first day of the earliest of such quarters.

"Consolidated Net Income" means, for any fiscal period, the net income of the Company and the Consolidated Subsidiaries for such period, determined on a consolidated basis in accordance with GAAP.

"Consolidated Tangible Assets" means, at any time, the aggregate amount of assets (less applicable accumulated depreciation and amortization and other reserves and other properly deductible items) of the Company and the Subsidiaries, minus all goodwill, trade names, trademarks, patents, unamortized debt discount and expense and other intangible assets of the Company and the Subsidiaries, all as set forth in the most recent consolidated balance sheet of the Company, determined on a consolidated basis in accordance with GAAP.

"Consolidated Subsidiary" means any Subsidiary that should be consolidated with the Company for financial reporting purposes in accordance with GAAP.

"Consolidated Total Indebtedness" means, at any date, all Indebtedness of the Company and the Consolidated Subsidiaries at such date, determined on a consolidated basis in accordance with GAAP (but excluding Indebtedness of the Company or any Subsidiary as an account party in respect of letters of credit backing trade payables and other obligations that do not constitute Indebtedness).

"Contract Period" means, with respect to any BA, the period commencing on the date such BA is issued, accepted and purchased and ending on the date that is one, two, three and six months thereafter, as the applicable Canadian Borrowing Subsidiary may elect; provided that if such Contract Period would end on a day other than a Business Day, such Contract Period shall be extended to the next succeeding Business Day.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling" and "Controlled" have meanings correlative thereto.

"Credit Documents" means this Agreement, each Borrower Joinder Agreement, each Borrower Termination Agreement and any promissory note issued hereunder.

"Credit Parties" means the Company, in its capacity as a Borrower and a Guarantor hereunder, and the Borrowing Subsidiaries.

"Declining Lender" has the meaning set for in Section 2.09(e).

"Default" means any event or condition which constitutes an Event of Default or which upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

"Designated Obligations" shall mean all obligations of the Borrowers with respect to (a) principal of and interest on the Revolving Loans, (b) participations in Swingline Loans, (c) amounts payable in respect of BAs, (d) unreimbursed L/C Disbursements and interest thereon and (c) all facility fees and Letter of Credit participation fees.

"Discount Proceeds" means, with respect to any BA, an amount (rounded upward, if necessary, to the nearest Cdn.\$0.01) calculated by multiplying (a) the face amount of such BA by (b) the quotient obtained by dividing (i) one by (ii) the sum of (A) one and (B) the product of (x) the Discount Rate (expressed as a decimal) applicable to such BA and (y) a fraction of which the numerator is the Contract Period applicable to such BA and the denominator is 365, with such quotient being rounded upward or downward to the fifth decimal place and .000005 being rounded upward.

"Discount Rate" means, with respect to a BA being accepted and purchased on any day, (a) for a Lender which is a Schedule I Lender, (i) the CDOR Rate applicable to such BA or (ii) if the discount rate for a particular Contract Period is not quoted on the Reuters Screen CDOR Page, the arithmetic average (as determined by the Canadian Agent and expressed as a per annum rate) of the percentage discount rates (expressed as a decimal and rounded upward, if necessary, to the nearest 1/100 of 1%) quoted to the Canadian Agent by the Schedule I Reference Lenders as the percentage discount rate at which each such bank would, in accordance with its normal practices, at approximately 10:00 a.m., Toronto time, on such day, be prepared to purchase bankers' acceptances accepted by such bank having a face amount and term comparable to the face amount and Contract Period of such BA and (b) for a lender which is a Non-Schedule I Lender, the lesser of (i) the CDOR Rate applicable to such BA referred to in clause (a) above as if such Non-Schedule I Lender were a Schedule I Lender plus 0.10% per annum and (ii) the arithmetic average (as determined by the Canadian Agent and expressed as a per annum rate) of the percentage discount rates (expressed as a decimal and rounded upward, if necessary, to the nearest 1/100 of 1%) quoted to the Canadian Agent by the Non-Schedule I Reference Lenders as the percentage discount rate at which each such bank would, in accordance with its normal practices, at approximately 10:00 a.m., Toronto time, on such day, be prepared to purchase bankers' acceptances accepted by such bank having a face amount and term comparable to the face amount and Contract Period of such BA.

"Effective Date" means the date on which the conditions specified in Section 4.01 are satisfied (or waived in accordance with Section 11.02).

"Environmental Laws" means all laws, rules, regulations, codes, ordinances, orders, decrees, judgments, injunctions, notices or binding agreements issued, promulgated or entered into by any Governmental Authority, relating in any way to the environment, preservation or reclamation of natural resources, the management, release or threatened release of any Hazardous Material or to health and safety matters.

"Environmental Liability" means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Company or any Subsidiary directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement with any Governmental Authority pursuant to which liability is assumed or imposed with respect to any of the foregoing.

"Equity Interests" means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any such equity interest.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time.

"ERISA Affiliate" means any trade or business (whether or not incorporated) that, together with the Company, is treated as a single employer under Section 414(b) or (c) of the Code or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

"ERISA Event" means (a) any "reportable event", as defined in Section 4043 of ERISA or the regulations issued thereunder with respect to a Plan (other than an event for which the 30-day notice period is waived); (b) the existence with respect to any Plan of an "accumulated funding deficiency" (as defined in Section 412 of the Code or Section 302 of ERISA), whether or not waived; (c) the filing pursuant to Section 412(d) of the Code or Section 303(d) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan; (d) the incurrence by the Company or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Plan; (e) the receipt by the Company or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to an intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan; (f) the incurrence by the Company or any of its ERISA Affiliates of any liability with respect to the withdrawal or partial withdrawal from any Plan or Multiemployer Plan; or (g) the receipt by the Company or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from the Company or any ERISA Affiliate of any notice, concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA.

"EURIBO Rate" means, with respect to any EURIBOR Borrowing for any Interest Period, (a) the applicable Screen Rate or (b) if no Screen Rate is available for such Interest Period, the arithmetic mean (rounded up to four decimal places) of the rates quoted by the Reference Banks to leading banks in the Banking Federation of the European Union for the offering of deposits in Euros and for a period comparable to such Interest Period, in each case as of the Specified Time on the Quotation Day.

"EURIBOR", when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Adjusted EURIBO Rate.

"Euro" means the single currency adopted by participating member states of the European Communities in accordance with legislation of the European Community relating to Economic and Monetary Union.

"Event of Default" has the meaning assigned to such term in Article VII.

"Exchange Rate" means on any day, for purposes of determining the US Dollar Equivalent of any other currency, the rate at which such other currency may be exchanged into US Dollars at the time of determination on such day as set forth on the Reuters WRLD Page for such currency. In the event that such rate does not appear on any Reuters WRLD Page, the Exchange Rate shall be determined by reference to such other publicly available service for displaying exchange rates as may be agreed upon by the Applicable Agent and the Company, or, in the absence of such an agreement, such Exchange Rate shall instead be the arithmetic average of the spot rates of exchange of the Applicable Agent in the market where its foreign currency exchange operations in respect of such currency are then being conducted, at or about such time as the Applicable Agent shall elect after determining that such rates shall be the basis for

determining the Exchange Rate, on such date for the purchase of US Dollars for delivery two Business Days later; provided that if at the time of any such determination, for any reason, no such spot rate is being quoted, the Applicable Agent may use any reasonable method it deems appropriate to determine such rate, and such determination shall be conclusive absent manifest error.

"Excluded Taxes" means (a) with respect to any Lender, (i) income or franchise taxes imposed on (or measured by) its net income by the United States of America or any political subdivision thereof or by the jurisdiction under the laws of which such Lender is organized or resident for tax purposes, in which its principal office is located or in which its applicable lending office is located, (ii) any branch profits taxes imposed by the United States of America or any political subdivision thereof or any similar tax imposed by any other jurisdiction described in clause (a)(i) above and (iii) any withholding tax that is attributable to the failure of such Lender to comply with Section 2.17(e); (b) with respect to any Tranche A Lender, any withholding tax that is imposed on amounts payable by a Tranche A Borrower organized, resident for tax purposes or having substantial business operations in Guernsey, the United States of America, the United Kingdom, Ireland, Switzerland, Denmark or Cyprus or any political subdivision of any thereof by any taxation authority of such jurisdiction on amounts payable from locations within such jurisdiction to such Lender's Tranche A Lending Office designated for Tranche A Borrowers organized, resident for tax purposes or having substantial business operations in such jurisdiction, to the extent such tax is in effect and applicable (assuming the taking by such Borrower of all actions required in order for available exemptions from such tax to be effective) at the time such Lender becomes a party to this Agreement (or designates a new Tranche A Lending Office for Tranche A Borrowers organized, resident for tax purposes or having substantial business operations in such jurisdiction), except to the extent that (i) such Lender was entitled, at the time of designation of a new lending office, to receive additional amounts with respect to such withholding tax pursuant to Section 2.17 or (ii) such Lender became a party to this Agreement pursuant to an assignment by a Lender that was entitled, at the time of the assignment, to receive additional amounts with respect to such withholding tax pursuant to Section 2.17; (c) with respect to any Tranche B Lender (other than a Lender that becomes or acquires any interests of a Tranche B Lender through an assignment under Section 2.19(b) or by operation of the CAM or through a purchase of participations under Section 2.18(c)), any withholding tax that is imposed on amounts payable by a Tranche B Borrower organized, resident for tax purposes or having substantial business operations in Guernsey, the United States of America, the United Kingdom, Ireland, Switzerland, Denmark, Cyprus or Canada or any political subdivision of any thereof by any taxation authority of such Borrower's jurisdiction of organization on amounts payable from locations within such jurisdiction to such Lender's Tranche B Lending Office designated for Tranche B Borrowers organized, resident for tax purposes or having substantial business operations in such jurisdiction, to the extent such tax is in effect and applicable (assuming the taking by such Borrower of all actions required in order for available exemptions from such tax to be effective) at the time such Lender becomes a party to this Agreement (or designates a new Tranche B Lending Office for Tranche B Borrowers organized, resident for tax purposes or having substantial business operations in such jurisdiction), except to the extent that (i) such Lender was entitled, at the time of designation of a new lending office, to receive additional amounts with respect to such withholding tax pursuant to Section 2.17 or (ii) such Lender became a party to this Agreement pursuant to an assignment by a Lender that was entitled, at the time of the assignment, to receive additional amounts with respect to such withholding tax pursuant to Section 2.17; and (d) with respect to any Tranche C Lender, any withholding tax that is imposed on amounts payable by a Tranche C Borrower organized, resident for tax purposes or having substantial business operations in the United States of America or any political subdivision of any thereof by any taxation authority of such jurisdiction on amounts payable from locations within such jurisdiction to such Lender's Tranche

C Lending Office, to the extent such tax is in effect and applicable (assuming the taking by such Borrower of all actions required in order for available exemptions from such tax to be effective) at the time such Lender becomes a party to this Agreement (or designates a new Tranche C Lending Office for Tranche C Borrowers organized, resident for tax purposes or having substantial business operations in such jurisdiction) except to the extent that (i) such Lender was entitled, at the time of designation of a new lending office, to receive additional amounts with respect to such withholding tax pursuant to Section 2.17 or (ii) such Lender became a party to this Agreement pursuant to an assignment by a Lender that was entitled, at the time of the assignment, to receive additional amounts with respect to such withholding tax pursuant to Section 2.17. For purposes of this definition, any reference to "jurisdiction" shall include all political subdivisions of such jurisdiction. Notwithstanding the foregoing, no withholding tax imposed by any taxation authority in Switzerland or any political subdivision thereof will constitute an "Excluded Tax" as to any Lender to the extent such Lender would be eligible for an exemption from such tax but for the application of the 10/20 Non-Bank Rules.

"Existing Maturity Date" has the meaning set forth in Section 2.09(e).

"Federal Funds Effective Rate" means, for any day, the weighted average (rounded upwards, if necessary, to the next 1/100 of 1%) of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average (rounded upwards, if necessary, to the next 1/100 of 1%) of the quotations for such day for such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it.

"Financial Officer" means (a) with respect to the Company, the chief financial officer, principal accounting officer, vice president of finance, treasurer, controller, assistant treasurer or director of treasury of the Company and (b) with respect to any Borrowing Subsidiary, the chief financial officer, principal accounting officer, treasurer, controller, assistant treasurer or director of treasury of the Company or such Borrowing Subsidiary.

"GAAP" means generally accepted accounting principles in the United States of America.

"Governmental Authority" means the government of any nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

"Guarantee" of or by any Person (the "guarantor") means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness of any other Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness; provided that the

term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business.

"Guernsey Borrowing Subsidiary" means any Borrowing Subsidiary that is a Guernsey Subsidiary.

"Guernsey Subsidiary" means any Subsidiary that is incorporated or otherwise organized under the laws of Guernsey or any political subdivision thereof.

"Hazardous Materials" means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

"Hedging Agreement" means any interest rate protection agreement, foreign currency exchange agreement, commodity price protection agreement or other interest or currency exchange rate or commodity price hedging arrangement. The obligations of the Company or any Subsidiary in respect of any Hedging Agreement at any time shall be the maximum aggregate amount (giving effect to any netting agreements provided for in such Hedging Agreements) that the Company or such Subsidiary would be required to pay if such Hedging Agreement were terminated at such time.

"Immaterial Subsidiaries" means Subsidiaries that individually account for less than 5%, and in the aggregate account for less than 10%, of both (a) the consolidated assets (excluding intercompany receivables and payables) and (b) the consolidated revenues (excluding intercompany revenues) of the Company and the Subsidiaries as of the end of and for the most recent period of four consecutive fiscal quarters of the Company.

"Increasing Lender" has the meaning set forth in Section 2.09(d).

"Indebtedness" of any Person means, without duplication, (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person under conditional sale or other title retention agreements relating to property acquired by such Person (other than trade accounts payable incurred in the ordinary course of business), (d) all obligations of such Person in respect of the deferred purchase price of property or services (excluding accounts payable incurred in the ordinary course of business), (e) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such Person, whether or not the Indebtedness secured thereby has been assumed, (f) all Guarantees by such Person of Indebtedness of others, (g) all Capital Lease Obligations of such Person, (h) all obligations, contingent or otherwise, of such Person as an account party in respect of letters of credit and letters of guaranty supporting Indebtedness, (i) all obligations, contingent or otherwise, of such Person in respect of bankers' acceptances, (j) all Securitization Transactions of such Person and (k) all obligations of such Person under Hedging Agreements. The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness provide that such Person is not liable therefor.

"Indemnified Taxes" means Taxes other than Excluded Taxes.

"Indemnatee" has the meaning set forth in Section 11.03(b).

"Index Debt" means the Company's senior, unsecured, non-credit-enhanced long-term Indebtedness for borrowed money.

"Information Memorandum" means the Confidential Information Memorandum dated October 2007 relating to the Company and the Transactions.

"Interest Election Request" means a request by a Borrower to convert or continue a Revolving Borrowing or BA Drawing in accordance with Section 2.08.

"Interest Payment Date" means (a) with respect to any ABR Loan or Canadian Prime Rate Loan (other than a Swingline Loan), the last day of each March, June, September and December, (b) with respect to any LIBOR Loan or EURIBOR Loan, the last day of the Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a LIBOR Loan or a EURIBOR Loan with an Interest Period of more than three months' duration, each day prior to the last day of such Interest Period that occurs at intervals of three months' duration after the first day of such Interest Period and (c) with respect to any Swingline Loan, the day that such Loan is required to be repaid.

"Interest Period" means, with respect to any LIBOR Borrowing or EURIBOR Borrowing, the period commencing on the date of such Borrowing and ending on the numerically corresponding day in the calendar month that is one, two, three or six months thereafter (or, if available from each Lender, nine or 12 months thereafter), as the applicable Borrower may elect; provided that (a) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day and (b) any Interest Period that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

"Issuing Bank" means JPMorgan Chase Bank, N.A. and each other Lender that shall have become an Issuing Bank hereunder as provided in Section 2.05(j) (other than any Person that shall have ceased to be an Issuing Bank as provided in Section 2.05(k)), each in its capacity as an issuer of Letters of Credit hereunder. Each Issuing Bank may, in its discretion, arrange for one or more Letters of Credit to be issued by Affiliates of such Issuing Bank, in which case the term "Issuing Bank" shall include any such Affiliate with respect to Letters of Credit issued by such Affiliate.

"Issuing Bank Agreement" shall have the meaning assigned to such term in Section 2.05(j).

"LC Commitment" shall mean, as to each Issuing Bank, the commitment of such Issuing Bank to issue Letters of Credit pursuant to Section 2.05. The initial amount of each Issuing Bank's LC Commitment is set forth on Schedule 2.05 or in such Issuing Bank's Issuing Bank Agreement.

"LC Disbursement" means a payment made by an Issuing Bank pursuant to a Letter of Credit.

"LC Exposure" means, at any time, (a) the sum of the US Dollar Equivalents of the undrawn amounts of all outstanding Letters of Credit at such time plus (b) the sum of the US Dollar Equivalents of the amounts of all LC Disbursements that have not yet been reimbursed by or on behalf of the applicable Borrowers at such time. The LC Exposure of any Tranche A Lender at any time shall be its Tranche A Percentage of the aggregate LC Exposure at such time.

"Lenders" means the Persons listed on Schedule 2.01(1) and any other Person that shall have become a Lender pursuant to an Assignment and Assumption or Section 2.09(d), other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption. Unless the context otherwise requires, the term "Lenders" includes the Swingline Lender.

"Lending Office" means a Tranche A Lending Office, a Tranche B Lending Office or a Tranche C Lending Office.

"Letter of Credit" means any letter of credit issued pursuant to this Agreement.

"LIBO Rate" means, with respect to any LIBOR Borrowing denominated in any currency for any Interest Period, (a) the applicable Screen Rate or (b) if no Screen Rate is available for such currency or for such Interest Period, the arithmetic mean (rounded up to four decimal places) of the rates quoted by the Reference Banks to leading banks in the London interbank market for the offering of deposits in such currency and for a period comparable to such Interest Period, in each case as of the Specified Time on the Quotation Day.

"LIBOR", when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Adjusted LIBO Rate.

"Lien" means, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset and (c) in the case of securities of any Subsidiary, any purchase option, call or similar right of a third party with respect to such securities that is created to secure obligations owed to any creditor (it being understood that rights of a bona fide purchaser of a Subsidiary or equity interests therein under a purchase or similar agreement will not be deemed to constitute a Lien under this clause (c)).

"Loans" means the loans made by the Lenders to the Borrowers pursuant to this Agreement.

"Local Time" means (a) with respect to a Loan or Borrowing denominated in US Dollars to or by a US Borrowing Subsidiary or any Letter of Credit, New York City time, (b) with respect to a Loan or Borrowing denominated in Sterling or Euros or a Loan or Borrowing denominated in US Dollars to or by a Borrower other than a US Borrowing Subsidiary or a Canadian Borrowing Subsidiary, London time and (c) with respect to a Loan or Borrowing denominated in Canadian Dollars, a BA or a Loan or Borrowing denominated in US Dollars to or by a Canadian Borrowing Subsidiary, Toronto time.

"London Agent" means J.P.Morgan Europe Limited, in its capacity as London agent for the Lenders hereunder, or any successor appointed in accordance with Article VIII.

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(1) Schedule 2.01 will identify the initial Lenders that are not banks.

"Mandatory Costs Rate" has the meaning set forth in Exhibit D.

"Material Acquisition" means any transaction or series of related transactions resulting in the ownership by the Company and/or one or more Subsidiaries of all or substantially all the Equity Interests or all or substantially all the assets of any Person or all or substantially all of any division or other operating unit of a business, but only if the sum of (a)(i) the value of the consideration paid in such transaction or transactions and (ii) the Indebtedness of any acquired Person outstanding after such transaction takes effect minus (b) the cash of such acquired Person after such transaction takes effect is equal to US\$250,000,000 or more or its equivalent in one or more other currencies.

"Material Adverse Effect" means a materially adverse effect on (a) the business, assets, operations or financial condition of the Company and the Subsidiaries, taken as a whole, or (b) the validity, legality, binding effect or enforceability of any material provision hereof or any material right or remedy of any Agent or Lender hereunder.

"Material Disposition" means any transaction or series of related transactions resulting in the disposition by the Company and/or one or more Subsidiaries of all or substantially all the Equity Interests or all or substantially all the assets of any Person or all or substantially all of any division or other operating unit of a business, but only if the sum of (a)(i) the value of the consideration paid in such transaction or transactions and (ii) the Indebtedness outstanding after such transaction takes effect of any Person disposed of for which neither the Company nor any other Subsidiary is liable minus (b) the cash of such acquired Person after such transaction takes effect is equal to US\$250,000,000 or more or its equivalent in one or more other currencies.

"Material Indebtedness" means Indebtedness (other than the Loans) of any one or more of the Company and its Subsidiaries in an aggregate principal amount exceeding US\$50,000,000.

"Material Subsidiary" means any Subsidiary that is not an Immaterial Subsidiary.

"Maturity Date" means November 27, 2012, or any later date to which the Maturity date shall have been extended pursuant to Section 2.09(e).

"Maturity Date Extension Request" means a request by the Borrower, in the form of Exhibit E hereto or such other form as shall be approved by the Agent, for the extension of the Maturity Date pursuant to Section 2.09(d).

"Moody's" means Moody's Investors Service, Inc., and its successors.

"Multiemployer Plan" means a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

"Non-Schedule I Lender" means any Lender not named on Schedule I to the Bank Act (Canada).

"Non-Schedule I Reference Lenders" means JPMorgan Chase Bank, N.A., Toronto Branch, and Bank of America, N.A.

"Obligations" means (a) the principal of and interest (including interest accruing during the pendency of any bankruptcy, insolvency, receivership, en desastre or other similar proceeding, regardless of whether allowed or allowable in such proceeding) on the Loans, (b) all reimbursement obligations of any Borrower in respect of BAs accepted hereunder, when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise, (c) each payment required to be made by any Borrower under this Agreement in respect of any Letter of Credit, when and as due, including payments in respect of reimbursement of disbursements, interest thereon and obligations to provide cash collateral and (c) all other monetary obligations, including fees, costs, expenses and indemnities, whether primary, secondary, direct, contingent, fixed or otherwise (including monetary obligations incurred during the pendency of any bankruptcy, insolvency, receivership, en desastre or other similar proceeding, regardless of whether allowed or allowable in such proceeding), of the Credit Parties under this Agreement and the other Credit Documents.

"Other Taxes" means any and all present or future stamp or documentary Taxes or any other excise or property Taxes, charges or similar levies arising from any payment made under any Credit Document or from the execution, delivery or enforcement of, or otherwise with respect to, any Credit Document.

"Participant" has the meaning set forth in Section 11.04.

"PBGC" means the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

"Permitted Liens" means:

(a) Liens imposed by law for taxes that are not yet due or are being contested in compliance with Section 5.04;

(b) carriers', warehousemen's, mechanics', materialmen's, repairmen's and other like Liens imposed by law, arising in the ordinary course of business and securing obligations that are not overdue by more than 45 days or are being contested in compliance with Section 5.04;

(c) pledges and deposits made in the ordinary course of business in compliance with workers' compensation, unemployment insurance and other social security laws or regulations;

(d) deposits to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature, in each case in the ordinary course of business;

(e) judgment liens in respect of judgments that do not constitute an Event of Default under clause (k) of Article VII; and

(f) easements, zoning restrictions, rights-of-way and similar encumbrances on real property that do not secure any monetary obligations and do not materially detract from the value of the affected property or interfere with the ordinary conduct of business of the Company or any Subsidiary;

provided that the term "Permitted Liens" shall not include any Lien securing Indebtedness.

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Plan" means any employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect of which the Company or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

"Prime Rate" means the rate of interest per annum publicly announced from time to time by JPMorgan Chase Bank, N.A. as its prime rate in effect at its principal office in New York City. Each change in the Prime Rate shall be effective from and including the date such change is publicly announced as being effective.

"Quotation Day" means (a) with respect to any currency (other than Sterling) for any Interest Period, two Business Days prior to the first day of such Interest Period and (b) with respect to Sterling for any Interest Period, the first day of such Interest Period, in each case unless market practice differs in the Relevant Interbank Market for any currency, in which case the Quotation Day for such currency shall be determined by the Applicable Agent in accordance with market practice in the Relevant Interbank Market (and if quotations would normally be given by leading banks in the Relevant Interbank Market on more than one day, the Quotation Day shall be the last of those days).

"Reference Banks" means with respect to the LIBO Rate or the EURIBO Rate, the principal London offices of J.P. Morgan Europe Limited and Bank of America, N.A., or such other banks as may be appointed by the Administrative Agent in consultation with the Company.

"Refinancing Indebtedness" means, in respect of any Indebtedness (the "Original Indebtedness"), any Indebtedness that extends, renews or refinances such Original Indebtedness (or any Refinancing Indebtedness in respect thereof); provided that: (a) the principal amount of such Refinancing Indebtedness shall not exceed the principal amount of such Original Indebtedness; (b) such Refinancing Indebtedness shall not constitute Indebtedness of any Subsidiary other than an obligor or guarantor in respect of such Original Indebtedness or a subsidiary of such an obligor or guarantor; and (c) such Refinancing Indebtedness shall not be secured by any Lien on any asset other than the assets that secured such Original Indebtedness.

"Register" has the meaning set forth in Section 11.04.

"Related Parties" means, with respect to any specified Person, such Person's Affiliates and the respective directors, officers, employees, agents and advisors of such Person and such Person's Affiliates.

"Relevant Interbank Market" means (a) with respect to any currency (other than Euros), the London interbank market and (b) with respect to Euros, the European interbank market.

"Required Lenders" means, at any time, Lenders having Revolving Credit Exposures and unused Commitments representing more than 50% of the sum of the total Revolving Credit Exposures and unused Commitments at such time.

"Revolving Credit Exposure" means a Tranche A Revolving Credit Exposure, a Tranche B Revolving Credit Exposure or a Tranche C Revolving Credit Exposure.

"Revolving Loan" means any Tranche A Revolving Loan, Tranche B Revolving Loan or Tranche C Revolving Loan, as applicable.

"S&P" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., and its successors.

"Sale-Leaseback Transaction" means any arrangement whereby the Company or a Subsidiary shall sell or transfer any property, real or personal, used or useful in its business, whether now owned or hereinafter acquired, and thereafter rent or lease such property or other property that it intends to use for substantially the same purpose or purposes as the property sold or transferred; provided that any such arrangement entered into within 180 days after the acquisition or construction of the subject property shall not be deemed to be a "Sale-Leaseback Transaction".

"Schedule I Lender" means any Lender named on Schedule I to the Bank Act (Canada).

"Schedule I Reference Lenders" means Royal Bank of Canada and any other Schedule I Lender agreed upon by the Company and the Canadian Agent from time to time.

"Screen Rate" means (a) in respect of the LIBO Rate for any currency for any Interest Period, the British Bankers Association Interest Settlement Rate for such currency and such Interest Period as set forth on the applicable page of the Reuters Service (and if such page is replaced or such service ceases to be available, another page or service displaying the appropriate rate designated by the Applicable Agent) and (b) in respect of the EURIBO Rate for any Interest Period, the percentage per annum determined by the Banking Federation of the European Union for such Interest Period as set forth on the applicable page of the Reuters Service (and if such page is replaced or such service ceases to be available, another page or service displaying the appropriate rate designated by the Applicable Agent).

"SEC" means the United States Securities and Exchange Commission, or any Governmental Authority succeeding to the functions of such Commission.

"Securitization Transaction" means, with respect to any Person, any transfer by such Person or any of its subsidiaries of accounts receivable or interests therein (a) to a trust, partnership, corporation or other entity, which transfer is funded by the incurrence or issuance by the transferee or any successor transferee of Indebtedness or other securities that are to receive payments from, or that represent interests in, the cash flow derived from such accounts receivable or interests therein, or (b) directly to one or more investors or other purchasers. The amount of any Securitization Transaction shall be deemed at any time to be the aggregate principal or stated amount of the Indebtedness or other securities referred to in clause (a) of the preceding sentence or, if there shall be no such principal or stated amount, the uncollected amount of the accounts receivable or interests therein transferred pursuant to such Securitization Transaction net of any such accounts receivable or interests therein that have been written off as uncollectible.

"Specified Time" means (a) with respect to the LIBO Rate, 11:00 a.m., London time and (b) with respect to the EURIBO Rate, 11:00 a.m., Frankfurt time.

"Statutory Reserve Rate" means a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentages (including any marginal, special, emergency or supplemental reserves) expressed as a decimal established by the Board to which the

Administrative Agent is subject for eurocurrency funding (currently referred to as "Eurocurrency Liabilities" in Regulation D of the Board). Such reserve percentages shall include those imposed pursuant to such Regulation D. LIBOR Loans shall be deemed to constitute eurocurrency funding and to be subject to such reserve requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under such Regulation D or any comparable regulation. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

"Sterling" or "L" means the lawful currency of the United Kingdom.

"Subordinated Indebtedness" of any Person means any Indebtedness of such Person that by its express terms is subordinated in right of payment to any other Indebtedness of such Person.

"subsidiary" means, with respect to any Person (the "parent") at any date, any corporation, limited liability company, partnership, association or other entity the accounts of which would be consolidated with those of the parent in the parent's consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, as well as any other corporation, limited liability company, partnership, association or other entity (a) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, controlled or held, or (b) that is, as of such date, otherwise Controlled, by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent.

"Subsidiary" means any subsidiary of the Company.

"Swingline Lender" means JPMorgan Chase Bank, N.A. in its capacity as a lender of Swingline Loans pursuant to Section 2.04.

"Swingline Loan" means a Tranche A Swingline Loan or a Tranche B Swingline Loan.

"TARGET" means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system.

"Taxes" means any and all present or future taxes, levies, imposts, duties, deductions, charges or withholdings imposed by any Governmental Authority.

"10/20 Non-Bank Rules" means the rules of the Swiss tax authorities limiting the number of institutions other than qualifying banks extending credit under this Agreement and under other instruments and agreements governing Indebtedness of Borrowers organized, resident for tax purposes or having substantial business operations in Switzerland.

"Tranche" means a category of Commitments and extensions of credit thereunder. For purposes hereof, each of the following shall comprise a separate Tranche: (a) the Tranche A Commitments, the Tranche A Revolving Loans, the Letters of Credit and the Tranche A Swingline Loans ("Tranche A"), (b) the Tranche B Commitments, the Tranche B Revolving Loans, the BAs and the Tranche B Swingline Loans ("Tranche B") and (c) the Tranche C Commitments and the Tranche C Revolving Loans ("Tranche C").

"Tranche A" has the meaning set forth in the definition of "Tranche".

"Tranche A Borrower" means the Company and any Borrowing Subsidiary that is a Tranche A Subsidiary.

"Tranche A Commitment" means, with respect to each Tranche A Lender, the commitment of such Tranche A Lender to make Tranche A Revolving Loans pursuant to Section 2.01(a) and to acquire participations in Tranche A Swingline Loans and Letters of Credit hereunder, expressed as an amount representing the maximum aggregate amount of such Tranche A Lender's Tranche A Revolving Credit Exposure hereunder, as such commitment may be reduced or increased from time to time pursuant to Section 2.09 or assignments by or to such Tranche A Lender pursuant to Section 11.04. The initial amount of each Tranche A Lender's Tranche A Commitment is set forth on Schedule 2.01, or in the Assignment and Assumption pursuant to which such Tranche A Lender shall have assumed its Tranche A Commitment, as the case may be. The aggregate amount of Tranche A Commitments on the Closing Date is US\$375,000,000.

"Tranche A Lender" means a Lender with a Tranche A Commitment or a Tranche A Revolving Credit Exposure.

"Tranche A Lending Office" means, with respect to any Tranche A Lender, the office(s) of such Lender (or any Affiliate of such Lender) specified as its "Tranche A Lending Office(s)" on Schedule 2.01 or, as to any Person that becomes a Tranche A Lender after the Closing Date, in the Assignment and Assumption executed by such Person, or such other office(s) of such Lender (or an Affiliate of such Lender) as such Lender may hereafter designate from time to time as its "Tranche A Lending Office(s)" by notice to the Company and the Administrative Agent. A Tranche A Lender may designate different Tranche A Lending Offices for Loans to Tranche A Borrowers in different jurisdictions.

"Tranche A Percentage" means, with respect to any Tranche A Lender at any time, the percentage of the aggregate Tranche A Commitments represented by such Tranche A Lender's Tranche A Commitment at such time; provided that if the Tranche A Commitments have expired or been terminated, the Tranche A Percentages shall be determined on the basis of the Tranche A Commitments most recently in effect, giving effect to any assignments.

"Tranche A Revolving Credit Exposure" means, with respect to any Tranche A Lender at any time, the aggregate amount of (a) the sum of the US Dollar Equivalents of such Tranche A Lender's outstanding Tranche A Revolving Loans, (b) such Tranche A Lender's LC Exposure and (c) such Tranche A Lender's Tranche A Swingline Exposure.

"Tranche A Revolving Loans" means Loans made by the Tranche A Lenders pursuant to Section 2.01(a). Each Tranche A Revolving Loan denominated in US Dollars shall be a LIBOR Loan or, solely in the case of a Tranche A Revolving Loan denominated in US Dollars and made to a US Borrowing Subsidiary, an ABR Loan. Each Tranche A Revolving Loan denominated in Sterling shall be a LIBOR Loan. Each Tranche A Revolving Loan denominated in Euros shall be a EURIBOR Loan.

"Tranche A Subsidiary" means any Subsidiary that is incorporated or otherwise organized under the laws of Guernsey, the United States of America, the United Kingdom, Ireland, Switzerland, Denmark or Cyprus or any political subdivision of any thereof.

"Tranche A Swingline Exposure" means, at any time, the sum of the US Dollar Equivalents of the outstanding Tranche A Swingline Loans at such time. The Tranche A

Swingline Exposure of any Tranche A Lender at any time shall be its Tranche A Percentage of the total Tranche A Swingline Exposure at such time.

"Tranche A Swingline Loan" means a Loan made pursuant to Section 2.04 and designated in the notice delivered by the applicable Borrower pursuant to paragraph (b) of such Section as a Tranche A Swingline Loan.

"Tranche B" has the meaning set forth in the definition of "Tranche".

"Tranche B Borrower" means the Company and any Borrowing Subsidiary that is a Tranche B Subsidiary.

"Tranche B Commitment" means, with respect to each Tranche B Lender, the commitment of such Tranche B Lender to make Tranche B Revolving Loans pursuant to Section 2.01(a), to accept and purchase BAs pursuant to Section 2.06 and to acquire participations in Tranche B Swingline Loans hereunder, expressed as an amount representing the maximum aggregate amount of such Tranche B Lender's Tranche B Revolving Credit Exposure hereunder, as such commitment may be reduced or increased from time to time pursuant to Section 2.09 or assignments by or to such Tranche B Lender pursuant to Section 11.04. The initial amount of each Tranche B Lender's Tranche B Commitment is set forth on Schedule 2.01 or in the Assignment and Assumption pursuant to which such Tranche B Lender shall have assumed its Tranche B Commitment, as the case may be. The aggregate amount of Tranche B Commitments on the Closing Date is US\$100,000,000.

"Tranche B Lender" means a Lender with a Tranche B Commitment or a Tranche B Revolving Credit Exposure.

"Tranche B Lending Office" means, with respect to any Tranche B Lender, the office(s) of such Lender (or any Affiliate of such Lender) specified as its "Tranche B Lending Office(s)" on Schedule 2.01 or, as to any Person that becomes a Tranche B Lender after the Closing Date, in the Assignment and Assumption executed by such Person, or such other office(s) of such Lender (or an Affiliate of such Lender) as such Lender may hereafter designate from time to time as its "Tranche B Lending Office(s)" by notice to the Company and the Administrative Agent. A Tranche B Lender may designate different Tranche B Lending Offices for Loans to Tranche B Borrowers in different jurisdictions.

"Tranche B Percentage" means, with respect to any Tranche B Lender at any time, the percentage of the aggregate Tranche B Commitments represented by such Tranche B Lender's Tranche B Commitment at such time; provided that if the Tranche B Commitments have expired or been terminated, the Tranche B Percentages shall be determined on the basis of the Tranche B Commitments most recently in effect, giving effect to any assignments.

"Tranche B Revolving Credit Exposure" means, with respect to any Tranche B Lender at any time, the aggregate amount of (a) the sum of the US Dollar Equivalents of such Tranche B Lender's outstanding Tranche B Revolving Loans, (b) the sum of the US Dollar Equivalents at such time of the face amounts of the BAs accepted by such Tranche B Lender and outstanding at such time and (c) such Tranche B Lender's Tranche B Swingline Exposure.

"Tranche B Revolving Loans" means Loans made by the Tranche B Lenders pursuant to Section 2.01(b). Each Tranche B Revolving Loan denominated in US Dollars shall be a LIBOR Loan or, solely in the case of a Tranche B Revolving Loan denominated in US Dollars and made to a US Borrowing Subsidiary or a Canadian Borrowing Subsidiary, an ABR

Loan. Each Tranche B Revolving Loan denominated in Sterling shall be a LIBOR Loan. Each Tranche B Revolving Loan denominated in Euros shall be a EURIBOR Loan. Each Tranche B Revolving Loan denominated in Canadian Dollars shall be a Canadian Prime Rate Loan.

"Tranche B Subsidiary" means any Subsidiary that is incorporated or otherwise organized under the laws of Guernsey, the United States of America, the United Kingdom, Ireland, Switzerland, Denmark, Cyprus or Canada or any political subdivision of any thereof.

"Tranche B Swingline Exposure" means, at any time, the sum of the US Dollar Equivalents of the outstanding Tranche B Swingline Loans at such time. The Tranche B Swingline Exposure of any Tranche B Lender at any time shall be its Tranche B Percentage of the total Tranche B Swingline Exposure at such time.

"Tranche B Swingline Loan" means a Loan made pursuant to Section 2.04 and designated in the notice delivered by the applicable Borrower pursuant to paragraph (b) of such Section as a Tranche B Swingline Loan.

"Tranche C" has the meaning set forth in the definition of "Tranche".

"Tranche C Borrower" means any Borrowing Subsidiary that is a Tranche C Subsidiary.

"Tranche C Commitment" means, with respect to each Tranche C Lender, the commitment of such Tranche C Lender to make Tranche C Revolving Loans pursuant to Section 2.01(c), expressed as an amount representing the maximum aggregate amount of such Tranche C Lender's Tranche C Revolving Credit Exposure hereunder, as such commitment may be reduced or increased from time to time pursuant to Section 2.09 or assignments by or to such Tranche C Lender pursuant to Section 11.04. The initial amount of each Tranche C Lender's Tranche C Commitment is set forth on Schedule 2.01, or in the Assignment and Assumption pursuant to which such Tranche C Lender shall have assumed its Tranche C Commitment, as the case may be. The aggregate amount of Tranche C Commitments on the Closing Date is US\$25,000,000.

"Tranche C Lender" means a Lender with a Tranche C Commitment or a Tranche C Revolving Credit Exposure.

"Tranche C Lending Office" means, with respect to any Tranche C Lender, the office(s) of such Lender (or any Affiliate of such Lender) specified as its "Tranche C Lending Office(s)" on Schedule 2.01 or, as to any Person that becomes a Tranche C Lender after the Closing Date, in the Assignment and Assumption executed by such Person, or such other office(s) of such Lender (or an Affiliate of such Lender) as such Lender may hereafter designate from time to time as its "Tranche C Lending Office(s)" by notice to the Company and the Administrative Agent.

"Tranche C Percentage" means, with respect to any Tranche C Lender at any time, the percentage of the aggregate Tranche C Commitments represented by such Tranche C Lender's Tranche C Commitment at such time; provided that if the Tranche C Commitments have expired or been terminated, the Tranche C Percentages shall be determined on the basis of the Tranche C Commitments most recently in effect, giving effect to any assignments.

"Tranche C Revolving Credit Exposure" means, with respect to any Tranche C Lender at any time, the aggregate amount of the sum of the US Dollar Equivalents of such Tranche C Lender's outstanding Tranche C Revolving Loans.

"Tranche C Revolving Loans" means Loans made by the Tranche C Lenders pursuant to Section 2.01(a). Each Tranche C Revolving Loan shall be a LIBOR Loan or an ABR Loan.

"Tranche C Subsidiary" means any Subsidiary that is incorporated or otherwise organized under the laws of the United States of America or any political subdivision thereof.

"Transactions" means the execution, delivery and performance by each Credit Party of the Credit Documents to which it is to be a party, the making of the Loans, the acceptance and purchase of the BAs, the use of the proceeds thereof, the issuance of the Letters of Credit, the creation of the Guarantee provided for in Article X and the other transactions contemplated hereby.

"Type", when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the Adjusted LIBO Rate, the Adjusted EURIBO Rate, the Alternate Base Rate or the Canadian Prime Rate.

"USA Patriot Act" means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001.

"US Base Rate" means the reference rate of interest (however designated) announced from time to time by JPMorgan Chase Bank, N.A., Toronto Branch, as its reference rate for determining interest chargeable by it on commercial loans made in Canada and denominated in US Dollars. Each change in the US Base Rate shall be effective from and including the date such change is publicly announced as being effective.

"US Borrowing Subsidiary" means any Borrowing Subsidiary that is a US Subsidiary.

"US Dollar Equivalent" means, on any date of determination, (a) with respect to any amount in US Dollars, such amount and (b) with respect to any amount in any currency other than US Dollars, the equivalent in US Dollars of such amount, determined by the Administrative Agent pursuant to Section 1.05 using the Exchange Rate with respect to such currency at the time in effect under the provisions of such Section.

"US Dollars" or "US\$" means the lawful currency of the United States of America.

"US Subsidiary" means any Subsidiary that is organized under the laws of the United States of America, any State thereof or the District of Columbia.

"Withdrawal Liability" means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

SECTION 1.02. Classification of Loans and Borrowings. For purposes of this Agreement, Loans may be classified and referred to by Class (e.g., a "Tranche A Revolving Loan") or by Type (e.g., a "LIBOR Revolving Loan") or by Class and Type (e.g., a "Tranche A LIBOR Revolving Loan"). Borrowings also may be classified and referred to by Class (e.g., a "Tranche A Revolving Borrowing") or by Type (e.g., a "LIBOR Revolving Borrowing") or by Class and Type (e.g., a "Tranche A LIBOR Revolving Borrowing").

SECTION 1.03. Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any definition of or reference to any statute, regulation or other law herein shall be construed (i) as referring to such statute, regulation or other law as from time to time amended, supplemented or otherwise modified (including by succession of comparable successor statutes, regulations or other laws) and (ii) to include all official rulings and interpretations thereunder having the force of law or with which affected Persons customarily comply, (c) any reference herein to any Person shall be construed to include such Person's successors and assigns, (d) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (e) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement and (f) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

SECTION 1.04. Accounting Terms; GAAP; Pro Forma Computations. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP as in effect from time to time; provided that, if the Company notifies the Administrative Agent that the Company requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Company that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith, and the parties hereto shall negotiate in good faith with a view to agreeing on an amendment of such provision that will preserve the original intent thereof while giving effect to such change in GAAP.

SECTION 1.05. Currency Translation. The Administrative Agent shall determine the US Dollar Equivalent of any Borrowing denominated in a currency other than US Dollars, other than a Canadian Prime Rate Borrowing, as of the date of the commencement of the initial Interest Period therefor and as of the date of the commencement of each subsequent Interest Period therefor, in each case using the Exchange Rate for such currency in relation to US Dollars in effect on the date that is three Business Days prior to the date on which the applicable Interest Period shall commence, and each such amount shall, except as provided in the last two sentences of this Section, be the US Dollar Equivalent of such Borrowing until the next required calculation thereof pursuant to this sentence. The Administrative Agent shall determine the US Dollar Equivalent of any Letter of Credit denominated in a currency other than US Dollars as of the date such Letter of Credit is issued, amended to increase its face amount, extended or renewed and as of the last Business Day of each subsequent calendar month, in each case using the Exchange Rate for such currency in relation to US Dollars in effect on the date that is three Business Days prior to the date on which such Letter of Credit is issued, amended to increase its face amount, extended or renewed or the last Business Day of such subsequent calendar quarter, as the case may be, and each such amount shall, except as provided in the last two sentences of

this Section, be the US Dollar Equivalent of such Letter of Credit until the next required calculation thereof pursuant to this sentence. The Administrative Agent shall determine the US Dollar Equivalent of any Canadian Prime Rate Borrowing or BA as of the date on which such Borrowing is made or such BA is accepted and purchased and as of the last Business Day of each subsequent calendar quarter, in each case using the Exchange Rate for such currency in relation to US Dollars in effect on the last Business Day preceding the date of such Borrowing or acceptance and purchase and as of the last Business Day of such subsequent calendar quarter, as the case may be, and each such amount shall, except as provided in the last two sentences of this Section, be the US Dollar Equivalent of such Borrowing or BA until the next required calculation thereof pursuant to this sentence. The Administrative Agent shall notify the Company and the Lenders of each calculation of the US Dollar Equivalent of each Borrowing, BA or Letter of Credit. Notwithstanding the foregoing, for purposes of any determination of the CAM Percentages, any determination under Article V, Article VI (other than Sections 6.06 and 6.07) or Article VII or any determination under any other provision of this Agreement expressly requiring the use of a current exchange rate, all amounts incurred, outstanding or proposed to be incurred or outstanding in currencies other than US Dollars shall be translated into US Dollars at currency exchange rates in effect on the date of such determination. For purposes of Section 6.06 and 6.07, amounts in currencies other than US Dollars shall be translated into US Dollars at the currency exchange rates used in preparing the Company's annual and quarterly financial statements.

ARTICLE II

The Credits

SECTION 2.01. Commitments. (a) Tranche A Commitments. Subject to the terms and conditions set forth herein, each Tranche A Lender agrees to make Tranche A Revolving Loans denominated in US Dollars, Sterling and Euro to the Tranche A Borrowers from time to time during the Availability Period in an aggregate principal amount at any time outstanding that will not result in (A) the aggregate Tranche A Revolving Credit Exposures exceeding the aggregate Tranche A Commitments or (B) the Tranche A Revolving Credit Exposure of any Lender exceeding its Tranche A Commitment. Within the foregoing limits and subject to the terms and conditions set forth herein, the Tranche A Borrowers may borrow, prepay and reborrow Tranche A Revolving Loans.

(b) Tranche B Commitments. Subject to the terms and conditions set forth herein, each Tranche B Lender agrees (i) to make Tranche B Revolving Loans denominated in US Dollars, Sterling and Euro to the Tranche B Borrowers other than the Canadian Borrowing Subsidiaries, (ii) to make Tranche B Revolving Loans denominated in US Dollars and Canadian Dollars to the Canadian Borrowing Subsidiaries and (iii) to accept and purchase drafts drawn by Canadian Borrowing Subsidiaries in Canadian Dollars as BAs, in each case from time to time during the Availability Period in an aggregate principal or face amount at any time outstanding that will not result in (A) the aggregate Tranche B Revolving Credit Exposures exceeding the aggregate Tranche B Commitments or (B) the Tranche B Revolving Credit Exposure of any Lender exceeding its Tranche B Commitment. Within the foregoing limits and subject to the terms and conditions set forth herein, the Tranche B Borrowers may borrow, prepay and reborrow Tranche B Revolving Loans and issue and sell drafts drawn as BAs.

(c) Tranche C Commitments. Subject to the terms and conditions set forth herein, each Tranche C Lender agrees to make Tranche C Revolving Loans denominated in US Dollars to the Tranche C Borrowers from time to time during the Availability Period in an aggregate principal or face amount at any time outstanding that will not result in (i) the aggregate

Tranche C Revolving Credit Exposures exceeding the aggregate Tranche C Commitments or (ii) the Tranche C Revolving Credit Exposure of any Lender exceeding its Tranche C Commitment. Within the foregoing limits and subject to the terms and conditions set forth herein, the Tranche C Borrowers may borrow, prepay and reborrow Tranche B Revolving Loans.

SECTION 2.02. Loans and Borrowings. (a) Each Tranche A Revolving Loan shall be made as part of a Tranche A Revolving Borrowing consisting of Tranche A Revolving Loans of the same Type and currency made by the Tranche A Lenders ratably in accordance with their respective Tranche A Commitments. Each Tranche B Revolving Loan shall be made as part of a Tranche B Revolving Borrowing consisting of Tranche B Revolving Loans of the same Type and currency made by the Tranche B Lenders ratably in accordance with their respective Tranche B Commitments. Each Tranche C Revolving Loan shall be made as part of a Tranche C Revolving Borrowing consisting of Tranche C Revolving Loans of the same Type made by the Tranche C Lenders ratably in accordance with their respective Tranche C Commitments. The failure of any Lender to make any Loan required to be made by it shall not relieve any other Lender of its obligations hereunder; provided that the Commitments of the Lenders are several and no Lender shall be responsible for any other Lender's failure to make Loans as required.

(b) Subject to Section 2.14, (i) each Revolving Borrowing denominated in US Dollars shall be comprised entirely of (A) LIBOR Loans or (B) solely in the case of any such Borrowing by a US Borrowing Subsidiary or a Canadian Borrowing Subsidiary, ABR Loans, (ii) each Revolving Borrowing denominated in Sterling shall be comprised entirely of LIBOR Loans, (iii) each Revolving Borrowing denominated in Euros shall be comprised entirely of EURIBOR Loans and (iv) each Revolving Borrowing denominated in Canadian Dollars shall be comprised entirely of Canadian Prime Rate Loans. Each Swingline Loan denominated in US Dollars shall be an ABR Loan and each Swingline Loan denominated in Canadian Dollars shall be a Canadian Prime Rate Loan. Each Lender at its option may make any Loan or accept and purchase any BA by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan or accept and purchase such BA; provided that any exercise of such option shall not affect the obligation of the applicable Borrower to repay such Loan in accordance with the terms of this Agreement or the obligations of any Lender under Section 2.19.

(c) At the commencement of each Interest Period for any LIBOR Revolving Borrowing or EURIBOR Revolving Borrowing, such Borrowing shall be in an aggregate amount that is an integral multiple of the Borrowing Multiple and not less than the Borrowing Minimum. At the time that each ABR Revolving Borrowing is made, such Borrowing shall be in an aggregate amount that is an integral multiple of US\$1,000,000 and not less than US\$3,000,000; provided that (i) an ABR Revolving Borrowing under any Tranche may be in an aggregate amount that is equal to the entire unused balance of the Commitments under such Tranche and (ii) a Tranche A Borrowing that is required to finance the reimbursement of an LC Disbursement as contemplated by Section 2.05(e) may be in an aggregate amount equal to the amount of such LC Disbursement. At the time that each Canadian Prime Rate Revolving Borrowing is made, such Borrowing shall be in an aggregate amount that is an integral multiple of Cdn.\$1,000,000 and not less than Cdn.\$3,000,000. Each Swingline Loan denominated in US Dollars shall be in an amount that is an integral multiple of US\$100,000 and not less than US\$1,000,000. Each Swingline Loan denominated in Canadian Dollars shall be in an amount that is an integral multiple of Cdn.\$100,000 and not less than Cdn.\$1,000,000. Borrowings of more than one Type may be outstanding at the same time; provided that there shall not at any time be more than a total of 10 LIBOR Revolving Borrowings and EURIBOR Revolving Borrowings outstanding.

(d) Notwithstanding any other provision of this Agreement, no Borrower shall be entitled to request, or to elect to convert or continue, any Borrowing if the Interest Period requested with respect thereto would end after the Maturity Date.

SECTION 2.03. Requests for Borrowings. To request a Borrowing, the applicable Borrower shall notify the Applicable Agent by telephone confirmed promptly by hand delivery or telecopy to such Applicable Agent of a written Borrowing Request in the form of Exhibit C or any other form approved by the Administrative Agent and signed by a Financial Officer of the Company (a) in the case of a LIBOR Borrowing denominated in US Dollars, not later than 11:00 a.m., Local Time, three Business Days before the date of the proposed Borrowing, (b) in the case of a LIBOR Borrowing denominated in Sterling or a EURIBOR Borrowing, not later than 11:00 a.m., Local Time, three Business Days before the date of the proposed Borrowing, (c) in the case of an ABR Borrowing, not later than 2:00 p.m., Local Time, one Business Day before the date of the proposed Borrowing and (d) in the case of a Canadian Prime Rate Borrowing, not later than 2:00 p.m., Local Time, one Business Day before the date of the proposed Borrowing. Each such telephonic and written Borrowing Request shall specify the following information in compliance with Section 2.02:

- (i) the Borrower requesting such Borrowing;
- (ii) the Tranche under which such Borrowing is to be made;
- (iii) the currency and the principal amount of such Borrowing;
- (iv) the date of such Borrowing, which shall be a Business Day;
- (v) the Type of such Borrowing;
- (vi) in the case of a LIBOR Borrowing or a EURIBOR Borrowing, the initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term "Interest Period"; and
- (vii) the Applicable Funding Account.

Any Borrowing Request that shall fail to specify any of the information required by the preceding provisions of this paragraph may be rejected by the Applicable Agent if such failure is not corrected promptly after the Applicable Agent shall give written or telephonic notice thereof to the applicable Borrower and, if so rejected, will be of no force or effect. Promptly following receipt of a Borrowing Request in accordance with this Section, the Applicable Agent shall advise each Lender that will make a Loan as part of the requested Borrowing of the details thereof and of the amount of such Lender's Loan to be made as part of the requested Borrowing.

SECTION 2.04. Swingline Loans. (a) Subject to the terms and conditions set forth herein, the Swingline Lender agrees to make Tranche A Swingline Loans to any US Borrowing Subsidiary denominated in US Dollars and Tranche B Swingline Loans to any US Borrowing Subsidiary or any Canadian Borrowing Subsidiary denominated in US Dollars or, in the case of Swingline Loans to Canadian Borrowing Subsidiaries, Canadian Dollars from time to time during the Availability Period, in an aggregate principal amount at any time outstanding that will not result in (i) the sum of the US Dollar Equivalents of the principal amounts of the outstanding Swingline Loans exceeding US\$50,000,000, (ii) the aggregate Tranche A Revolving Credit Exposures exceeding the aggregate Tranche A Commitments or (iii) the aggregate Tranche B Revolving Credit Exposures exceeding the aggregate Tranche B Commitments; provided that

the Swingline Lender shall not be required to make a Swingline Loan to refinance an outstanding Swingline Loan. Within the foregoing limits and subject to the terms and conditions set forth herein, the US Borrowing Subsidiaries and the Canadian Borrowing Subsidiaries may borrow, prepay and reborrow Swingline Loans.

(b) To request a Swingline Loan, a Borrower shall notify the Applicable Agent and the Swingline Lender of such request by telephone (confirmed by facsimile signed by a Financial Officer on behalf of the applicable Borrower), not later than 12:00 noon, Local Time, on the day of such proposed Swingline Loan. Each such notice shall be irrevocable and shall specify the requested date (which shall be a Business Day) and amount of the requested Swingline Loan and whether such Swingline Loan is to be a Tranche A Swingline Loan or a Tranche B Swingline Loan. The Swingline Lender shall make each Swingline Loan available to the applicable Borrower by means of a credit to the Applicable Funding Account (or, in the case of a Swingline Loan made to finance the reimbursement of an LC Disbursement as provided in Section 2.05(e), by remittance to the Issuing Bank) by 3:00 p.m., Local Time, on the requested date of such Swingline Loan.

(c) The Swingline Lender may by written notice given to the Administrative Agent not later than 11:00 a.m., Local Time, on any Business Day (i) require the Tranche A Lenders to acquire participations on such Business Day in all or a portion of the Tranche A Swingline Loans outstanding or (ii) require the Tranche B Lenders to acquire participations on such Business Day in all or a portion of the Tranche B Swingline Loans outstanding. Such notice shall specify the aggregate amount of Swingline Loans in which the Tranche A Lenders or Tranche B Lenders will participate. Promptly upon receipt of such notice, the Administrative Agent will give notice thereof to each Tranche A Lender or Tranche B Lender, as the case may be, specifying in such notice such Lender's Tranche A Percentage or Tranche B Percentage, as applicable, of such Swingline Loan or Loans. Each Tranche A Lender and Tranche B Lender hereby absolutely and unconditionally agrees, upon receipt of notice as provided above, to pay to the Administrative Agent, for the account of such Applicable Swingline Lender, such Lender's Tranche A Percentage or Tranche B Percentage, as applicable, of such Swingline Loan or Loans. Each Tranche A Lender and Tranche B Lender acknowledges and agrees that its obligation to acquire participations in Swingline Loans pursuant to this paragraph is absolute and unconditional and shall not be affected by any circumstance whatsoever, including the occurrence and continuance of a Default or reduction or termination of the Tranche A Commitments or Tranche B Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever. Each Tranche A Lender and Tranche B Lender shall comply with its obligations under this paragraph by wire transfer of immediately available funds, in the same manner as provided in Section 2.07 with respect to Loans made by such Lender (and Section 2.07 shall apply, mutatis mutandis, to the payment obligations of the Tranche A Lenders and Tranche B Lenders), and the Administrative Agent shall promptly pay to the Swingline Lender the amounts so received by it from the Tranche A Lenders or Tranche B Lenders, as the case may be. The Administrative Agent shall notify the Company of any participations in any Swingline Loan acquired pursuant to this paragraph, and thereafter payments in respect of such Swingline Loan shall be made to the Applicable Agent and not to the Swingline Lender. Any amounts received by the Swingline Lender from or on behalf of a Borrower in respect of a Swingline Loan after receipt by the such Swingline Lender of the proceeds of a sale of participations therein shall be promptly remitted to the Applicable Agent; any such amounts received by the Applicable Agent shall be promptly remitted by the Applicable Agent to the Tranche A Lenders or Tranche B Lenders that shall have made their payments pursuant to this paragraph and to the Swingline Lender, as their interests may appear; provided that any such payment so remitted shall be repaid to the Swingline Lender or to the Applicable Agent, as the case may be, if and to the extent such payment is required to be refunded to a Credit Party for any

reason. The purchase of participations in a Swingline Loan pursuant to this paragraph shall not relieve any Borrower of any default in the payment thereof.

SECTION 2.05. Letters of Credit. (a) General. Subject to the terms and conditions set forth herein, any Borrower may request any Issuing Bank to issue Letters of Credit (or to amend, renew or extend outstanding Letters of Credit) denominated in US Dollars, Sterling or Euro for its own account in a form reasonably acceptable to the Administrative Agent and the applicable Issuing Bank, at any time and from time to time during the Availability Period. In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any form of letter of credit application or other agreement submitted by a Borrower to, or entered into by a Borrower with, an Issuing Bank relating to any Letter of Credit, the terms and conditions of this Agreement shall control.

(b) Notice of Issuance, Amendment, Renewal, Extension; Certain Conditions. To request the issuance of a Letter of Credit (or the amendment, renewal or extension of an outstanding Letter of Credit), a Borrower shall deliver (or transmit by electronic communication, if arrangements for doing so have been approved by the applicable Issuing Bank) to an Issuing Bank and the Administrative Agent, reasonably in advance of the requested date of issuance (which shall be a day at least three Business Days in advance of the requested date of issuance), amendment, renewal or extension, a notice requesting the issuance of a Letter of Credit, or identifying the Letter of Credit to be amended, renewed or extended, and specifying the date of issuance, amendment, renewal or extension (which shall be a Business Day), the date on which such Letter of Credit is to expire (which shall comply with paragraph (c) of this Section), the amount and currency of such Letter of Credit, the name and address of the beneficiary thereof and such other information as shall be necessary to enable the applicable Issuing Bank to prepare, amend, renew or extend such Letter of Credit. If requested by the applicable Issuing Bank, the Borrower also shall submit a letter of credit application on such Issuing Bank's standard form in connection with any request for a Letter of Credit. A Letter of Credit shall be issued, amended, renewed or extended only if (and upon issuance, amendment, renewal or extension of each Letter of Credit the Company shall be deemed to represent and warrant that), after giving effect to such issuance, amendment, renewal or extension (i) the LC Exposure shall not exceed US\$50,000,000, (ii) the amount of the LC Exposure attributable to Letters of Credit issued by the applicable Issuing Bank will not exceed the LC Commitment of such Issuing Bank, (iii) the aggregate Tranche A Revolving Credit Exposures will not exceed the aggregate Tranche A Commitments and (iv) the Tranche A Revolving Credit Exposure of each Lender will not exceed the Tranche A Commitment of such Lender and (v) in the event the Maturity Date shall have been extended as provided in Section 2.09(e), the LC Exposures attributable to Letters of Credit expiring after any Existing Maturity Date shall not exceed the total Tranche A Commitments that have been extended to a date after the expiration date of the last of such Letters of Credit. If the Required Lenders notify the Issuing Banks that a Default exists and instruct the Issuing Banks to suspend the issuance, amendment, renewal or extension of Letters of Credit, no Issuing Bank shall issue, amend, renew or extend any Letter of Credit without the consent of the Required Lenders until such notice is withdrawn by the Required Lenders (each Lender that shall have delivered such a notice hereby agreeing promptly to withdraw it at such time as it determines that no Default exists).

(c) Expiration Date. Each Letter of Credit shall expire at or prior to the close of business on the earlier of (i) the date one year after the date of the issuance of such Letter of Credit (or, in the case of any renewal or extension thereof, one year after such renewal or extension) and (ii) the date that is five Business Days prior to the Maturity Date. A Letter of Credit may provide for automatic renewals for additional periods of up to one year subject to a right on the part of the applicable Issuing Bank to prevent any such renewal from occurring by

giving notice to the beneficiary during a specified period in advance of any such renewal, and the failure of such Issuing Bank to give such notice by the end of such period shall for all purposes hereof be deemed an extension of such Letter of Credit; provided that in no event shall any Letter of Credit, as extended from time to time, expire after the date that is five Business Days prior to the Maturity Date.

(d) Participations. By the issuance of a Letter of Credit (or an amendment to a Letter of Credit increasing the amount thereof) and without any further action on the part of the applicable Issuing Bank or the Lenders, the applicable Issuing Bank hereby grants to each Tranche A Lender, and each Tranche A Lender hereby acquires from such Issuing Bank, a participation in such Letter of Credit equal to such Lender's Tranche A Percentage from time to time of the aggregate amount available to be drawn under such Letter of Credit. In consideration and in furtherance of the foregoing, each Tranche A Lender hereby absolutely and unconditionally agrees to pay to the Administrative Agent, for the account of such Issuing Bank, such Lender's Tranche A Percentage of each LC Disbursement made by such Issuing Bank and not reimbursed by the applicable Borrower on the date due as provided in paragraph (e) of this Section, or of any reimbursement payment required to be refunded to the applicable Borrower for any reason. Each Tranche A Lender acknowledges and agrees that its obligation to acquire participations pursuant to this paragraph in respect of Letters of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever, including any amendment, renewal or extension of any Letter of Credit or the occurrence and continuance of a Default or reduction or termination of the Tranche A Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever.

(e) Reimbursement. If an Issuing Bank shall make any LC Disbursement in respect of a Letter of Credit, the applicable Borrower shall reimburse such LC Disbursement by paying to the Administrative Agent an amount equal to such LC Disbursement, in the currency of such LC Disbursement, not later than 2:00 p.m., New York City time, on the Business Day immediately following the day that the Borrower receives notice of such LC Disbursement; provided that, in the case of an LC Disbursement in US Dollars the Borrower may, subject to the conditions to borrowing set forth herein, request in accordance with Section 2.03 that such payment be financed with an ABR Borrowing in an equivalent amount and, to the extent so financed, the Borrower's obligation to make such payment shall be discharged and replaced by the resulting ABR Borrowing. If such Borrower fails to make such payment when due, the Administrative Agent shall notify each Tranche A Lender of the applicable LC Disbursement, the amount and currency of the payment then due from such Borrower in respect thereof and such Lender's Tranche A Percentage thereof. Promptly following receipt of such notice, each Tranche A Lender shall pay to the Administrative Agent its Tranche A Percentage of the payment then due from the Borrower, in the same manner as provided in Section 2.07 with respect to Loans made by such Tranche A Lender (and Section 2.07 shall apply, mutatis mutandis, to the payment obligations of the Tranche A Lenders), and the Administrative Agent shall promptly pay to such Issuing Bank the amounts so received by it from the Tranche A Lenders. Promptly following receipt by the Administrative Agent of any payment from the Borrower pursuant to this paragraph, the Administrative Agent shall distribute such payment to such Issuing Bank or, to the extent that Tranche A Lenders have made payments pursuant to this paragraph to reimburse such Issuing Bank, then to such Tranche A Lenders and such Issuing Bank, as their interests may appear. Any payment made by a Tranche A Lender pursuant to this paragraph to reimburse such Issuing Bank for any LC Disbursement (other than the funding of ABR Loans as contemplated above) shall not constitute a Loan and shall not relieve the applicable Borrower of its obligation to reimburse such LC Disbursement; provided, that no Borrower shall be required to make duplicate payments with respect to any LC Disbursement.

(f) Obligations Absolute. Each Borrower's obligation to reimburse LC Disbursements as provided in paragraph (e) of this Section shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of (i) any lack of validity or enforceability of any Letter of Credit or this Agreement or any term or provision therein, (ii) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect, (iii) payment by the applicable Issuing Bank under a Letter of Credit against presentation of a draft or other document that does not strictly comply with the terms of such Letter of Credit or (iv) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section, constitute a legal or equitable discharge of, or provide a right of setoff against, the applicable Borrower's obligations hereunder. None of the Administrative Agent, the Lenders, any Issuing Bank or any of their Related Parties shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond the control of such Issuing Bank; provided that nothing in this Section shall be construed to excuse an Issuing Bank from liability to the applicable Borrower to the extent of any direct damages (as opposed to consequential damages, claims in respect of which are hereby waived by each Borrower to the extent permitted by applicable law) suffered by such Borrower that are caused by such Issuing Bank's failure to exercise care when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. The parties hereto expressly agree that, in the absence of gross negligence or wilful misconduct on the part of an Issuing Bank (as finally determined by a non-appealable judgment of a court of competent jurisdiction), such Issuing Bank shall be deemed to have exercised care in each such determination. In furtherance of the foregoing and without limiting the generality thereof, the parties agree that, with respect to documents presented which appear on their face to be in substantial compliance with the terms of a Letter of Credit, an Issuing Bank may, in its sole discretion, either accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or refuse to accept and make payment upon such documents if such documents are not in strict compliance with the terms of such Letter of Credit.

(g) Disbursement Procedures. The applicable Issuing Bank shall, promptly following its receipt thereof, examine all documents purporting to represent a demand for payment under a Letter of Credit. Such Issuing Bank shall promptly notify the Administrative Agent and the applicable Borrower by telephone (confirmed by telecopy) of such demand for payment and whether such Issuing Bank has made or will make an LC Disbursement thereunder; provided that any failure to give or delay in giving such notice shall not relieve the applicable Borrower of its obligation to reimburse such Issuing Bank and the Lenders with respect to any such LC Disbursement.

(h) Interim Interest. If an Issuing Bank shall make any LC Disbursement, then, unless the applicable Borrower shall reimburse such LC Disbursement in full on the date such LC Disbursement is made, the unpaid amount thereof shall bear interest, for each day from and including the date such LC Disbursement is made to but excluding the date that such Borrower reimburses such LC Disbursement, at (i) in the case of any LC Disbursement denominated in US Dollars, the rate per annum then applicable to ABR Revolving Loans denominated in US Dollars and made to the Company and (ii) in the case of an LC Disbursement denominated in any other currency, a rate per annum determined by the applicable Issuing Bank (which determination will

be conclusive absent manifest error) to represent its cost of funds plus the Applicable Rate (as set forth under the caption "LIBOR/EURIBOR Spread and BA Stamping Fee" in the definition of such term); provided that if such Borrower fails to reimburse such LC Disbursement when due pursuant to paragraph (e) of this Section, then Section 2.13(e) shall apply. Interest accrued pursuant to this paragraph shall be for the account of the applicable Issuing Bank, except that interest accrued on and after the date of payment by any Tranche A Lender pursuant to paragraph (e) of this Section to reimburse such Issuing Bank shall be for the account of such Tranche A Lender to the extent of such payment.

(i) Cash Collateralization. If any Event of Default shall occur and be continuing, on the Business Day that the Company receives notice from the Administrative Agent or the Required Lenders (or, if the maturity of the Loans has been accelerated, Tranche A Lenders with LC Exposures representing more than 50% of the aggregate amount of LC Exposure) demanding the deposit of cash collateral pursuant to this paragraph, each applicable Borrower shall deposit ("Cash Collateralize") in respect of each outstanding Letter of Credit issued for such Borrower's account, in an account with the Applicable Agent, in the name of the Applicable Agent and for the benefit of the Tranche A Lenders and the applicable Issuing Bank, an amount in cash and in the currency of such Letter of Credit equal to the portion of the LC Exposure attributable to such Letter of Credit as of such date plus any accrued and unpaid interest thereon; provided that the obligation to Cash Collateralize shall become effective immediately, and such deposit shall become immediately due and payable, without demand or other notice of any kind, upon the occurrence of any Event of Default with respect to the Company or any Borrower described in clause (h) or (i) of Article VII. Each such deposit shall be held by the Applicable Agent as collateral for the payment and performance of the obligations of the Borrowers under this Agreement. The Applicable Agent shall have exclusive dominion and control, including the exclusive right of withdrawal, over such account. Other than any interest earned on the investment of such deposits, which investments shall be made at the option and sole discretion of the Applicable Agent (which will use commercially reasonable efforts to obtain a return at market rates on any such investments) and at the Borrowers' risk and expense, such deposits shall not bear interest. Interest or profits, if any, on such investments shall accumulate in such account. Monies in such account shall be applied by the Applicable Agent to reimburse the applicable Issuing Banks for LC Disbursements for which they have not been reimbursed and, to the extent not so applied, shall be held for the satisfaction of the reimbursement obligations of the Borrowers for the LC Exposure at such time or, if the maturity of the Loans has been accelerated (but subject to the consent of Tranche A Lenders with LC Exposures representing more than 50% of the aggregate amount of LC Exposure), be applied to satisfy other Obligations of the Borrowers. If the Borrowers are required to provide cash collateral hereunder as a result of the occurrence of an Event of Default, such cash collateral (to the extent not applied as aforesaid) shall be returned to the Borrowers within three Business Days after all Events of Default have been cured or waived.

(j) Designation of Additional Issuing Banks. From time to time, the Company may by notice to the Administrative Agent and the Tranche A Lenders designate as additional Issuing Banks one or more Lenders that agree to serve in such capacity as provided below. The acceptance by a Lender of any appointment as an Issuing Bank hereunder shall be evidenced by an agreement (an "Issuing Bank Agreement"), which shall be in a form satisfactory to the Company and the Administrative Agent, shall set forth the LC Commitment of such Lender and shall be executed by such Lender, the Company and the Administrative Agent and, from and after the effective date of such agreement, (i) such Lender shall have all the rights and obligations of an Issuing Bank under this Agreement and the other Credit Documents and (ii) references herein and in the other Credit Documents to the term "Issuing Bank" shall be deemed to include such Lender in its capacity as an Issuing Bank. The Issuing Bank Agreement of any Issuing Bank may limit

the currencies in which and the Borrowers for the accounts of which such Issuing Bank will issue Letters of Credit, and any such limitations will, as to such Issuing Bank, be deemed to be incorporated in this Agreement.

(k) Replacement of an Issuing Bank. An Issuing Bank may be replaced at any time by written agreement among the Company, the Administrative Agent, the replaced Issuing Bank and the successor Issuing Bank. The Administrative Agent shall notify the Lenders of any such replacement of an Issuing Bank. At the time any such replacement shall become effective, the Company shall pay all unpaid fees accrued for the account of the replaced Issuing Bank and required to be paid under Section 2.12(b). From and after the effective date of any such replacement, the successor Issuing Bank shall have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit to be issued thereafter and references herein to the term "Issuing Bank" shall be deemed to refer to such successor or to any previous Issuing Bank, as the context shall require. After the replacement of an Issuing Bank hereunder, the replaced Issuing Bank shall remain a party hereto and shall continue to have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit issued by it prior to such replacement, but shall not be required to issue additional Letters of Credit.

(l) Issuing Bank Reports. Unless otherwise agreed by the Administrative Agent, each Issuing Bank shall report in writing to the Administrative Agent (which shall promptly provide notice to the Tranche A Lenders of the contents thereof) (i) on or prior to each Business Day on which such Issuing Bank issues, amends, renews or extends any Letter of Credit, the date of such issuance, amendment, renewal or extension, and the currencies and face amounts of the Letters of Credit issued, amended, renewed or extended by it and the currencies and face amounts of the Letters of Credit outstanding after giving effect to such issuance, amendment, renewal or extension (and whether the amounts thereof shall have changed), it being understood that such Issuing Bank shall not effect any issuance, renewal, extension or amendment resulting in an increase in the aggregate amount of the Letters of Credit issued by it without first obtaining written confirmation from the Administrative Agent that such increase is then permitted under this Agreement, (ii) on each Business Day on which such Issuing Bank makes any LC Disbursement, the date, currency and amount of such LC Disbursement, (iii) on any Business Day on which the applicable Borrower fails to reimburse an LC Disbursement required to be reimbursed to such Issuing Bank on such day, the date of such failure and the currency and amount of such LC Disbursement and (iv) on any other Business Day, such other information as the Administrative Agent shall reasonably request as to the Letters of Credit issued by such Issuing Bank.

SECTION 2.06. Canadian Bankers' Acceptances. (a) Each acceptance and purchase of BAs of a single Contract Period pursuant to Section 2.01(b) and this Section shall be made ratably by the Tranche B Lenders in accordance with the amounts of their Tranche B Commitments. The failure of any Lender to accept any BA required to be accepted by it shall not relieve any other Lender of its obligations hereunder; provided that the Commitments are several and no Lender shall be responsible for any other Lender's failure to accept BAs as required. Each Lender at its option may accept and purchase any BA by causing any Canadian lending office or Affiliate of such Lender to accept and purchase such BA.

(b) BAs of a single Contract Period accepted and purchased on any date shall be in an aggregate amount that is an integral multiple of Cdn.\$1,000,000 and not less than Cdn.\$3,000,000. If any Lender's ratable share of the BAs of any Contract Period to be accepted on any date would not be an integral multiple of Cdn.\$100,000, the face amount of the BAs accepted by such Lender may be increased or reduced to the nearest integral multiple of Cdn.\$100,000 by the Canadian Agent in its sole discretion. BAs of more than one Contract

Period may be outstanding at the same time; provided that there shall not at any time be more than a total of ten BA Drawings outstanding at any time.

(c) To request an acceptance and purchase of BAs, a Canadian Borrowing Subsidiary shall notify the Canadian Agent of such request by telephone or by telecopy not later than 11:00 a.m., Local Time, two Business Days before the date of such acceptance and purchase. Each such request shall be irrevocable and, if telephonic, shall be confirmed promptly by hand delivery or telecopy to the Canadian Agent of a written request in a form approved by the Canadian Agent and signed by such Canadian Borrowing Subsidiary. Each such telephonic and written request shall specify the following information:

(i) the aggregate face amount of the BAs to be accepted and purchased;

(ii) the date of such acceptance and purchase, which shall be a Business Day;

(iii) the Contract Period to be applicable thereto, which shall be a period contemplated by the definition of the term "Contract Period" (and which shall in no event end after the Maturity Date); and

(iv) the location and number of the Canadian Borrowing Subsidiary's account to which the proceeds of such BAs are to be disbursed.

Any request for an acceptance and purchase of BAs that shall fail to specify any of the information required by the preceding provisions of this paragraph may be rejected by the Canadian Agent if such failure is not corrected promptly after the Canadian Agent shall give written or telephonic notice thereof to the applicable Borrower and, if so rejected, will be of no force or effect. Promptly following receipt of a request in accordance with this paragraph, the Canadian Agent shall advise each Tranche B Lender of the details thereof and of the amount of BAs to be accepted and purchased by such Lender.

(d) Each Canadian Borrowing Subsidiary hereby appoints each Tranche B Lender as its attorney to sign and endorse on its behalf, manually or by facsimile or mechanical signature, as and when deemed necessary by such Lender, blank forms of BAs, each Tranche B Lender hereby agreeing that it will not sign or endorse BAs in excess of those required in connection with BA Drawings that have been requested by the Canadian Borrowing Subsidiaries hereunder. It shall be the responsibility of each Tranche B Lender to maintain an adequate supply of blank forms of BAs for acceptance under this Agreement. Each Canadian Borrowing Subsidiary recognizes and agrees that all BAs signed and/or endorsed on its behalf by any Tranche B Lender in accordance with such Canadian Borrowing Subsidiary's written request shall bind such Canadian Borrowing Subsidiary as fully and effectually as if manually signed and duly issued by authorized officers of such Canadian Borrowing Subsidiary. Each Tranche B Lender is hereby authorized to issue such BAs endorsed in blank in such face amounts as may be determined by such Lender; provided that the aggregate face amount thereof is equal to the aggregate face amount of BAs required to be accepted by such Lender in accordance with such Canadian Borrowing Subsidiary's written request. No Tranche B Lender shall be liable for any damage, loss or claim arising by reason of any loss or improper use of any such instrument unless such loss or improper use results from the gross negligence or willful misconduct of such Lender. Each Tranche B Lender shall maintain a record with respect to BAs (i) received by it from the Canadian Agent in blank hereunder, (ii) voided by it for any reason, (iii) accepted and purchased by it hereunder and (iv) canceled at their respective maturities. Each Tranche B Lender further agrees to retain such records in the manner and for the periods provided in applicable provincial

or federal statutes and regulations of Canada and to provide such records to each Canadian Borrowing Subsidiary upon its request and at its expense. Upon request by any Canadian Borrowing Subsidiary, a Lender shall cancel all forms of BA that have been pre-signed or pre-endorsed on behalf of such Canadian Borrowing Subsidiary and that are held by such Lender and are not required to be issued pursuant to this Agreement.

(e) Drafts of each Canadian Borrowing Subsidiary to be accepted as BAs hereunder shall be signed as set forth in paragraph (d) above. Notwithstanding that any Person whose signature appears on any BA may no longer be an authorized signatory for any of the Lenders or such Canadian Borrowing Subsidiary at the date of issuance of such BA, such signature shall nevertheless be valid and sufficient for all purposes as if such authority had remained in force at the time of such issuance and any such BA so signed and properly completed shall be binding on such Canadian Borrowing Subsidiary.

(f) Upon acceptance of a BA by a Lender, such Lender shall purchase such BA from the applicable Canadian Borrowing Subsidiary at the Discount Rate for such Lender applicable to such BA accepted by it and provide to the Canadian Agent the Discount Proceeds for the account of such Canadian Borrowing Subsidiary as provided in Section 2.07. The acceptance fee payable by the applicable Canadian Borrowing Subsidiary to a Lender under Section 2.12 in respect of each BA accepted by such Lender shall be set off against the Discount Proceeds payable by such Lender under this paragraph. Notwithstanding the foregoing, in the case of any BA Drawing resulting from the conversion or continuation of a BA Drawing or Revolving Borrowing pursuant to Section 2.08, the net amount that would otherwise be payable to such Borrower by each Lender pursuant to this paragraph will be applied as provided in Section 2.08(f).

(g) Each Tranche B Lender may at any time and from time to time hold, sell, rediscount or otherwise dispose of any or all BA's accepted and purchased by it (it being understood that no such sale, rediscount or disposition shall constitute an assignment or participation of any Commitment hereunder).

(h) Each BA accepted and purchased hereunder shall mature at the end of the Contract Period applicable thereto.

(i) Subject to applicable law, each Canadian Borrowing Subsidiary waives presentment for payment and any other defense to payment of any amounts due to a Tranche B Lender in respect of a BA accepted and purchased by it pursuant to this Agreement that might exist solely by reason of such BA being held, at the maturity thereof, by such Lender in its own right, and each Canadian Borrowing Subsidiary agrees not to claim any days of grace if such Lender as holder sues such Canadian Borrowing Subsidiary on the BA for payment of the amounts payable by such Canadian Borrowing Subsidiary thereunder. On the last day of the Contract Period of a BA, or such earlier date as may be required pursuant to the provisions of this Agreement, the applicable Canadian Borrowing Subsidiary shall pay the Lender that has accepted and purchased such BA the full face amount of such BA, and after such payment such Canadian Borrowing Subsidiary shall have no further liability in respect of such BA and such Lender shall be entitled to all benefits of, and be responsible for all payments due to third parties under, such BA.

(j) At the option of each Canadian Borrowing Subsidiary and any Lender, BAs under this Agreement to be accepted by that Lender may be issued in the form of depository bills for deposit with The Canadian Depository for Securities Limited pursuant to the Depository Bills

and Notes Act (Canada). All depository bills so issued shall be governed by the provisions of this Section.

(k) If a Tranche B Lender is not a chartered bank under the Bank Act (Canada) or if a Tranche B Lender notifies the Canadian Agent in writing that it is otherwise unable to accept BAs, such Lender will, instead of accepting and purchasing any BAs, make a Loan (a "BA Equivalent Loan") to the applicable Canadian Borrowing Subsidiary in the amount and for the same term as each draft which such Lender would otherwise have been required to accept and purchase hereunder. Each such Lender will provide to the Canadian Agent the Discount Proceeds of such BA Equivalent Loan for the account of the applicable Canadian Borrowing Subsidiary in the same manner as such Lender would have provided the Discount Proceeds in respect of the draft which such Lender would otherwise have been required to accept and purchase hereunder. Each such BA Equivalent Loan will bear interest at the same rate that would result if such Lender had accepted (and been paid an acceptance fee) and purchased (on a discounted basis) a BA for the relevant Contract Period (it being the intention of the parties that each such BA Equivalent Loan shall have the same economic consequences for the Lenders and the applicable Canadian Borrowing Subsidiary as the BA that such BA Equivalent Loan replaces). All such interest shall be paid in advance on the date such BA Equivalent Loan is made, and will be deducted from the principal amount of such BA Equivalent Loan in the same manner in which the Discount Proceeds of a BA would be deducted from the face amount of the BA. Subject to the repayment requirements of this Agreement, on the last day of the relevant Contract Period for such BA Equivalent Loan, the applicable Canadian Borrowing Subsidiary shall be entitled to convert each such BA Equivalent Loan into another type of Loan, or to roll over each such BA Equivalent Loan into another BA Equivalent Loan, all in accordance with the applicable provisions of this Agreement.

(l) Notwithstanding any provision hereof, the Borrowers may not prepay any BA Drawing other than on the last day of its Contract Period. (m) For greater certainty, all provisions of this Agreement that are applicable to BAs shall also be applicable, mutatis mutandis, to BA Equivalent Loans.

SECTION 2.07. Funding of Borrowings and BA Drawings. (a) Each Lender shall make each Loan to be made by it hereunder and disburse the Discount Proceeds (net of applicable acceptance fees) of each BA to be accepted and purchased by it hereunder on the proposed date thereof by wire transfer of immediately available funds in the applicable currency by 2:00 p.m., Local Time, to the account of the Applicable Agent most recently designated by such Applicable Agent for such purpose by notice to the Lenders; provided that Swingline Loans shall be made as provided in Section 2.04. The Applicable Agent will make such Loan proceeds or Discount Proceeds available to the applicable Borrower by promptly crediting the amounts so received, in like funds, to the Applicable Funding Account of such Borrower; provided that ABR Revolving Loans or Swingline Loans made to finance the reimbursement of an LC Disbursement as provided in Section 2.05(e) shall be remitted by the Administrative Agent to the applicable Issuing Bank.

(b) Unless the Applicable Agent shall have received notice from a Lender prior to the proposed date of any Borrowing or acceptance and purchase of BAs that such Lender will not make available to the Applicable Agent such Lender's share of such Borrowing or the applicable Discount Proceeds (net of applicable acceptance fees), the Applicable Agent may assume that such Lender has made such share available on such date in accordance with paragraph (a) of this Section and may, in reliance upon such assumption, make available to the applicable Borrower a corresponding amount. In such event, if a Lender has not in fact made its

share of the applicable Borrowing or the applicable Discount Proceeds (net of applicable acceptance fees) available to the Applicable Agent, then the applicable Lender and such Borrower severally agree to pay to the Applicable Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to such Borrower to but excluding the date of payment to the Applicable Agent, at (i) in the case of such Lender, the rate reasonably determined by the Applicable Agent to be the cost to it of funding such amount or (ii) in the case of such Borrower, the interest rate applicable to the subject Loan or the applicable Discount Rate and pro-rated acceptance fee, as the case may be.

SECTION 2.08. Interest Elections. (a) Each Revolving Borrowing initially shall be of the Type specified in the applicable Borrowing Request and, in the case of a LIBOR Borrowing or a EURIBOR Borrowing, shall have an initial Interest Period as specified in such Borrowing Request. Each BA Drawing shall have a Contract Period as specified in the applicable request therefor. Thereafter, the applicable Borrower may elect to convert such Borrowing or BA Drawing to a Borrowing of a different Type or, in the case of a Borrowing in Canadian Dollars, a BA Drawing, or to continue such Borrowing or BA Drawing and, in the case of a LIBOR Borrowing or a EURIBOR Borrowing, may elect Interest Periods therefor, all as provided in this Section and on terms consistent with the other provisions of this Agreement, it being understood that no BA Drawing may be converted or continued other than at the end of the Contract Period applicable thereto. A Borrower may elect different options with respect to different portions of an affected Borrowing or BA Drawing, in which case each such portion shall be allocated ratably among the Lenders holding the Loans comprising such Borrowing or accepting the BAs comprising such BA Drawing, as the case may be, and the Loans or BAs resulting from an election made with respect to any such portion shall be considered a separate Borrowing or BA Drawing. This Section shall not apply to Swingline Borrowings, which may not be converted or continued.

(b) To make an election pursuant to this Section, a Borrower shall notify the Applicable Agent of such election by telephone (i) in the case of an election that would result in a Borrowing, by the time and date that a Borrowing Request would be required under Section 2.03 if such Borrower were requesting a Revolving Borrowing of the Type resulting from such election to be made on the effective date of such election, and (ii) in the case of an election that would result in a BA Drawing or the continuation of a BA Drawing, by the time and date that a request would be required under Section 2.06 if such Borrower were requesting an acceptance and purchase of BAs to be made on the effective date of such election. Each such Interest Election Request shall be irrevocable and shall be confirmed promptly by delivery to the Applicable Agent (with a copy to the Administrative Agent if such Applicable Agent shall be the Canadian Agent) of a written Interest Election Request in a form approved by the Administrative Agent and signed by a Financial Officer on behalf of the applicable Borrower. Notwithstanding any other provision of this Section, a Borrower shall not be permitted to (i) change the currency of any Borrowing or BA Drawing, (ii) elect an Interest Period for LIBOR Loans or EURIBOR Loans that does not comply with Section 2.02(d) or any Contract Period for a BA Drawing that does not comply with Section 2.06 or (iii) convert any Borrowing or BA Drawing to a Borrowing or BA Drawing not available to such Borrower under the Class of Commitments pursuant to which such Borrowing or BA Drawing was made.

(c) Each telephonic and written Interest Election Request shall specify the following information in compliance with Section 2.02:

(i) the Borrowing or BA Drawing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing or BA Drawing

(in which case the information to be specified pursuant to clauses (iii) and (iv) below shall be specified for each resulting Borrowing or BA Drawing);

(ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;

(iii) in the case of an election resulting in a Borrowing, the Type of the resulting Borrowing; and

(iv) in the case of an election resulting in a Borrowing, if the resulting Borrowing is to be a LIBOR Borrowing or a EURIBOR Borrowing, the Interest Period to be applicable thereto after giving effect to such election, which shall be a period contemplated by the definition of the term "Interest Period", and in the case of an election resulting in a BA Drawing, the Contract Period to be applicable thereto, which shall be a period contemplated by the definition of the term "Contract Period".

If any such Interest Election Request requests a LIBOR or EURIBOR Borrowing or a BA Drawing but does not specify an Interest Period or Contract Period, then the Borrower shall be deemed to have selected, as applicable, an Interest Period of one month's duration or a Contract Period of 30 days' duration.

(d) Promptly following receipt of an Interest Election Request, the Applicable Agent shall advise each affected Lender of the details thereof and of such Lender's portion of each resulting Borrowing or BA Drawing.

(e) If the applicable Borrower fails to deliver a timely Interest Election Request with respect to an ABR Borrowing, a LIBOR Borrowing denominated in US Dollars and made to a US Borrowing Subsidiary or a Canadian Borrowing Subsidiary or a BA Drawing prior to the end of the Interest Period or Contract Period applicable thereto, then, unless such Borrowing or BA Drawing is repaid as provided herein at the end of such Interest Period or Contract Period, (i) in the case of a LIBOR Borrowing denominated in US Dollars and made to a US Borrowing Subsidiary or a Canadian Borrowing Subsidiary, such Borrowing shall be converted to an ABR Borrowing and (ii) in the case of a BA Drawing, such BA Drawing shall be converted to a Canadian Prime Rate Borrowing, at the end of such Interest Period or Contract Period. If the applicable Borrower fails to deliver an Interest Election Request with respect to any LIBOR Borrowing or EURIBOR Borrowing not referred to in the immediately preceding sentence by the third Business Day preceding the end of the Interest Period applicable thereto, and does not, by such third Business Day, notify the Applicable Agent pursuant to Section 2.11 that it will prepay such Borrowing at the end of such Interest Period, then such Borrowing will be converted or continued at the end of such Interest Period as a LIBOR Borrowing or EURIBOR Borrowing, as the case may be, with an Interest Period of one month's duration.

(f) Upon the conversion of any Borrowing (or portion thereof), or the continuation of any BA Drawing (or portion thereof), to or as a BA Drawing, the net amount that would otherwise be payable to a Borrower by each Lender pursuant to Section 2.06(f) in respect of such new BA Drawing shall be applied against the principal of such Borrowing (in the case of a conversion) or the reimbursement obligation owed to such Lender under Section 2.06(i) in respect of the BAs accepted by such Lender as part of such maturing BA Drawing (in the case of a continuation), and such Borrower shall pay to such Lender an amount equal to the difference between the principal amount of such Loan or the aggregate face amount of such maturing BAs, as the case may be, and such net amount.

(g) Notwithstanding any contrary provision hereof, if an Event of Default has occurred and is continuing and the Administrative Agent, at the request of the Required Lenders, so notifies the Borrower, then, so long as an Event of Default is continuing, (i) no outstanding Borrowing denominated in US Dollars and made to a US Borrowing Subsidiary or a Canadian Borrowing Subsidiary may be converted to or continued as a LIBOR Borrowing, and no Borrowing or BA Drawing denominated in Canadian Dollars may be converted to or continued as a BA Drawing, and (ii) (A) each LIBOR Borrowing denominated in US Dollars and made to a US Borrowing Subsidiary or a Canadian Borrowing Subsidiary shall, unless repaid, be converted to an ABR Borrowing at the end of the Interest Period applicable thereto, (B) each BA Drawing shall, unless repaid, be converted to a Canadian Prime Rate Borrowing at the end of the Contract Period applicable thereto and (C) each other LIBOR Borrowing or EURIBOR Borrowing shall, unless repaid by the third Business Day prior to the end of the Interest Period applicable thereto, be continued as a LIBOR Borrowing or EURIBOR Borrowing, as the case may be, with an Interest Period of one month's duration.

SECTION 2.09. Termination, Reduction, Extension and Increase of Commitments. (a) Unless previously terminated, the Commitments shall terminate on the Maturity Date.

(b) The Company may at any time terminate, or from time to time reduce, the Commitments of any Tranche; provided that (i) each reduction of the Commitments of any Tranche shall be in an amount that is an integral multiple of the Borrowing Multiple and not less than the Borrowing Minimum, in each case for Borrowings denominated in US Dollars and (ii) the Company shall not terminate or reduce the Commitments of any Tranche if, after giving effect to such termination or reduction and to any concurrent payment or prepayment of Loans, BAs or LC Disbursements, the aggregate amount of Revolving Credit Exposures under such Tranche would exceed the aggregate amount of Commitments of such Tranche.

(c) The Company shall notify the Administrative Agent of any election to terminate or reduce the Commitments under any Tranche under paragraph (b) of this Section at least two Business Days prior to the effective date of such termination or reduction, specifying such election and the effective date thereof. Promptly following receipt of any such notice, the Administrative Agent shall advise the other Agents and the applicable Lenders of the contents thereof. Each notice delivered by the Company pursuant to this Section shall be irrevocable; provided that a notice of termination of the Commitments under any Tranche may state that such notice is conditioned upon the effectiveness of other credit facilities, in which case such notice may be revoked or extended by the Company (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied or the effectiveness of such other credit facilities is delayed. Any termination or reduction of the Commitments under any Tranche shall, once effective, be permanent. Each reduction of the Commitments under any Tranche shall be made ratably among the applicable Lenders in accordance with their Commitments under such Tranche.

(d) The Company may at any time and from time to time, by written notice to the Administrative Agent (which shall promptly deliver a copy to each of the other Agents and the applicable Lenders) executed by the Company and one or more financial institutions (any such financial institution referred to in this Section being called an "Increasing Lender"), which may include any Lender, cause Tranche A Commitments, Tranche B Commitments or Tranche C Commitments to be increased or extended by the Increasing Lenders (or cause the Commitments of the Increasing Lenders to be increased, as the case may be) in an amount for each Increasing Lender (which shall not be less than \$5,000,000) set forth in such notice; provided, that (i) the new Commitments and increases in existing Commitments pursuant to this paragraph shall not be

greater than US\$200,000,000 in the aggregate during the term of this Agreement and shall not be less than US\$25,000,000 (or any portion of such US\$200,000,000 aggregate amount remaining unused) for any such increase, (ii) each Increasing Lender, if not already a Lender hereunder, shall be subject to the approval of the Administrative Agent (which approval shall not be unreasonably withheld) and (iii) each Increasing Lender, if not already a Lender hereunder, shall become a party to this Agreement by completing and delivering to the Administrative Agent a duly executed accession agreement in a form satisfactory to the Administrative Agent and the Borrower (an "Accession Agreement"). New Commitments and increases in Commitments shall become effective on the date specified in the applicable notice delivered pursuant to this paragraph (but not prior to the third Business Day after the delivery of such notice to the Administrative Agent). Upon the effectiveness of any Accession Agreement to which any Increasing Lender is a party, (i) such Increasing Lender shall thereafter be deemed to be a party to this Agreement and shall be entitled to all rights, benefits and privileges accorded a Lender hereunder and subject to all obligations of a Lender hereunder and (ii) Schedule 2.01 shall be deemed to have been amended to reflect the Commitment or Commitments of such Increasing Lender as provided in such Accession Agreement. Notwithstanding the foregoing, (i) no Lender shall be required to increase its Commitment unless it shall agree to such increase in its sole discretion, (ii) any increase in the Commitment of a Lender pursuant to this paragraph shall not require the consent of any other Lender and (iii) no increase in the Commitments (or in the Commitment of any Lender) pursuant to this paragraph shall become effective unless (A) the Administrative Agent shall have received documents consistent with those delivered under Section 4.01(b) and (c), giving effect to such increase and (B) on the effective date of such increase, the representations and warranties of the Borrowers set forth in this Agreement shall be true and correct in all material respects and no Default shall have occurred and be continuing, and the Administrative Agent shall have received a certificate to that effect dated such date and executed by a Financial Officer of the Company. Following any extension of new Commitments of any Tranche or increases in existing Commitments of any Tranche pursuant to this paragraph, any Revolving Loans outstanding under such Tranche prior to the effectiveness of such increase or extension may continue outstanding until the ends of the respective Interests Periods applicable thereto, and shall then be either repaid or refinanced with new Revolving Loans under such Tranche made pursuant to Section 2.01. On the effective date of any increase in the Tranche B Commitments pursuant to this paragraph, the applicable Borrowers and Lenders shall take such actions (including making and receiving payments), if any, as the Administrative Agent shall specify in order that the extensions of credit represented by any outstanding BAs may be held by the Tranche B Lenders ratably in proportion to their Tranche B Commitments; provided, that if the Administrative Agent does not specify any such actions, such outstanding BAs will continue outstanding for the duration of the applicable Contract Periods and the applicable Borrowers' reimbursement obligations under Section 2.06(i) will continue to be owed to the Lenders that accepted and purchased such BAs.

(e) The Company may, by delivery of a Maturity Date Extension Request to the Administrative Agent (which shall promptly deliver a copy to each of the other Agents and the Lenders) not less than 30 days and not more than 60 days prior to any anniversary of the Closing Date, request that the Lenders extend the Maturity Date for an additional period of one year; provided that there shall be no more than two extensions of the Maturity Date pursuant to this paragraph. Each Lender shall, by notice to the Company and the Administrative Agent given not more than 20 days after the date of the Administrative Agent's receipt of the Company's Maturity Date Extension Request, advise the Company whether or not it agrees to the requested extension (each Lender agreeing to a requested extension being called a "Consenting Lender", and each Lender declining to agree to a requested extension being called a "Declining Lender"). Any Lender that has not so advised the Company and the Administrative Agent by such day shall be deemed to have declined to agree to such extension and shall be a Declining Lender. If Lenders

constituting the Required Lenders shall have agreed to a Maturity Date Extension Request, then the Maturity Date shall, as to the Consenting Lenders, be extended to the first anniversary of the Maturity Date theretofore in effect. The decision to agree or withhold agreement to any Maturity Date Extension Request shall be at the sole discretion of each Lender. The Commitment of any Declining Lender shall terminate on the Maturity Date in effect prior to giving effect to any such extension (such Maturity Date being called the "Existing Maturity Date"). The principal amount of any outstanding Loans made by Declining Lenders, together with any accrued interest thereon and any accrued fees and other amounts payable to or for the account of such Declining Lenders hereunder, shall be due and payable on the Existing Maturity Date, and on the Existing Maturity Date the Borrowers shall also make such other prepayments of their Loans pursuant to Section 2.11 as shall be required in order that, after giving effect to the termination of the Commitments of, and all payments to, Declining Lenders pursuant to this sentence, (i) the aggregate Tranche A Revolving Credit Exposures will not exceed the aggregate Tranche A Commitments, (ii) the aggregate Tranche B Revolving Credit Exposures will not exceed the aggregate Tranche B Commitments and (iii) the aggregate Tranche C Revolving Credit Exposures will not exceed the aggregate Tranche C Commitments. Upon the payment of all outstanding Loans and other amounts payable to a Declining Lender pursuant to the foregoing sentence, such Declining Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.15, 2.16, 2.17 and 11.03. Notwithstanding the foregoing provisions of this paragraph, the Company shall have the right, pursuant to and in accordance with Sections 2.19 and 11.04, at any time prior to the Existing Maturity Date, to replace a Declining Lender with a Lender or other financial institution that will agree to the applicable Maturity Date Extension Request, and any such replacement Lender shall for all purposes constitute a Consenting Lender. Notwithstanding the foregoing, no extension of the Maturity Date pursuant to this paragraph shall become effective unless (i) the Administrative Agent shall have received documents consistent with those described in Section 4.01(b) and (c), giving effect to such extension and (ii) on the effective date of such extension, the representations and warranties of the Borrowers set forth in this Agreement shall be true and correct in all material respects and no Default shall have occurred and be continuing, and the Administrative Agent shall have received a certificate to that effect dated such date and executed by a Financial Officer of the Company.

SECTION 2.10. Repayment of Loans and BAs; Evidence of Debt. (a) Each Borrower hereby unconditionally promises to pay (i) to the Applicable Agent for the account of each Lender the then unpaid principal amount of each Revolving Loan of such Borrower on the Maturity Date and the face amount of each BA, if any, accepted by such Lender as provided in Section 2.06 and (ii) to the Applicable Swingline Lender the then unpaid principal amount of each Swingline Loan on the earlier of the Maturity Date and the first date after such Swingline Loan is made that is the 15th or last day of a calendar month and is at least three Business Days after such Swingline Loan is made; provided that on each date that a Revolving Borrowing denominated in US Dollars or Canadian Dollars (including any ABR Borrowing) is made to a Borrower that shall have borrowed Swingline Loans, such Borrower shall repay all its outstanding Swingline Loans denominated in such currency. Each Borrower will pay the principal amount of each Loan or BA made to or drawn by such Borrower and the accrued interest on such Loan in the currency of such Loan or BA.

(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the Indebtedness of each Borrower to such Lender resulting from each Loan made or BA accepted and purchased by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(c) The Administrative Agent shall maintain accounts in which it shall record (i) the amount of each Loan made and BA accepted and purchased hereunder, the Class and Type

of each such Loan and, in the case of any LIBOR or EURIBOR Loan, the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from each Borrower to each Lender hereunder and (iii) the amount of any sum received by any Agent hereunder for the account of the Lenders or any of them and each Lender's share thereof. The London Agent and the Canadian Agent shall furnish to the Administrative Agent, promptly after the making of any Loan or Borrowing or the acceptance and purchase of any BAs with respect to which it is the Applicable Agent or the receipt of any payment of principal or interest with respect to any such Loan or Borrowing or any such BAs, information with respect thereto that will enable the Administrative Agent to maintain the accounts referred to in the preceding sentence.

(d) The entries made in the accounts maintained pursuant to paragraph (b) or (c) of this Section shall be prima facie evidence of the existence and amounts of the obligations recorded therein; provided that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of any Borrower to repay the Loans in accordance with the terms of this Agreement.

(e) Any Lender may request that Loans of any Class made by it to any Borrower be evidenced by a promissory note. In such event, the applicable Borrower shall prepare, execute and deliver to such Lender a promissory note payable to such Lender (or, if requested by such Lender, to such Lender and its registered assigns) and in a form reasonably acceptable to the Administrative Agent. Thereafter, the Revolving Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 11.04) be represented by one or more promissory notes in such form payable to the payee named therein (or, if such promissory note is a registered note, to such payee and its registered assigns).

SECTION 2.11. Prepayment of Loans. (a) Any Borrower shall have the right at any time and from time to time to prepay any Borrowing of such Borrower in whole or in part, subject to prior notice in accordance with paragraph (d) of this Section.

(b) If the aggregate Revolving Credit Exposures under any Tranche shall exceed the aggregate Commitments under such Tranche, then (i) on the last day of any Interest Period for any LIBOR Borrowing or EURIBOR Borrowing, and the last day of any Contract Period for any BA Drawing, under such Tranche and (ii) on each other date on which any ABR Revolving Borrowing, Canadian Prime Rate Borrowing or Swingline Loan shall be outstanding under such Tranche, the applicable Borrowers shall prepay Loans under such Tranche in an aggregate amount equal to the lesser of (A) the amount necessary to eliminate such excess (after giving effect to any other prepayment of Loans or payment of BAs on such day) and (B) the amount of the applicable Revolving Borrowings, BA Drawings or Swingline Loans referred to in clause (i) or (ii), as applicable. If the aggregate amount of the Revolving Credit Exposures under any Tranche on any day shall exceed 105% of the aggregate Commitments under such Tranche, then the applicable Borrowers shall, within three Business Days, prepay one or more Borrowings under such Tranche in an aggregate principal amount sufficient to eliminate such excess.

(c) Prior to any optional or mandatory prepayment of Borrowings hereunder, the applicable Borrower shall select the Borrowing or Borrowings to be prepaid and shall specify such selection in the notice of such prepayment pursuant to paragraph (d) of this Section.

(d) The applicable Borrower shall notify the Applicable Agent (and, in the case of prepayment of a Swingline Loan, the Swingline Lender) by a facsimile notice signed by a Financial Officer on behalf of the applicable Borrower of any prepayment of a Borrowing hereunder (i) in the case of a LIBOR Borrowing denominated in US Dollars, not later than

11:00 a.m., Local Time, three Business Days before the date of such prepayment (or, in the case of a prepayment under paragraph (b) above, as soon thereafter as practicable), (ii) in the case of a LIBOR Borrowing denominated in Sterling or a EURIBOR Borrowing, not later than 11:00 a.m., Local Time, three Business days before the date of such prepayment (or, in the case of a prepayment under paragraph (b) above, as soon thereafter as practicable), (iii) in the case of an ABR Borrowing, not later than 11:00 a.m., Local Time, on the date of such prepayment and (d) in the case of a Canadian Prime Rate Borrowing, not later than 11:00 a.m., Local Time, on the date of such prepayment. Each such notice shall be irrevocable and shall specify the prepayment date and the principal amount of each Borrowing or portion thereof to be prepaid; provided that, if a notice of optional prepayment is given in connection with a conditional notice of termination of the Commitments as contemplated by Section 2.09(c), then such notice of prepayment may be revoked or extended if such notice of termination is revoked or extended in accordance with Section 2.09(c). Promptly following receipt of any such notice, the Applicable Agent shall advise the applicable Lenders of the contents thereof. Each partial prepayment of any Borrowing shall be in an amount that would be permitted in the case of an advance of a Borrowing of the same Type as provided in Section 2.02. Each prepayment of a Borrowing shall be applied ratably to the Loans included in the prepaid Borrowing.

SECTION 2.12. Fees. (a) The Company agrees to pay to the Administrative Agent, in US Dollars, for the account of each Lender, a facility fee, which shall accrue at the Applicable Rate (as set forth under the caption "Facility Fee Rate" in the definition of such term) on the daily amount of each Commitment of such Lender, whether used or unused, during the period from and including the Closing Date to but excluding the date on which such Commitment expires or is terminated; provided, that if any Lender continues to have any Revolving Credit Exposure under any Tranche after its Commitment of such Tranche terminates, then such facility fee shall continue to accrue on the daily amount of such Lender's Revolving Credit Exposure under such Tranche from and including the date on which such Commitment terminates to but excluding the date on which such Lender ceases to have any Revolving Credit Exposure under such Tranche. Accrued facility fees shall be payable in arrears on the last day of each March, June, September and December, commencing on the first such date to occur after the date hereof, and, with respect to the Commitments of any Tranche, on the date on which the Commitments of such Tranche shall terminate; provided that any facility fees accruing on the Revolving Credit Exposure under any Tranche after the date on which the Commitments of such Tranche terminate shall be payable on demand. All facility fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(b) The Company agrees to pay (i) to the Administrative Agent for the account of each Tranche A Lender a participation fee with respect to its participations in Letters of Credit, which shall accrue at the Applicable Rate (as set forth under the caption "LIBOR/EURIBOR Spread and BA Stamping Fee" in the definition of such term) used to determine the interest rate applicable to LIBOR Revolving Loans, on the daily amount of such Lender's LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period from and including the Effective Date to but excluding the later of the date on which such Lender's Tranche A Commitment terminates and the date on which such Lender ceases to have any LC Exposure and (ii) to each Issuing Bank a fronting fee, which shall accrue at the rate of .125% per annum on the portion of the daily amount of the LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements) attributable to Letters of Credit issued by such Issuing Bank, during the period from and including the Effective Date to but excluding the later of the date of termination of the Tranche A Commitments and the date on which there ceases to be any LC Exposure, as well as each Issuing Bank's standard fees with respect to the issuance, amendment, renewal or extension of any Letter of Credit or processing of drawings thereunder.

Participation fees and fronting fees accrued or becoming payable in respect of Letters of Credit issued through and including the last day of March, June, September and December of each year shall be payable on the third Business Day following such last day, commencing on the first such date to occur after the Effective Date; provided that all such fees shall be payable on the date on which the Tranche A Commitments terminate and any such fees accruing after the date on which the Tranche A Commitments terminate shall be payable on demand. Any other fees payable to the Issuing Banks pursuant to this paragraph shall be payable within 10 days after demand. All participation fees and fronting fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(c) Each Canadian Borrowing Subsidiary agrees to pay to the Canadian Agent, for the account of each Tranche B Lender, on each date on which BAs drawn by such Canadian Borrowing Subsidiary are accepted and purchased hereunder, in Canadian Dollars, an acceptance fee computed by multiplying the aggregate face amount of the BAs accepted by such Lender on such date by the product of (i) the Applicable Rate (as set forth under the caption "LIBOR/EURIBOR Spread and BA Stamping Fee" in the definition of such term) on such date and (ii) a fraction, the numerator of which is the number of days in the Contract Period applicable to such BAs and the denominator of which is 365.

(d) The Company agrees to pay to the Administrative Agent, in US Dollars, for the account of each Lender, for each day on which the aggregate outstanding Revolving Credit Exposures shall be greater than 50% of the aggregate Commitments, and for each day after the Commitments shall have expired or been terminated on which the aggregate outstanding Revolving Credit Exposures shall be greater than 50% of the aggregate Commitments immediately prior to such expiration or termination, a utilization fee, which shall accrue at the Applicable Rate (as set forth under the caption "Utilization Fee" in the definition of such term) on the aggregate amount of such Lender's Revolving Credit Exposures on such day. Accrued and unpaid Utilization Fees, if any, shall be payable on the last day of each March, June, September and December and on the date on which the Commitments shall have expired or been terminated and no Revolving Credit Exposures shall be outstanding. All Utilization Fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(e) The Company agrees to pay to the Agents, for their own accounts, fees payable in the amounts and at the times separately agreed upon between the Company and the Agents.

(f) All fees payable hereunder shall be paid on the dates due, in immediately available funds, to the Administrative Agent, to the Issuing Banks (in the case of fees payable to them) or to the Canadian Agent (in the case of fees referred to in paragraph (c) of this Section) for distribution (i) in the case of facility fees and utilization fees, to the Lenders, (ii) in the case of the participation fees, to the Tranche A Lenders and (iii) in the case of acceptance fees, to the Tranche B Lenders. All fees payable hereunder to any Issuing Bank under clause (ii) of paragraph (b) above shall be payable to the office or offices specified by such Issuing Bank for the payment of such fees and will be made by the Company from locations in Guernsey or another jurisdiction under the laws of which no withholding or similar tax will be applicable to such payments. Fees paid shall not be refundable under any circumstances.

SECTION 2.13. Interest. (a) The Loans comprising each ABR Borrowing (including each Swingline Loan denominated in US Dollars) shall bear interest at the Alternate Base Rate.

(b) The Revolving Loans comprising each LIBOR Revolving Borrowing shall bear interest at the Adjusted LIBO Rate for the Interest Period in effect for such Borrowing plus the Applicable Rate (as set forth under the caption "LIBOR/EURIBOR Spread and BA Stamping Fee" in the definition of such term).

(c) The Revolving Loans comprising each EURIBOR Revolving Borrowing shall bear interest at the Adjusted EURIBO Rate for the Interest Period in effect for such Borrowing plus the Applicable Rate (as set forth under the caption "LIBOR/EURIBOR Spread and BA Stamping Fee" in the definition of such term).

(d) The Loans comprising each Canadian Prime Rate Borrowing (including each Swingline Loan denominated in Canadian Dollars) shall bear interest at the Canadian Prime Rate.

(e) Notwithstanding the foregoing, if any principal of or interest on any Loan or BA, any LC Disbursement or any fee or other amount payable by any Borrower hereunder is not paid when due, whether at stated maturity, upon acceleration or otherwise, such overdue amount shall bear interest, after as well as before judgment, at a rate per annum equal to (i) in the case of overdue principal of any Loan or any LC Disbursement, 2% per annum plus the interest rate or discount rate otherwise applicable to such Loan or LC Disbursement as provided in the preceding paragraphs of this Section or (ii) in the case of any other amount, 2% per annum plus the rate applicable to ABR Loans in US Dollars as provided in paragraph (a) of this Section.

(f) Accrued interest on each Loan under any Tranche shall be payable in arrears on each Interest Payment Date for such Loan and upon the termination of the Commitments of such Tranche; provided that (i) interest accrued pursuant to paragraph (e) of this Section shall be payable on demand, (ii) in the event of any repayment or prepayment of any Loan (other than a prepayment of an ABR Revolving Loan or a Canadian Prime Rate Revolving Loan prior to the end of the Availability Period), accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (iii) in the event of any conversion of any LIBOR Revolving Loan or EURIBOR Revolving Loan prior to the end of the current Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion. All interest shall be payable in the currency in which the applicable Loan is denominated.

(g) All interest hereunder shall be computed on the basis of a year of 360 days, except that (i) interest on Borrowings denominated in Sterling, (ii) interest computed by reference to the Alternate Base Rate at times when the Alternate Base Rate is based on the Prime Rate and (iii) interest on Canadian Prime Rate Borrowings and acceptance fees shall each be computed on the basis of a year of 365 days (or, in the case of ABR Borrowings and Canadian Prime Rate Borrowings, 366 days in a leap year), and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable Adjusted LIBO Rate, Adjusted EURIBO Rate, Alternate Base Rate or Canadian Prime Rate shall be determined by the Applicable Agent, and such determination shall be conclusive absent manifest error.

SECTION 2.14. Alternate Rate of Interest. If prior to the commencement of any Interest Period for a LIBOR Borrowing or a EURIBOR Borrowing:

(a) the Applicable Agent determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining the Adjusted LIBO Rate or the Adjusted EURIBO Rate, as the case may be, for such Interest Period; or

(b) the Applicable Agent is advised by a majority in interest of the Lenders that would make Loans as part of such Borrowing that the Adjusted LIBO Rate or Adjusted EURIBO Rate, as the case may be, for such Interest Period will not adequately and fairly reflect the cost to such Lenders of making or maintaining the Loans included in such Borrowing for such Interest Period;

then the Applicable Agent shall give notice thereof to the applicable Borrower and the applicable Lenders by telephone or telecopy as promptly as practicable thereafter and, until the Applicable Agent notifies the applicable Borrower and the applicable Lenders that the circumstances giving rise to such notice no longer exist, (i) any Interest Election Request that requests the conversion of any Revolving Borrowing to, or continuation of any Revolving Borrowing as, an affected LIBOR Borrowing or EURIBOR Borrowing, as the case may be, shall be ineffective, (ii) any affected LIBOR Borrowing or EURIBOR Borrowing that is requested to be continued shall (A) if denominated in US Dollars and made by a US Borrowing Subsidiary or a Canadian Borrowing Subsidiary, be continued as an ABR Borrowing, or (B) otherwise, be continued as a Borrowing bearing interest at a rate equal to the sum of (1) a rate per annum determined by the Administrative Agent from time to time to be sufficient to cover the funding cost of each Lender in connection with such Borrowing plus (2) Applicable Rate (as set forth under the caption "LIBOR/EURIBOR Spread and BA Stamping Fee" in the definition of such term) and (iii) any Borrowing Request for an affected LIBOR Borrowing or a EURIBOR Borrowing shall (A) if denominated in US Dollars and made by a US Borrowing Subsidiary or a Canadian Borrowing Subsidiary, be deemed a request for an ABR Borrowing, or (B) otherwise, be ineffective.

SECTION 2.15. Increased Costs. (a) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of or credit extended by, any Lender (except any such reserve requirement reflected in the Adjusted LIBO Rate or the Adjusted EURIBO Rate) or any Issuing Bank; or

(ii) impose on any Lender, any Issuing Bank or the London, European or Canadian interbank market any other condition affecting this Agreement or LIBOR Loans or EURIBOR Loans made by or any acceptance and purchase of BAs by such Lender or any Letter of Credit or participations therein;

and the result of any of the foregoing shall be to increase the cost to such Lender of making or maintaining any LIBOR Loan or EURIBOR Loan or accepting and purchasing any BAs (or of maintaining its obligation to make any such Loan or to accept and purchase any such BAs) or to increase the cost to such Lender or Issuing Bank of participating in, issuing or maintaining any Letter of Credit or to reduce the amount of any sum received or receivable by such Lender or Issuing Bank hereunder (whether of principal, interest or otherwise), then the applicable Borrower will pay to such Lender or Issuing Bank, as the case may be, such additional amount or amounts as will compensate such Lender or Issuing Bank, as the case may be, for such additional costs incurred or reduction suffered.

(b) If any Lender or Issuing Bank determines in good faith that any Change in Law regarding capital requirements has or would have the effect of reducing the rate of return on such Lender's or Issuing Bank's capital or on the capital of such Lender's or Issuing Bank's holding company, if any, as a consequence of this Agreement or the Loans made or BAs accepted and purchased by, or participations in Letters of Credit held by, such Lender, or the Letters of Credit issued by such Issuing Bank, to a level below that which such Lender or Issuing Bank or such Lender's or Issuing Bank's holding company could have achieved but for such Change in

Law (taking into consideration such Lender's or Issuing Bank's policies and the policies of such Lender's or Issuing Bank's holding company with respect to capital adequacy), then from time to time the applicable Borrower will pay to such Lender or Issuing Bank, as the case may be, such additional amount or amounts as will compensate such Lender or Issuing Bank or such Lender's or Issuing Bank's holding company for any such reduction suffered.

(c) A certificate of a Lender or Issuing Bank setting forth the amount or amounts necessary to compensate such Lender or Issuing Bank or its holding company, as the case may be, and the manner in which such amount or amounts have been calculated, as specified in paragraph (a) or (b) of this Section, shall be delivered to the Company and shall be conclusive absent manifest error. The Company shall pay or cause the applicable Borrower to pay such Lender or Issuing Bank, as the case may be, the amount shown as due on any such certificate within 10 days after receipt thereof.

(d) Failure or delay on the part of any Lender or Issuing Bank to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's or Issuing Bank's right to demand such compensation; provided that the applicable Borrower shall not be required to compensate a Lender or Issuing Bank pursuant to this Section for any increased costs or reductions incurred more than 180 days prior to the date that such Lender or Issuing Bank, as the case may be, notifies the Company of the Change in Law giving rise to such increased costs or reductions and of such Lender's or Issuing Bank's intention to claim compensation therefor; provided further that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 180-day period referred to above shall be extended to include the period of retroactive effect thereof.

(e) Payments of any amounts due under this Section shall be without duplication of any payments required to be made under Section 2.16, 2.17 or 2.20. To the extent payment of any amount due under this Section is also required under one or more of Sections 2.16, 2.17 and 2.20, such payment will be due only under Section 2.17 or, if not within the scope of Section 2.17, under any one other Section as the payee may elect.

SECTION 2.16. Break Funding Payments. In the event of (a) the payment of any principal of any LIBOR Loan or any EURIBOR Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default), (b) the conversion of any LIBOR Loan or any EURIBOR Loan other than on the last day of the Interest Period applicable thereto, (c) the failure to borrow, convert, continue or prepay any LIBOR Loan or any EURIBOR Loan on the date specified in any notice delivered pursuant hereto (regardless of whether any such notice may be revoked or extended under Section 2.11(d) and is revoked or extended in accordance therewith) or (d) the assignment of any LIBOR Loan or any EURIBOR Loan other than on the last day of the Interest Period applicable thereto as a result of a request by the applicable Borrower pursuant to Section 2.19 or the CAM Exchange, then, in any such event, the applicable Borrower shall compensate each Lender for the loss, cost and expense (but not for any lost profit) attributable to such event. Such loss, cost or expense to any Lender shall be deemed to include an amount determined by such Lender to be the excess, if any, of (i) the amount of interest which would have accrued on the principal amount of such Loan had such event not occurred, at the Adjusted LIBO Rate or the Adjusted EURIBO Rate, as the case may be, that would have been applicable to such Loan, for the period from the date of such event to the last day of the then current Interest Period therefor (or, in the case of a failure to borrow, convert or continue, for the period that would have been the Interest Period for such Loan) over (ii) the amount of interest that would accrue on such principal amount or the Discount Proceeds applicable to such BA for such period at the interest rate which such Lender would bid were it to bid, at the commencement of such period, for deposits in the applicable currency of a comparable

amount and period from other banks in the London or European interbank market. A certificate of any Lender setting forth in reasonable detail any amount or amounts that such Lender is entitled to receive pursuant to this Section shall be delivered to the Company and shall be conclusive absent manifest error. The applicable Borrower shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof. Payments of any amounts due under this Section shall be without duplication of any payments required to be made under Section 2.15, 2.17 or 2.20. To the extent payment of any amount due under this Section is also required under one or more of Sections 2.15, 2.17 and 2.20, such payment will be due only under Section 2.17 or, if not within the scope of Section 2.17, under any one other Section as the payee may elect.

SECTION 2.17. Taxes. (a) Any and all payments by or on account of any obligation of a Credit Party hereunder or under any other Credit Document shall be made free and clear of and without deduction for any Indemnified Taxes or Other Taxes; provided that if any Credit Party shall be required to deduct any Indemnified Taxes or Other Taxes from such payments, then (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section) each Agent, Lender and Issuing Bank (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) such Credit Party shall make such deductions and (iii) such Credit Party shall pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law.

(b) In addition, but without duplication, the Credit Parties shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) Each Credit Party shall indemnify each Agent, Lender and Issuing Bank, within 10 days after written demand therefor, for the full amount of any Indemnified Taxes or Other Taxes paid by such Agent, Lender or Issuing Bank, as the case may be, on or with respect to any payment by or on account of any obligation of such Credit Party hereunder or under any other Credit Document (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate setting forth the amount of such payment or liability delivered to the Company by an Agent, Lender or Issuing Bank, or by the Administrative Agent on behalf of a Lender or Issuing Bank, shall be conclusive absent manifest error. Such Agent, Lender or Issuing Bank shall use commercially reasonable efforts to cooperate with such Credit Party, at such Credit Party's expense, to contest any Indemnified Taxes or Other Taxes imposed on or with respect to payments made to or by such Agent, Lender or Issuing Bank and indemnified by such Credit Party that such Credit Party reasonably believes were not correctly or legally imposed or asserted by the relevant Governmental Authority.

(d) As soon as practicable after any payment of Indemnified Taxes or Other Taxes by a Credit Party to a Governmental Authority, such Credit Party shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(e) Any Lender that is entitled to an exemption from or reduction of withholding tax under the law of any jurisdiction in which a Borrower to which such Lender may be required to make Loans hereunder is resident or located, or any treaty to which such jurisdiction is a party, with respect to payments under this Agreement shall deliver to the Company (with a copy to the

Administrative Agent), at the time or times prescribed by applicable law, such properly completed and executed documentation prescribed by applicable law or reasonably requested by the Company as will permit such payments to be made without withholding or at a reduced rate; provided, other than in the case of any exemption or reduction on which such Lender shall have been relying at the time it became a Lender, that such Lender has received written notice from the Company advising it of the availability of such exemption or reduction and containing all applicable documentation (together with English translations thereof, if requested by such Lender). Each Lender shall promptly notify the Company at any time it determines that it is no longer in a position to provide any such previously delivered documentation to the Company.

(f) If the Administrative Agent or a Lender determines, in its sole discretion, that it has received a refund of any Indemnified Taxes or Other Taxes as to which it has been indemnified by a Borrower or with respect to which a Borrower has paid additional amounts pursuant to this Section, it shall pay over such refund to such Borrower (but only to the extent of indemnity payments made, or additional amounts paid, by such Borrower under this Section with respect to the Indemnified Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses of the Administrative Agent or such Lender and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); provided, that such Borrower, upon the request of the Administrative Agent or such Lender, agrees to repay the amount paid over to such Borrower (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent or such Lender in the event the Administrative Agent or such Lender is required to repay such refund to such Governmental Authority. This Section shall not be construed to require the Administrative Agent or any Lender to make available its tax returns (or any other information relating to its taxes which it deems confidential) to any Borrower or other Person.

(g) Payments of any amounts due under this Section shall be without duplication of any payments required to be made under Section 2.15, 2.16 or 2.20. To the extent payment of any amount due under this Section is also required under one or more of Sections 2.15, 2.16 and 2.20, such payment will be due only under this Section or, if not within the scope of this Section, under any one other Section as the payee may elect..

SECTION 2.18. Payments Generally; Pro Rata Treatment; Sharing of Set-offs. (a) Each Borrower shall make each payment required to be made by it hereunder or under any other Credit Document (whether of principal, interest, fees or reimbursement of LC Disbursements or otherwise) prior to the time required hereunder or under such other Credit Document for such payment or, if no such time is expressly required, prior to 1:00 p.m., Local Time, on the date when due, in immediately available funds, without set-off or counterclaim. Any amounts received after such time on any date may, in the discretion of the Applicable Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to the Applicable Agent for the account of the applicable Lenders to such account as the Applicable Agent shall from time to time specify in one or more notices delivered to the Company, except that payments to be made directly to an Issuing Bank or Swingline Lender as expressly provided herein shall be made directly to such parties and payments pursuant to Sections 2.15, 2.16, 2.17, 2.20 and 11.03 shall be made directly to the Persons entitled thereto. The Applicable Agent shall distribute any such payments received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment under any Credit Document shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. All payments hereunder of principal or interest in respect of any Loan, BA or LC Disbursement shall, except as otherwise expressly provided herein, be made in the

currency of such Loan, BA or LC Disbursement; all other payments hereunder and under each other Credit Document shall be made in US Dollars. Any payment required to be made by any Agent hereunder shall be deemed to have been made by the time required if such Agent shall, at or before such time, have taken the necessary steps to make such payment in accordance with the regulations or operating procedures of the clearing or settlement system used by such Agent to make such payment.

(b) If at any time insufficient funds are received by the Agents from any Borrower (or from the Company as guarantor of the Obligations of such Borrower pursuant to Article X) and available to pay fully all amounts of principal, unreimbursed LC Disbursements, interest and fees then due from such Borrower hereunder, such funds shall be applied (i) first, towards payment of interest and fees then due from such Borrower hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, and (ii) second, towards payment of principal of the Loans and BAs and unreimbursed LC Disbursements then due from such Borrower hereunder, ratably among the parties entitled thereto in accordance with the amounts of such principal then due to such parties.

(c) If any Lender shall, by exercising any right of set-off or counterclaim or otherwise, obtain payment in respect of its Loans, BAs, participations in LC Disbursements or Swingline Loans or accrued interest on any of the foregoing (collectively "Claims") resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Claims than the proportion received by any other Lender, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Claims of the other Lenders to the extent necessary so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amounts of their respective Claims; provided that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this paragraph shall not be construed to apply to any payment made by any Borrower pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Claims to any assignee or participant, other than to the Company or any Subsidiary or Affiliate thereof (as to which the provisions of this paragraph shall apply). Each Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Company and each Borrower rights of set-off and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Company or such Borrower in the amount of such participation.

(d) Unless an Agent shall have received notice from a Borrower prior to the date on which any payment is due to such Agent for the account of any Lenders or any Issuing Bank hereunder that such Borrower will not make such payment, such Agent may assume that such Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the applicable Lenders or Issuing Bank, as the case may be, the amount due. In such event, if such Borrower has not in fact made such payment, then each applicable Lender or Issuing Bank, as the case may be, severally agrees to repay to such Agent forthwith on demand the amount so distributed to such Lender or Issuing Bank with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to such Agent, at a rate determined by such Agent in accordance with banking industry rules on interbank compensation.

(e) If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.04(c), 2.05(d) or (e), 2.07(b), 2.18(c) or 11.03(c) then the Administrative

Agent may, in its discretion (notwithstanding any contrary provision hereof), and each other Agent, at the direction of the Administrative Agent, shall, apply any amounts thereafter received by it for the account of such Lender to satisfy such Lender's obligations under such Sections until all such unsatisfied obligations are fully paid.

SECTION 2.19. Mitigation Obligations; Replacement of Lenders. (a) Each Lender shall, to the extent practicable, designate each Tranche A Lending Office, Tranche B Lending Office and Tranche C Lending Office, and select any branch or Affiliate through which it makes any Loan or accepts and purchases any BAs as contemplated by Section 2.02(b), with a view to minimizing, and if possible avoiding, any required payment by the Borrowers of additional amounts pursuant to Section 2.15, 2.17 or 2.20; provided, that no Lender shall be required to designate a Tranche A Lending Office, a Tranche B Lending Office or a Tranche C Lending Office or to select a branch or Affiliate for the making of any Loan or the acceptance and purchase of any BAs if, in the judgment of such Lender, such designation or selection would subject such Lender to any unreimbursed cost or expense or would otherwise be disadvantageous to such Lender. If any Borrower is required to pay any additional amount to any Lender or to any Governmental Authority for the account of any Lender pursuant to Section 2.15, 2.17 or 2.20, then such Lender shall use reasonable efforts to designate a different lending office for funding or booking its affected Loans or other extensions of credit hereunder or to assign its affected rights and obligations hereunder to another of its offices, branches or affiliates if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.15, 2.17 or 2.20, as the case may be, in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrowers hereby agree to pay all reasonable costs and expenses incurred by any Lender in connection with any designation or assignment pursuant to the immediately preceding sentence to eliminate or reduce amounts payable pursuant to Section 2.15, 2.17 or 2.20 as a result of any Change in Law after the Closing Date.

(b) If (i) any Lender requests compensation under Section 2.15 or 2.20, (ii) any Credit Party is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.17 or (iii) any Lender defaults in its obligation to fund Revolving Loans or to accept and purchase BAs hereunder, then the Company may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 11.04), all its interests, rights and obligations under the Credit Documents to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that (x) such Borrower shall have received the prior written consent of the Administrative Agent (and, if a Tranche A Commitment is being assigned, each Issuing Bank), which consent, in each case, shall not unreasonably be withheld, (y) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans and BAs and funded participations in LC Disbursements and Swingline Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder, from the assignee (to the extent of such outstanding principal, funded participations and accrued interest and fees) or such Borrower (in the case of all other amounts) and (z) in the case of any such assignment resulting from a claim for compensation under Section 2.15 or 2.20 or payments required to be made pursuant to Section 2.17, such assignment will result in a material reduction in such compensation or payments. A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Lender within five Business Days of the notice from the Company referred to in the preceding sentence or otherwise, the circumstances entitling the Company to require such assignment and delegation cease to apply.

SECTION 2.20. Foreign Subsidiary Costs. (a) If the cost to any Lender of making or maintaining any Loan to, or accepting and purchasing any BA of, or participating in any Letter of Credit or Swingline Loan issued for the account of or made to, any Borrower is increased (or the amount of any sum received or receivable by any Lender (or its applicable lending office) is reduced) by an amount deemed in good faith by such Lender to be material, by reason of the fact that such Borrower is incorporated in, or conducts business in, a jurisdiction outside the United States of America, such Borrower shall indemnify such Lender for such increased cost or reduction within 15 days after demand by such Lender (with a copy to the Administrative Agent). A certificate of such Lender claiming compensation under this paragraph and setting forth the additional amount or amounts to be paid to it hereunder (and the basis for the calculation of such amount or amounts) shall be conclusive in the absence of manifest error.

(b) Each Lender will promptly notify the Company and the Administrative Agent of any event of which it has knowledge that will entitle such Lender to additional interest or payments pursuant to paragraph (a) above, but in any event within 45 days after such Lender obtains actual knowledge thereof; provided that (i) if any Lender fails to give such notice within 90 days after it obtains actual knowledge of such an event, such Lender shall, with respect to compensation payable pursuant to this Section in respect of any costs resulting from such event, only be entitled to payment under this Section for costs incurred from and after the date 90 days prior to the date that such Lender does give such notice and (ii) each Lender will designate a different applicable lending office, if, in the judgment of such Lender, such designation will avoid the need for, or reduce the amount of, such compensation and will not be otherwise disadvantageous to such Lender.

(c) Notwithstanding the foregoing, no Lender shall be entitled to compensation under this Section to the extent the increased costs for which such Lender is claiming compensation have been or are being incurred at the time such Lender becomes a party to this Agreement, except to the extent that such Lender's assignor was entitled immediately prior to the assignment to such Lender to receive compensation with respect to such increased costs pursuant to this Section.

(d) Payments of any amounts due under this Section shall be without duplication of any payments required to be made under Section 2.15, 2.16 or 2.17. To the extent payment of any amount due under this Section is also required under one or more of Sections 2.15, 2.16 and 2.17, such payment will be due only under Section 2.17 or, if not within the scope of Section 2.17, under any one other Section as the payee may elect.

SECTION 2.21. Designation of Borrowing Subsidiaries. (a) The Company may at any time and from time to time designate (a) any Tranche A Subsidiary as a Tranche A Borrowing Subsidiary, (b) any Tranche B Subsidiary as a Tranche B Borrowing Subsidiary or (c) any Tranche C Subsidiary as a Tranche C Borrowing Subsidiary, in each case by delivery to the Administrative Agent of a Borrower Joinder Agreement executed by such Subsidiary and by the Company, and upon such delivery such Subsidiary shall for all purposes of this Agreement be a Tranche A Borrowing Subsidiary, a Tranche B Borrowing Subsidiary or a Tranche C Borrowing Subsidiary, as the case may be, and a party to this Agreement. Any Borrowing Subsidiary shall continue to be a Tranche A Borrowing Subsidiary, a Tranche B Borrowing Subsidiary or a Tranche C Borrowing Subsidiary, as the case may be, until the Company shall have executed and delivered to the Administrative Agent a Borrower Termination Agreement with respect to such Subsidiary, whereupon such Subsidiary shall cease to be a Borrowing Subsidiary hereunder. Notwithstanding the preceding sentence, (a) no Borrower Joinder Agreement shall become effective as to any Subsidiary if it shall be unlawful for such Subsidiary to become a Borrower hereunder or for any Lender participating in a Tranche under which such Subsidiary may borrow

to make Loans or otherwise extend credit to such Subsidiary as provided herein and (b) no Borrower Termination Agreement will become effective as to any Borrowing Subsidiary until all Loans made to and BAS drawn by such Borrowing Subsidiary shall have been repaid, all Letters of Credit issued for the account of such Borrowing Subsidiary have been drawn in full or have expired and all amounts payable by such Borrowing Subsidiary in respect of LC Disbursements, interest and/or fees (and, to the extent notified by the Administrative Agent or any Lender, any other amounts payable under the Credit Agreement by such Borrowing Subsidiary) shall have been paid in full; provided that such Borrower Termination Agreement shall be effective to terminate the right of such Borrowing Subsidiary to request or receive further extensions of credit under this Agreement. As soon as practicable upon receipt of a Borrower Joinder Agreement, the Administrative Agent shall send a copy thereof to each Tranche A Lender, Tranche B Lender or Tranche C Lender, as the case may be.

(b) The Obligations of the Borrowing Subsidiaries hereunder shall be several and not joint.

ARTICLE III

Representations and Warranties

The Company represents and warrants, and each other Borrower represents and warrants as to itself and its subsidiaries, to the Lenders that:

SECTION 3.01. Organization; Powers. Each Credit Party is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, has all requisite power and authority to carry on its business as now conducted and, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, is qualified to do business, and is in good standing, in every jurisdiction where such qualification is required.

SECTION 3.02. Authorization; Enforceability. The Transactions to be entered into by each Credit Party are within such Credit Party's corporate, partnership or other applicable powers and have been duly authorized by all necessary corporate, partnership or other applicable action and, if required, by stockholder or other equityholder action. This Agreement has been duly executed and delivered by each Credit Party and constitutes, and each other Credit Document to which any Credit Party is to be a party, when executed and delivered by such Credit Party, will constitute, a legal, valid and binding obligation of such Credit Party, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

SECTION 3.03. Governmental Approvals; No Conflicts. (a) The Transactions (i) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, (ii) will not violate any applicable law or regulation or the charter, by-laws or other organizational documents of any Credit Party or any order of any Governmental Authority, (iii) will not violate or result in a default under any indenture, material agreement or other material instrument binding upon any Credit Party or its assets, or give rise to a right thereunder to require any payment to be made by any Credit Party, (iv) will not result in the creation or imposition of any Lien on any asset of any Credit Party (other than Liens created hereunder) and (v) have received all requisite approvals from the Guernsey Financial Services Commission for borrowings by the Company or any Guernsey Borrowing Subsidiary.

(b) Neither the Company nor any of the Subsidiaries is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying margin stock (as defined in Regulation U of the Board). No part of the proceeds of any Loan or BA Drawing will be used, whether directly or indirectly, for any purpose that would entail a violation of such Regulation U.

SECTION 3.04. Financial Condition; No Material Adverse Change. (a) The Company has heretofore furnished to the Lenders its consolidated balance sheet and statements of income, shareholders equity and cash flows (i) as of and for the fiscal year ended September 30, 2006, audited and reported on by Ernst & Young LLP, independent public accountants and (ii) as of and for the fiscal quarters and the portions of the fiscal year ended December 31, 2006, March 31, 2007, and June 30, 2007, certified by its chief financial officer. Such financial statements present fairly, in all material respects, the financial position and results of operations and cash flows of the Company and its consolidated subsidiaries as of such dates and for such periods in accordance with GAAP, subject to year-end audit adjustments and the absence of footnotes in the case of the statements referred to in clause (ii) above.

(b) Since September 30, 2006, there has been no event or condition that has resulted or could reasonably be expected to result in a material adverse change in the business, assets, liabilities, operations or condition (financial or otherwise) of the Company and its subsidiaries, taken as a whole.

SECTION 3.05. Properties. (a) Each of the Company and the Subsidiaries has good title to, or valid leasehold interests in, all its real and personal property material to its business, except for minor defects in title that do not interfere with its ability to conduct its business as currently conducted or to utilize such properties for their intended purposes.

(b) Each of the Company and the Subsidiaries owns, or is licensed to use, all trademarks, tradenames, copyrights, patents and other intellectual property material to its business, and the use thereof by the Company and the Subsidiaries does not infringe upon the rights of any other Person, except for any such infringements that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.06. Litigation and Environmental Matters. (a) There are no actions, suits or proceedings by or before any arbitrator or Governmental Authority pending against or, to the knowledge of the Company, threatened against or affecting the Company or any of the Subsidiaries (i) as to which there is a reasonable likelihood of an adverse determination and that, if adversely determined, could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect or (ii) that involve any of the Credit Documents or the Transactions.

(b) Except with respect to any matters that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, neither the Company nor any of the Subsidiaries (i) has failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law, (ii) has become subject to any Environmental Liability, (iii) has received notice of any claim with respect to any Environmental Liability or (iv) knows of any basis for any Environmental Liability.

SECTION 3.07. Compliance with Laws and Agreements. Each of the Company and the Subsidiaries is in compliance with all laws, regulations and orders of any Governmental Authority applicable to it or its property and all indentures, agreements and other instruments

binding upon it or its property, except where the failure to comply, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.08. Investment Company Status. Neither the Company nor any of the Subsidiaries is an "investment company" as defined in, or subject to regulation under, the Investment Company Act of 1940.

SECTION 3.09. Taxes. Each of the Company and the Subsidiaries has timely filed or caused to be filed all Tax returns and reports required to have been filed and has paid or caused to be paid all Taxes required to have been paid by it, except (a) any Taxes that are being contested in good faith by appropriate proceedings and for which the Company or such Subsidiary, as applicable, has set aside on its books adequate reserves or (b) to the extent that the failure to do so could not reasonably be expected to result in a Material Adverse Effect. The Company has maintained exempt status under the provisions of the Income Tax (Guernsey) Law 1978 (as amended) and Income Tax (Exempt Bodies) (Guernsey) Ordinance 1989 (as amended).

SECTION 3.10. Employee Benefit Plans. No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events for which liability is reasonably expected to occur, could reasonably be expected to result in a Material Adverse Effect. No event or condition, including any underfunding condition, has occurred or exists, or is reasonably expected to occur, in connection with any pension or other employee benefit plan of the Company or any Subsidiary that, when taken together with all other such events and conditions, could reasonably be expected to result in a Material Adverse Effect.

SECTION 3.11. Disclosure. Neither the Information Memorandum nor any of the other reports, financial statements, certificates or other information furnished by or on behalf of any Credit Party to the Administrative Agent or any Lender in connection with the negotiation of this Agreement or delivered hereunder (as modified or supplemented by other information so furnished), taken as a whole, contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, with respect to projected financial information, the Company represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time.

SECTION 3.12. Subsidiaries. Schedule 3.12 correctly sets forth the name of, the jurisdiction of organization of, and the ownership interest of the Company in, each of the Subsidiaries listed therein, in each case as of the Effective Date. The Subsidiaries listed in Schedule 3.12, together with their own subsidiaries, account as of the Effective Date for at least 90% of the consolidated assets of the Company and the Subsidiaries.

SECTION 3.13. OFAC Compliance. None of the Company or any Subsidiary is listed on the Specially Designated Nationals and Blocked Persons List maintained by the Office of Foreign Asset Control, Department of the Treasury ("OFAC") pursuant to Executive Order No. 13224, 66 Fed. Reg. 49079 (Sept. 25, 2001), and/or any other list maintained pursuant to any of the rules and regulations of OFAC or pursuant to any other applicable Executive Orders or otherwise subject to sanction under an OFAC implemented regulation.

ARTICLE IV

Conditions

SECTION 4.01. Effective Date. The obligations of the Lenders to make Loans and accept and purchase BAs and of the Issuing Banks to issue Letters of Credit hereunder shall not become effective until the date on which each of the following conditions is satisfied (or waived in accordance with Section 11.02):

(a) The Administrative Agent (or its counsel) shall have received from each party hereto either (i) a counterpart of this Agreement signed on behalf of such party or (ii) written evidence reasonably satisfactory to the Administrative Agent (which may include facsimile or other electronic transmission of a signed signature page of this Agreement) that such party has signed a counterpart of this Agreement.

(b) The Administrative Agent shall have received a written opinion (addressed to the Administrative Agent and the Lenders and dated the Effective Date) of (i) Wilmer Cutler Pickering Hale and Dorr LLP, counsel for the Borrowers, and (ii) Carey Olsen, Guernsey counsel, in each case covering such matters relating to the Borrowers, the Credit Documents and the Transactions as the Administrative Agent or the Required Lenders shall reasonably request. The Company hereby requests such counsel to deliver such opinions.

(c) The Administrative Agent shall have received such documents and certificates as the Administrative Agent or its counsel may reasonably request relating to the organization, existence and good standing of each Borrower, the authorization of the Transactions and any other legal matters relating to the Borrowers, the Credit Documents or the Transactions, all in form and substance satisfactory to the Administrative Agent and its counsel.

(d) The Administrative Agent shall have received a certificate, dated the Effective Date and signed by the President, a Vice President or a Financial Officer of the Company, confirming that on and as of the Effective Date, the representations and warranties of the Borrowers set forth in this Agreement shall be true and correct in all material respects and no Default shall have occurred and be continuing.

(e) The Administrative Agent shall have received all fees and other amounts due and payable on or prior to the Effective Date, including, to the extent invoiced, reimbursement or payment of all out-of-pocket expenses (including fees, charges and disbursements of counsel) required to be reimbursed or paid by any Borrower hereunder.

(f) The Agents and Lenders shall have received all documentation and other information requested by them for purposes of ensuring compliance with applicable "know your customer" and anti-money laundering rules and regulations, including the U.S.A. Patriot Act, the Criminal Code (Canada), the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada) and the Anti-Terrorism Act (Canada), not fewer than five Business Days prior to the Closing Date.

The Administrative Agent shall notify the Company and the Lenders of the Effective Date, and such notice shall be conclusive and binding. Notwithstanding the foregoing, the obligations of the Lenders to make Loans and accept and purchase BAs and of the Issuing Banks to issue

Letters of Credit hereunder shall not become effective unless each of the foregoing conditions is satisfied (or waived pursuant to Section 11.02) at or prior to 5:00 p.m., New York City time, on December 21, 2006 (and in the event such conditions are not so satisfied or waived, the Commitments shall terminate at such time).

SECTION 4.02. Each Credit Event. The obligation of each Lender to make a Loan on the occasion of any Borrowing or to accept and purchase BAs on the occasion of any BA Drawing, and of each Issuing Bank to issue, amend, renew or extend any Letter of Credit, is subject to receipt of the request therefor in accordance herewith and to the satisfaction of the following conditions:

(a) The representations and warranties of the Borrowers set forth in this Agreement (other than, with respect to any Borrowing occurring after the Effective Date, the representations set forth in Section 3.04(b)) shall be true and correct in all material respects on and as of the date of such Borrowing or BA Drawing or the date of issuance, amendment, renewal or extension of such Letter of Credit, as applicable.

(b) At the time of and immediately after giving effect to such Borrowing or BA Drawing or the issuance, amendment, renewal or extension of such Letter of Credit, as applicable, no Default shall have occurred and be continuing.

Each Borrowing or BA Drawing and each issuance, amendment, renewal or extension of a Letter of Credit shall be deemed to constitute a representation and warranty by the Company on the date thereof as to the matters specified in paragraphs (a) and (b) of this Section.

SECTION 4.03. Initial Credit Event for each Additional Borrowing Subsidiary. The obligations of the Lenders to make Loans to and accept and purchase BAs issued by, and the obligations of the Issuing Banks to issue Letters of Credit for the account of, any Borrowing Subsidiary that becomes a Borrowing Subsidiary after the Closing Date in accordance with Section 2.21 are subject to the satisfaction of the following conditions:

(a) The Administrative Agent (or its counsel) shall have received such Borrowing Subsidiary's Borrower Joinder Agreement duly executed by the parties thereto.

(b) The Administrative Agent shall have received such documents (including such legal opinions) as the Administrative Agent or its counsel may reasonably request relating to the formation, existence and good standing of such Borrower, the authorization and legality of the Transactions insofar as they relate to such Borrower and any other legal matters relating to such Borrower, its Borrower Joinder Agreement or the Transactions, all in form and substance reasonably satisfactory to the Administrative Agent and its counsel.

(c) The Agents and Lenders shall have received, at least five Business Days prior to the making of such Loans, acceptance and purchase of such BAs or issuance of such Letters of Credit, all documentation and other information relating to such Borrower requested by them for purposes of ensuring compliance with applicable "know your customer" and anti-money laundering rules and regulations, including the U.S.A. Patriot Act, the Criminal Code (Canada), the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada) and the Anti-Terrorism Act (Canada).

ARTICLE V

Affirmative Covenants

Until the Commitments have expired or been terminated, the principal of and interest on each Loan and each BA and all fees payable hereunder have been paid in full, all Letters of Credit have expired or terminated and all LC Disbursements have been reimbursed, the Company covenants and agrees, and each Borrower covenants and agrees, as to itself and its subsidiaries, with the Lenders that:

SECTION 5.01. Financial Statements and Other Information. The Company will furnish to the Administrative Agent and each Lender:

(a) within 120 days after the end of each fiscal year of the Company (or, if earlier, the date on which the Company is required to file the same with the SEC or any other Governmental Authority), its audited consolidated balance sheet and related statements of income, changes in shareholders' equity and cash flows as of the end of and for such year, setting forth in each case in comparative form the figures for the previous fiscal year, all reported on by Ernst & Young LLP or other independent public accountants of recognized national standing (without a "going concern" or like qualification or exception and without any qualification or exception as to the scope of such audit) to the effect that such consolidated financial statements present fairly in all material respects the financial condition and results of operations of the Company and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied;

(b) within 60 days after the end of each of the first three fiscal quarters of each fiscal year of the Company (or, if earlier, the date on which the Company is required to file the same with the SEC or any other Governmental Authority), its consolidated balance sheet and related statements of income and cash flows as of the end of and for such fiscal quarter and the then elapsed portion of the fiscal year, setting forth in each case in comparative form the figures for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of) the previous fiscal year, all certified by one of its Financial Officers as presenting fairly in all material respects the financial condition and results of operations of the Company and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes;

(c) concurrently with any delivery of financial statements under clause (a) or (b) above, a certificate of a Financial Officer of the Company (i) certifying as to whether a Default has occurred and, if a Default has occurred, specifying the details thereof and any action taken or proposed to be taken with respect thereto, (ii) setting forth reasonably detailed calculations demonstrating compliance with Sections 6.06 and 6.07 and (iii) stating whether any material change in GAAP or in the application thereof (including any change in GAAP or in the application thereof that would affect either of the ratios referred to in Sections 6.06 and 6.07) has occurred since the date of the audited financial statements referred to in Section 3.04 and, if any such change has occurred, specifying any material effect of such change on the financial statements accompanying such certificate;

(d) promptly after the same become publicly available, copies of all periodic and other reports and proxy statements filed by the Company or any Subsidiary with the SEC, or any other securities regulatory authority, or with any securities exchange, or distributed by the Company to its shareholders generally, as the case may be;

(e) promptly after either Moody's or S&P shall have announced a change in the rating established or deemed to have been established by it for the Index Debt, written notice of such rating change;

(f) promptly following a request through the Administrative Agent therefor, any documentation or other information that a Lender reasonably requests in order to comply with its ongoing obligations under applicable "know your customer" and anti-money laundering rules and regulations, including the USA Patriot Act; and

(g) promptly following any request therefor, such other information regarding the operations, business affairs and financial condition of the Company or any Subsidiary, or compliance with the terms of this Agreement, as the Administrative Agent, for itself or on behalf of any Lender, may reasonably request.

Information required to be delivered pursuant to this Section shall be deemed to have been delivered if such information, or one or more annual or quarterly reports containing such information, shall have been posted by the Administrative Agent on an IntraLinks or similar site to which the Lenders have been granted access or shall be publicly available on the website of the SEC at <http://www.sec.gov> (and a confirming notice of such availability shall have been delivered to the Administrative Agent). Information required to be delivered pursuant to this Section may also be delivered by electronic communications pursuant to procedures approved by the Administrative Agent.

SECTION 5.02. Notices of Material Events. The Company will furnish to the Administrative Agent and each Lender prompt written notice of the following:

(a) the occurrence of any Default;

(b) the filing or commencement of any action, suit or proceeding by or before any arbitrator or Governmental Authority against or affecting the Company or any Subsidiary that could reasonably be expected to result in a Material Adverse Effect;

(c) the occurrence of any ERISA Event that, alone or together with any other ERISA Events that have occurred, could reasonably be expected to result in liability of the Company and its Subsidiaries in an aggregate amount exceeding US\$50,000,000;

(d) any change in the date of its fiscal year end; and

(e) any other development that has resulted in or could reasonably be expected to result in a Material Adverse Effect.

Each notice delivered under this Section shall be accompanied by a statement of a Financial Officer or other executive officer of the Company setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

SECTION 5.03. Existence; Conduct of Business. The Company and each Borrowing Subsidiary will keep in full force and effect its legal existence. The Company will, and will cause each of the Subsidiaries to, do or cause to be done all things necessary to preserve, renew and keep in full force and effect its rights, licenses, permits, privileges and franchises except to the extent that the failure to do so could not reasonably be expected to result in a

Material Adverse Effect; provided that the foregoing shall not prohibit any merger, consolidation, liquidation or dissolution permitted under Section 6.04.

SECTION 5.04. Payment of Obligations. The Company will, and will cause each of the Subsidiaries to, pay its material obligations, including material Tax liabilities, before the same shall result in Liens on any material assets of the Company or any Subsidiary, except where (a) the validity or amount thereof is being contested in good faith by appropriate proceedings, (b) the Company or such Subsidiary has set aside on its books adequate reserves with respect thereto in accordance with GAAP and (c) the failure to make payment pending such contest could not reasonably be expected to result in a Material Adverse Effect.

SECTION 5.05. Maintenance of Properties; Insurance. The Company will, and will cause each of the Subsidiaries to, (a) keep and maintain all property material to the conduct of its business in good working order and condition, ordinary wear and tear excepted, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect and (b) maintain, with financially sound and reputable insurance companies, insurance in such amounts and against such risks as are customary among companies engaged in the same or similar businesses (other than risks that, if actualized, could not reasonably be expected to result in a Material Adverse Effect).

SECTION 5.06. Books and Records; Inspection Rights. The Company will, and will cause each of the Subsidiaries to, keep proper books of record and account in which full, true and correct entries are made of all material dealings and transactions in relation to its business and activities. The Company will, and will cause each of the Subsidiaries to, permit any representatives designated by the Administrative Agent, or by any Lender acting through the Administrative Agent, upon reasonable prior notice from the Administrative Agent, to visit and inspect its properties, to examine and make extracts from its books and records and to discuss its affairs, finances and condition with its officers and independent accountants, all at such reasonable times and as often as reasonably requested.

SECTION 5.07. Compliance with Laws. The Company will, and will cause each of the Subsidiaries to, comply with all laws, rules, regulations and orders of Governmental Authorities applicable to it or its property, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

SECTION 5.08. Use of Proceeds. The proceeds of the Loans will be used only for general corporate purposes of the Company and/or the Subsidiaries, which may include acquisitions (but only if approved by the board of directors or other governing body of the target entity before the acquiror commences a tender offer, proxy solicitation or similar action with respect to the target's voting capital stock), investments and share repurchases. No part of the proceeds of any Loan will be used, whether directly or indirectly, for any purpose that entails a violation of any of the Regulations of the Board, including Regulations T, U and X.

ARTICLE VI

Negative Covenants

Until the Commitments have expired or been terminated, the principal of and interest on each Loan and each BA and all fees payable hereunder have been paid in full, all Letters of Credit have expired or terminated and all LC Disbursements have been reimbursed, the Company covenants and agrees, and each Borrower covenants and agrees, as to itself and its subsidiaries, with the Lenders that:

SECTION 6.01. Subsidiary Indebtedness. The Company will not permit any Subsidiary to create, incur, assume or permit to exist any Indebtedness or any preferred stock or other preferred equity interests other than:

(a) Indebtedness under the Credit Documents;

(b) Indebtedness existing on the date hereof and set forth on Schedule 6.01, and Refinancing Indebtedness in respect thereof;

(c) Indebtedness of any Subsidiary to the Company or any other Subsidiary and preferred stock or other preferred equity interests in any Subsidiary held by the Company or any other Subsidiary; provided that no such Indebtedness shall be assigned to, or subjected to any Lien in favor of, a Person other than the Company or a Subsidiary;

(d) Indebtedness incurred to finance the acquisition, construction or improvement of any fixed or capital assets acquired, constructed or improved by the Company or any Subsidiary, and Refinancing Indebtedness in respect of such Indebtedness; provided that such Indebtedness is incurred prior to or within 180 days after such acquisition or the completion of such construction or improvement and does not exceed the cost of acquiring, constructing or improving such fixed or capital assets;

(e) Indebtedness, preferred stock or preferred equity interests of any Person that becomes a Subsidiary after the date hereof; provided that such Indebtedness, preferred stock or preferred equity interests shall exist at the time such Person becomes a Subsidiary, shall not be created in contemplation of or in connection with such Person becoming a Subsidiary and shall not be secured by any Liens other than Liens permitted under Section 6.02(e), and Refinancing Indebtedness in respect of such Indebtedness;

(f) Indebtedness of any Subsidiary as an account party in respect of letters of credit backing obligations that do not constitute Indebtedness;

(g) Indebtedness deemed to exist in connection with any sale and lease-back transaction permitted under Section 6.03; and

(h) other Indebtedness not expressly permitted by clauses (a) through (g) above; provided that the sum, without duplication, of (i) the outstanding Indebtedness permitted solely by this clause (h), (ii) the aggregate principal amount of the outstanding Indebtedness secured by Liens and the outstanding Securitization Transactions permitted solely by Section 6.02(h) and (iii) the Attributable Debt in respect of Sale-Leaseback Transactions permitted by Section 6.03 does not at any time exceed the Basket Amount.

SECTION 6.02. Liens. The Company will not, and will not permit any Subsidiary to, create, incur, assume or permit to exist any Lien on any property or asset now owned or hereafter acquired by it, or assign or sell any income or revenues (including accounts receivable) or rights in respect of any thereof, except:

(a) any Liens securing the Obligations;

(b) Permitted Liens;

(c) any Lien securing Indebtedness permitted under Section 6.01(c);

(d) any Lien on any property or asset of the Company or any Subsidiary or proceeds thereof existing on the date hereof (and any replacement Lien securing permitted extensions, renewals and replacements of the obligations secured by any such Lien); provided that (i) such Lien shall not apply to any other property or asset of the Company or any Subsidiary and (ii) such Lien shall secure only those obligations which it secures on the date hereof and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof;

(e) any Lien existing on any property or asset prior to the acquisition thereof by the Company or any Subsidiary or existing on any property or asset of any Person that becomes a Subsidiary after the date hereof prior to the time such Person becomes a Subsidiary; provided that (i) such Lien is not created in contemplation of or in connection with such acquisition or such Person becoming a Subsidiary, as the case may be, (ii) such Lien shall not apply to any other property or assets of the Company or any Subsidiary and (iii) such Lien shall secure only those obligations which it secures on the date of such acquisition or the date such Person becomes a Subsidiary, as the case may be, and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof;

(f) Liens on fixed or capital assets acquired, constructed or improved by the Company or any Subsidiary securing Indebtedness incurred to finance such acquisition, construction or improvement; provided that (i) such Liens and the Indebtedness secured thereby are incurred prior to or within 180 days after such acquisition or the completion of such construction or improvement, as the case may be, (ii) the Indebtedness secured thereby does not exceed the cost of acquiring, constructing or improving such fixed or capital assets and (iii) such Liens shall not apply to any other property or assets of the Company or any Subsidiary;

(g) Liens deemed to exist in connection with Sale-Leaseback transactions permitted under Section 6.03; and

(h) other Liens on assets other than Equity Interests in Subsidiaries securing or deemed to exist in connection with Indebtedness, and sales of accounts receivable and rights in respect thereof pursuant to Securitization Transactions; provided that the sum, without duplication, of (i) the aggregate principal amount of the outstanding Indebtedness secured by Liens and the outstanding Securitization Transactions permitted solely by this clause (g), (ii) the outstanding Indebtedness permitted solely by Section 6.01(h) and (iii) the Attributable Debt in respect of Sale-Leaseback Transactions permitted by Section 6.03 does not at any time exceed the Basket Amount.

SECTION 6.03. Sale and Lease Back Transactions. The Company will not, and will not permit any Subsidiary to, enter into any Sale-Leaseback Transaction except (a) a Sale-Leaseback Transaction between the Company and a Subsidiary or between Subsidiaries, and (b) to the extent the sum, without duplication, of (i) the Attributable Debt with respect to all such Sale-Leaseback Transactions in effect at any time, (ii) the outstanding Indebtedness permitted solely by Section 6.01(h) and (iii) the aggregate principal amount of the outstanding Indebtedness secured by Liens and the outstanding Securitization Transactions permitted solely by Section 6.02(h) does not at any time exceed the Basket Amount.

SECTION 6.04. Fundamental Changes. (a) The Company will not, and will not permit any Subsidiary to, merge or consolidate with any other Person, or permit any other Person to merge or consolidate with it, or sell, transfer, lease or otherwise dispose of (in one

transaction or in a series of transactions) any substantial portion of its assets, or acquire all or substantially all the equity interests or assets of any other Person or assets constituting a division or other business unit, or liquidate or dissolve, except that (i) any Subsidiary may merge into the Company or any other Subsidiary; (ii) any Subsidiary may sell, lease or otherwise transfer all or any part of its assets to the Company or to another Subsidiary, including by liquidation or dissolution; (iii) the Company and the Subsidiaries may (A) sell, transfer, lease or otherwise dispose of inventory and worn out or obsolete equipment in the ordinary course of business and (B) sell other assets (including through one or more mergers of Subsidiaries) so long as the greater of the aggregate book value and the aggregate fair market value of the assets sold pursuant to this clause (B) during any fiscal year of the Company does not exceed 5% of the Consolidated Assets of the Company and the Subsidiaries as of the end of the immediately preceding fiscal year; and (iv) the Company or any Subsidiary may acquire all or substantially all the equity interests or assets of any other Person or assets constituting a division or other business unit, including through a merger of any Person with the Company or a Subsidiary; provided, that (A) in the case of any such acquisition involving a merger to which the Company is a party, the Company shall be the surviving or resulting corporation and (B) in the case of any Material Acquisition, (1) no Default shall exist after giving effect to such acquisition, and (2) the Company shall be in compliance on a pro forma basis with the covenants set forth in Sections 6.06 and 6.07 as of the end of and for the most recent period of four fiscal quarters for which financial statements shall have been delivered pursuant to Section 5.01, giving effect to such acquisition and any related incurrence or repayment of Indebtedness as if it had occurred at the beginning of such period (and the Company shall have delivered to the Administrative Agent a certificate of a Financial Officer setting forth computations demonstrating such pro forma compliance).

(b) The Company will not, and will not permit any Subsidiary to, engage to any material extent in any business other than businesses of the type conducted by the Company and the Subsidiaries on the date of this Agreement and businesses reasonably related thereto.

SECTION 6.05. Restrictive Agreements. The Company will not, nor will it permit any Subsidiary to, directly or indirectly, enter into, incur or permit to exist any agreement or other arrangement that prohibits, restricts or imposes any condition upon the ability of any Subsidiary to pay dividends or other distributions with respect to its shares of capital stock or other equity interests or to make or repay loans or advances to the Company or any other Subsidiary; provided that (a) the foregoing shall not apply to restrictions and conditions imposed by law or by any Credit Document, (b) the foregoing shall not apply to restrictions and conditions existing on the date hereof and identified on Schedule 6.05 (but shall apply to any extension or renewal, or any amendment or modification expanding the scope, of any such restriction or condition) and (c) the foregoing shall not apply to customary restrictions and conditions that are contained in any agreement for the sale of any asset or Subsidiary in a transaction permitted by this Agreement and applicable only to the asset or Subsidiary that is to be sold.

SECTION 6.06. Interest Coverage Ratio. The Company will not permit the ratio of (a) Consolidated EBITDA to (b) Consolidated Interest Expense, in each case for any period of four consecutive fiscal quarters, to be less than 4.00 to 1.00.

SECTION 6.07. Consolidated Total Debt to Consolidated EBITDA Ratio. The Company will not at any time permit the ratio of (a) Consolidated Total Indebtedness at such time to (b) Consolidated EBITDA for the most recently ended period of four consecutive fiscal quarters to be greater than 3.25 to 1.00.

ARTICLE VII

Events of Default

If any of the following events ("Events of Default") shall occur:

(a) any Borrower shall fail to pay any principal of any Loan or any BA or any reimbursement obligation in respect of any LC Disbursement when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or otherwise;

(b) any Borrower shall fail to pay any interest on any Loan or any fee or any other amount (other than an amount referred to in clause (a) of this Article) payable under this Agreement, when and as the same shall become due and payable, and such failure shall continue unremedied for a period of three Business Days;

(c) any representation or warranty or statement made or deemed made by or on behalf of the Company or any Subsidiary in or in connection with any Credit Document or any amendment or modification thereof or waiver thereunder, or any report, certificate, financial statement or other document furnished pursuant to or in connection with any Credit Document or any amendment or modification thereof or waiver thereunder, shall prove to have been incorrect in any material respect when made or deemed made;

(d) the Company or any Borrower shall fail to observe or perform any covenant, condition or agreement contained in Section 5.02, 5.03 (with respect to the existence of any Borrower) or 5.08 or in Article VI;

(e) any Credit Party shall fail to observe or perform any covenant, condition or agreement contained in this Agreement (other than those specified in clause (a), (b) or (d) of this Article), and such failure shall continue unremedied for a period of 30 days after notice thereof from the Administrative Agent to the Company (which notice will be given at the request of any Lender);

(f) the Company or any Subsidiary shall fail to make any payment (whether of principal or interest and regardless of amount) in respect of any Material Indebtedness at the maturity date thereof;

(g) any event or condition occurs that results in any Material Indebtedness becoming due prior to its scheduled maturity or that enables or permits (with or without the giving of notice, lapse of time or both) the holder or holders of any Material Indebtedness or any trustee or agent on its or their behalf to cause any Material Indebtedness to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity, or that results in the termination or unwinding of, or permits any purchaser or other counterparty to terminate or unwind (with or without the giving of notice, the lapse of time or both), prior to its scheduled termination, any Securitization Transaction constituting, or any Hedging Agreement the obligations of which constitute, Material Indebtedness; provided that this clause (g) shall not apply to secured Indebtedness that becomes due as a result of the voluntary sale or transfer of the property or assets securing such Indebtedness;

(h) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of any Borrower or any Material Subsidiary or its debts, or of a substantial part of its assets, under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for any Borrower or any Material Subsidiary or for a substantial part of its assets or (iii) a declaration that the Company or any Material Subsidiary is en desastre, or proceedings are commenced in saise or an initial vesting is declared over the Borrower or any Material Subsidiary or over the assets of the Borrower or any Material Subsidiary, and, in any such case, such proceeding or petition shall continue undismissed for 60 days or an order or decree approving, ordering or declaring any of the foregoing shall be entered;

(i) any Borrower or any Material Subsidiary shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or seeking a declaration that the Company or any Material Subsidiary is en desastre, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (h) of this Article, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for any Borrower or any other Material Subsidiary or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors or (vi) take any action for the purpose of effecting any of the foregoing;

(j) any Borrower or any Material Subsidiary shall admit in writing its inability, or fail generally, to pay its debts as they become due;

(k) one or more judgments for the payment of money in an aggregate amount in excess of US\$25,000,000 shall be rendered against any Borrower, any other Subsidiary or any combination thereof and the same shall remain undischarged, unsettled or unpaid for a period of 30 consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to attach or levy upon any material assets of the Borrower or any other Subsidiary to enforce any one or more judgments in such aggregate amount and such action shall not have been promptly stayed;

(l) an ERISA Event, or any event or condition in connection with any pension or other employee benefit plan subject to the laws of a jurisdiction other than the United States, shall have occurred or shall exist that, in the opinion of the Required Lenders, when taken together with all other ERISA Events and other such events and conditions, could reasonably be expected to result in a Material Adverse Effect.;

(m) the guarantee of the Company under Article X shall cease to be, or shall be asserted by the Company not to be, a legal, valid or binding obligation of the Company;

(n) a Change in Control shall occur;

then, and in every such event (other than an event with respect to the Company or any Borrower described in clause (h) or (i) of this Article), and at any time thereafter during the continuance of

such event, the Administrative Agent may, and at the request of the Required Lenders shall, by notice to the Company, take either or both of the following actions, at the same or different times: (i) terminate the Commitments, and thereupon the Commitments shall terminate immediately and (ii) declare the Loans and all payment obligations of the Borrowers in respect of BAs then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Loans and all payment obligations of the Borrowers in respect of BAs so declared to be due and payable, together with accrued interest thereon and all fees and other obligations of the Borrowers accrued hereunder, shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrowers; and in case of any event with respect to any Borrower or any Subsidiary described in clause (h) or (i) of this Article, the Commitments shall automatically terminate and the principal of the Loans and all payment obligations of the Borrowers in respect of BAs then outstanding, together with accrued interest thereon and all fees and other obligations of the Borrowers accrued hereunder, shall automatically become due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrowers.

ARTICLE VIII

The Agents

Each of the Lenders and Issuing Banks hereby irrevocably appoints the Agents as its agents and authorizes the Agents to take such actions on its behalf and to exercise such powers as are delegated to the Agents by the terms of the Credit Documents, together with such actions and powers as are reasonably incidental thereto.

Any Person serving as an Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not an Agent, and such Person and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with the Company or any Subsidiary or other Affiliate thereof as if it were not an Agent hereunder.

The Agents shall not have any duties or obligations except those expressly set forth in the Credit Documents. Without limiting the generality of the foregoing, (a) the Agents shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing, (b) the Agents shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated by the Credit Documents that the Agents are required to exercise in writing as directed by the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 11.02) and (c) except as expressly set forth in the Credit Documents, the Agents shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Company or any of the Subsidiaries that is communicated to or obtained by them or any of their Affiliates in any capacity. The Agents shall not be liable to any Lender or Issuing Bank for any action taken or not taken by them with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 11.02) or in the absence of their own gross negligence or wilful misconduct. Each Agent shall be deemed not to have knowledge of any Default unless and until written notice thereof is given to such Agent by the Company or a Lender, and the Agents shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with any Credit Document, (ii) the contents of any certificate, report or other

document delivered thereunder or in connection therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth in any Credit Document, (iv) the validity, enforceability, effectiveness or genuineness of any Credit Document or any other agreement, instrument or document or (v) the satisfaction of any condition set forth in Article IV or elsewhere in any Credit Document, other than to confirm receipt of items expressly required to be delivered to such Agent.

Each Agent shall be entitled to rely upon, and shall not incur any liability to any Lender or Issuing Bank for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing believed by it to be genuine and to have been signed or sent by the proper Person. Each Agent also may rely upon any statement made to it orally or by telephone and believed by it to be made by the proper Person, and shall not incur any liability for relying thereon. Each Agent may consult with legal counsel (who may be counsel for any Borrower), independent accountants and other experts selected by it, and shall not be liable to any Lender or Issuing Bank for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

Each Agent may perform any and all its duties and exercise its rights and powers by or through any one or more sub-agents appointed by it. Each Agent and any such sub-agent may perform any and all its duties and exercise its rights and powers through its respective Related Parties. The exculpatory provisions of the preceding paragraphs and the provisions of Section 11.03 shall apply to any such sub-agent and to the Related Parties of each Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Agent.

Subject to the appointment and acceptance of a successor Agent as provided in this paragraph, each Agent may resign at any time by notifying the other Agents, the Lenders, the Issuing Banks and the Company. Upon any such resignation, the Required Lenders (in the case of a resignation by the Administrative Agent) or the Administrative Agent (in the case of a resignation by any other Agent) shall have the right, in consultation with the Company and, so long as no Event of Default shall have occurred and be continuing, with the Company's prior consent (which shall not be unreasonably withheld), to appoint a successor. If no successor Agent shall have been so appointed and shall have accepted such appointment within 30 days after the retiring Agent gives notice of its resignation, then the retiring Agent may, on behalf of the Lenders and the Issuing Banks, appoint a successor Agent which shall be a bank with an office in New York, New York, or an Affiliate of any such bank, that is reasonably acceptable to the Company. Upon the acceptance of its appointment as Agent hereunder by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent, and the retiring Agent shall be discharged from its duties and obligations hereunder. The fees payable by the Company to a successor Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Company and such successor. After an Agent's resignation hereunder, the provisions of this Article and Section 11.03 shall continue in effect for the benefit of such retiring Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while it was acting as Agent.

Each Lender acknowledges that it has, independently and without reliance upon any Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon any Agent or any other Lender and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based

upon this Agreement, any other Credit Document or any related agreement or any document furnished hereunder or thereunder.

The parties agree that none of the Joint Lead Arrangers and Joint Bookrunners and the Syndication Agent named on the cover page of this Agreement shall, in such capacities, have any powers, duties or responsibilities under this Agreement or any other Credit Document.

ARTICLE IX

Collection Allocation Mechanism

On the CAM Exchange Date, (a) the Commitments shall automatically and without further act be terminated as provided in Article VII and (b) the Lenders shall automatically and without further act be deemed to have made reciprocal purchases of interests in the Designated Obligations such that, in lieu of the interests of each Lender in the particular Designated Obligations that it shall own as of such date and immediately prior to the CAM Exchange, such Lender shall own an interest equal to such Lender's CAM Percentage in each Designated Obligation. It is understood and agreed that Lenders holding interests in BAS immediately prior to the CAM Exchange shall discharge their obligations with respect to the payment of such BAS at the maturity thereof in exchange for the interests acquired by such Lenders in funded Loans in the CAM Exchange. Each Lender, each person acquiring a participation from any Lender as contemplated by Section 11.04 and each Credit Party hereby consents and agrees to the CAM Exchange. Each Credit Party and each Lender agrees from time to time to execute and deliver to the Agents all such promissory notes and other instruments and documents as the Administrative Agent shall reasonably request to evidence and confirm the respective interests and obligations of the Lenders after giving effect to the CAM Exchange, and each Lender agrees to surrender any promissory notes originally received by it hereunder to the Administrative Agent against delivery of any promissory notes so executed and delivered; provided that the failure of any Borrower to execute or deliver or of any Lender to accept any such promissory note, instrument or document shall not affect the validity or effectiveness of the CAM Exchange.

As a result of the CAM Exchange, on and after the CAM Exchange Date, each payment received by an Agent pursuant to any Credit Document in respect of the Designated Obligations shall be distributed to the Lenders pro rata in accordance with their respective CAM Percentages (to be redetermined as of each such date of payment or distribution to the extent required by the next paragraph).

In the event that, after the CAM Exchange, the aggregate amount of the Designated Obligations shall change as a result of the making of an LC Disbursement by an Issuing Bank that is not reimbursed by the applicable Borrower, then (a) each Tranche A Lender shall, in accordance with Section 2.05(d), promptly purchase from the applicable Issuing Bank a participation in such LC Disbursement in the amount of such Lender's Tranche A Percentage of such LC Disbursement (without giving effect to the CAM Exchange), (b) the Administrative Agent shall redetermine the CAM Percentages after giving effect to such LC Disbursement and the purchase of participations therein by the applicable Lenders, and the Lenders shall automatically and without further act be deemed to have made reciprocal purchases of interests in the Designated Obligations such that each Lender shall own an interest equal to such Lender's CAM Percentage in each of the Designated Obligations and (c) in the event distributions shall have been made in accordance with the preceding paragraph, the Lenders shall make such payments to one another as shall be necessary in order that the amounts received by them shall be equal to the amounts they would have received had each LC Disbursement been outstanding

immediately prior to the CAM Exchange. Each such redetermination shall be binding on each of the Lenders and their successors and assigns and shall be conclusive absent manifest error.

ARTICLE X

Guarantee

In order to induce the Lenders to extend credit to the Borrowing Subsidiaries hereunder, the Company hereby irrevocably and unconditionally guarantees, as a primary obligor and not merely as a surety, the payment when and as due of the Obligations of the Borrowing Subsidiaries. The Company further agrees that the due and punctual payment of such Obligations may be extended or renewed, in whole or in part, without notice to or further assent from it, and that it will remain bound upon its guarantee hereunder notwithstanding any such extension or renewal of any such Obligation.

The Company waives presentment to, demand of payment from and protest to any Borrowing Subsidiary of any of the Obligations, and also waives notice of acceptance of its obligations and notice of protest for nonpayment. The Company further waives any rights it may have at law, including the droit de discussion or any other right it may otherwise have had of requiring the Lenders and the Agents to pursue the Borrowing Subsidiaries or any other person prior to enforcing the Guarantee or before any action is taken hereunder against it, or any other right whether known as the droit de division or otherwise whereby the liability of the Company might otherwise have been reduced in any matter whatsoever or apportioned with any other guarantor or any other person. The obligations of the Company hereunder shall not be affected by (a) the failure of any Agent or Lender to assert any claim or demand or to enforce any right or remedy against any Borrowing Subsidiary under the provisions of this Agreement, any other Credit Document or otherwise, (b) any extension or renewal of any of the Obligations, (c) any rescission, waiver, amendment or modification of, or release from, any of the terms or provisions of this Agreement or any other Credit Document or agreement, (d) any default, failure or delay, wilful or otherwise, in the performance of any of the Obligations, (e) any decree or order, or any law or regulation of any jurisdiction or event affecting any term of an Obligation or (f) any other act, omission or delay to do any other act which may or might in any manner or to any extent vary the risk of the Company or otherwise operate as a discharge of a guarantor as a matter of law or equity or which would impair or eliminate any right of the Company to subrogation or any other circumstance that might constitute a defense of the Company or any other Borrower.

The Company further agrees that its agreement hereunder constitutes a guarantee of payment when due (whether or not any bankruptcy or similar proceeding shall have stayed the accrual or collection of any of the Obligations or operated as a discharge thereof) and not merely of collection, and waives any right to require that any resort be had by any Agent or Lender to any balance of any deposit account or credit on the books of any Agent or Lender in favor of any Borrower or any other Person.

The obligations of the Company hereunder shall not be subject to any reduction, limitation, impairment or termination for any reason (other than the indefeasible payment in full of all the Obligations), and shall not be subject to any defense or set-off, counterclaim, recoupment or termination whatsoever, by reason of the invalidity, illegality or unenforceability of any of the Obligations, any impossibility in the performance of any of the Obligations or otherwise (other than for the indefeasible payment in full of all the Obligations).

The Company further agrees that its obligations hereunder shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, of any

Obligation is rescinded or must otherwise be restored by any Agent or Lender upon the bankruptcy or reorganization of any Borrowing Subsidiary or otherwise.

In furtherance of the foregoing and not in limitation of any other right any Agent or Lender may have at law or in equity against the Company by virtue hereof, upon the failure of any Borrowing Subsidiary to pay any Obligation when and as the same shall become due, whether at maturity, by acceleration, after notice of prepayment or otherwise, the Company hereby promises to and will, upon receipt of written demand by any Agent or Lender, forthwith pay, or cause to be paid, to the Applicable Agent or Lender in cash an amount equal to the unpaid principal amount of such Obligation then due, together with accrued and unpaid interest thereon. The Company further agrees that if payment in respect of any Obligation shall be due in a currency other than US Dollars and/or at a place of payment other than New York and if, by reason of any Change in Law, disruption of currency or foreign exchange markets, war or civil disturbance or other event, payment of such Obligation in such currency or at such place of payment shall be impossible or, in the reasonable judgment of any Agent or Lender, not consistent with the protection of its rights or interests, then, at the election of the Administrative Agent, the Company shall make payment of such Obligation in US Dollars (based upon the applicable Exchange Rate in effect on the date of payment) and/or in New York, and shall indemnify each Agent and Lender against any losses or reasonable out-of-pocket expenses that it shall sustain as a result of such alternative payment.

Upon payment by the Company of any sums as provided above, all rights of the Company against any Borrowing Subsidiary arising as a result thereof by way of right of subrogation or otherwise shall in all respects be subordinate and junior in right of payment to the prior indefeasible payment in full of all the Obligations owed by such Borrowing Subsidiary to the Agents, the Issuing Bank and the Lenders.

ARTICLE XI

Miscellaneous

SECTION 11.01. Notices. (a) Except in the case of notices and other communications expressly permitted to be given by telephone, all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile, as follows:

(i) if to the Company, to it in care of Amdocs Limited, Suite 5, Tower Hill House Le Bordage, St. Peter Port, Island of Guernsey GYI 3QT, Channel Islands, with a copy to Amdocs, Inc., 1390 Timberlake Manor Parkway, Chesterfield, Missouri 63017;

(ii) if to any Borrower (other than the Company), to it in care of the Company as provided in clause (i) above;

(iii) if to the Administrative Agent, JPMorgan Chase Bank, N.A., in its capacity as a Swingline Lender or JPMorgan Chase Bank, N.A., in its capacity as Issuing Bank, to JPMorgan Chase Bank, N.A., Loan and Agency Services Group, 1111 Fannin, Floor 10, Houston, TX 77002, Attention of Maria Arredondo (Fax No. (713) 750-2358), with a copy to JPMorgan Chase Bank, N.A., 270 Park Avenue, New York, New York 10017, Attention of Shari Stern (Fax No. (212) 623 - 1310);

(iv) if to the London Agent, to J. P. Morgan Europe Limited, 125 London Wall, London EC2Y 5AJ, Attention of Agency Department (Fax No. 44 -207-777-2360), with a copy to the Administrative Agent as provided under clause (iii) above;

(v) if to the Canadian Agent, to JPMorgan Chase Bank, N.A., Toronto Branch, 200 Bay Street, Royal Bank Plaza, South Tower, 18th Floor, Toronto, Ontario M5J 2J2 Canada, Attention of Amanda Vidulich (Fax No. (416) 981-9128), with a copy to the Administrative Agent as provided under clause (iii) above; and

(vi) if to any other Issuing Bank or Lender, to it at its address (or facsimile number) set forth in its Administrative Questionnaire.

(b) Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communications pursuant to procedures approved by the Agents; provided that the foregoing shall not apply to notices pursuant to Article II unless otherwise agreed by the Applicable Agent and the applicable Lender. Any Agent or Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

(c) Any party hereto may change its address or facsimile number for notices and other communications hereunder by notice to the other parties hereto. All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt.

SECTION 11.02. Waivers; Amendments. (a) No failure or delay by any Agent, any Issuing Bank or any Lender in exercising any right or power hereunder or under any other Credit Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Agents, the Issuing Banks and the Lenders hereunder and under the other Credit Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of any Credit Document or consent to any departure by any Credit Party therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan, acceptance and purchase of a BA or issuance of a Letter of Credit shall not be construed as a waiver of any Default, regardless of whether any Agent, any Lender or any Issuing Bank may have had notice or knowledge of such Default at the time.

(b) None of this Agreement, any Credit Document or any provision hereof or thereof may be waived, amended or modified except, in the case of this Agreement, pursuant to an agreement or agreements in writing entered into by the Company and the Required Lenders or, in the case of any other Credit Document, pursuant to an agreement or agreements in writing entered into by the Administrative Agent and the Credit Party or Credit Parties that are parties thereto, in each case with the consent of the Required Lenders; provided that no such agreement shall (i) increase any Commitment of any Lender without the written consent of such Lender, (ii) reduce the principal amount of any Loan, payment obligation in respect of a BA or LC Disbursement or reduce the rate of interest thereon, or reduce any fees payable hereunder, without the written consent of each Lender affected thereby, (iii) postpone the maturity of any Loan or BA, or the required date of reimbursement of any LC Disbursement, or any date for the payment of any principal, interest or fees payable hereunder, or reduce the amount of, waive or excuse any

such payment, or postpone the scheduled date of expiration of any Commitment, without the written consent of each Lender affected thereby, (iv) change Section 2.18(b) or (c) in a manner that would alter the pro rata sharing of payments required thereby, without the written consent of each Lender, (v) change any of the provisions of this Section or the percentage set forth in the definition of "Required Lenders" or any other provision of any Credit Document specifying the number or percentage of Lenders (or Lenders of any Class) required to waive, amend or modify any rights thereunder or make any determination or grant any consent thereunder, without the written consent of each Lender (or each Lender of such Class, as the case may be), (vi) release the Company from its Guarantee under Article X or limit the liability of the Company in respect of such Guarantee, without the written consent of each Lender or (vii) change any provision of any Credit Document in a manner that by its terms adversely affects the rights in respect of payments or prepayments due to Lenders with Commitments or Obligations of any Class differently than those with Commitments or Obligations of any other Class, without the written consent of Lenders holding a majority in interest of the Commitments and outstanding Loans and BAs of the adversely affected Class; provided further that (i) no such agreement shall amend, modify or otherwise affect the rights or duties of any Agent or Issuing Bank or the Swingline Lender without the prior written consent of such Agent or Issuing Bank or the Swingline Lender, as the case may be, and (ii) any waiver, amendment or modification of this Agreement that by its terms affects the rights or duties under this Agreement of one Tranche (but not of all Tranches) may be effected by an agreement or agreements in writing entered into by the Company and requisite percentage in interest of the affected Lenders under the applicable Tranche. Notwithstanding the foregoing, any provision of this Agreement may be amended by an agreement in writing entered into by the Company, the Required Lenders and the Administrative Agent (and, if their rights or obligations are affected thereby, the other Agents, the Issuing Banks and the Swingline Lender) if (i) by the terms of such agreement the Commitments of each Lender not consenting to the amendment provided for therein shall terminate upon the effectiveness of such amendment and (ii) at the time such amendment becomes effective, each Lender not consenting thereto receives payment in full of the principal of and interest accrued on each Loan made and BA accepted by it and all other amounts owing to it or accrued for its account under this Agreement. For the avoidance of doubt, increases in the Commitments pursuant to Section 2.09(d), extensions of the Maturity Date pursuant to Section 2.09(e) and terminations of the status of Subsidiaries as Borrowing Subsidiaries pursuant to Section 2.21 may be effected in accordance with the requirements of, and subject to the conditions set forth in, such respective Sections and shall not be deemed to constitute amendments subject to the provisions of this paragraph.

SECTION 11.03. Expenses; Indemnity; Damage Waiver. (a) The Company shall pay (i) all reasonable out-of-pocket expenses incurred by the Agents, the Arrangers and their Affiliates, including the reasonable fees, charges and disbursements of counsel for the Agents, the Arrangers and their Affiliates, in connection with the structuring, arrangement and syndication of the credit facilities provided for herein, the preparation and administration of the Credit Documents or any amendments, modifications or waivers of the provisions thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all reasonable out-of-pocket expenses incurred by the Issuing Banks in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder and (iii) all out-of-pocket expenses incurred by any Agent, Arranger, Issuing Bank or Lender, including the fees, charges and disbursements of counsel for such Agent, Arranger, Issuing Bank or Lender, in connection with the enforcement or protection of its rights in connection with the Credit Documents, including its rights under this Section, or in connection with the Loans made, the BAs accepted and purchased or the Letters of Credit issued hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans, BAs or Letters of Credit.

(b) The Company and the other Borrowers shall indemnify each Agent, Arranger, Issuing Bank and Lender, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnatee") against, and hold each Indemnatee harmless from, any and all losses, claims, damages, penalties, liabilities and related expenses, including the reasonable fees, charges and disbursements of any outside counsel for any Indemnatee, incurred by or asserted against any Indemnatee arising out of, in connection with, or as a result of (i) the structuring, arrangement and syndication of the credit facilities provided for herein, (ii) the execution or delivery of any Credit Document or any other agreement or instrument contemplated hereby, the performance by the parties to the Credit Documents of their respective obligations thereunder or the consummation of the Transactions or any other transactions contemplated hereby, (iii) any Loan, BA or Letter of Credit or the use of the proceeds therefrom (including any refusal by an Issuing Bank to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iv) any Environmental Liability related in any way to the Company or any of the Subsidiaries or (v) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory and regardless of whether initiated by any Indemnatee or a third party or whether any Indemnatee is a party thereto; provided that such indemnity shall not, as to any Indemnatee, be available to the extent that such losses, claims, damages, penalties, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or wilful misconduct of such Indemnatee or from the breach by such Indemnatee of its agreements under the Credit Documents (other than unintentional breaches that are immaterial or that are corrected promptly after they come to the attention of such Indemnatee). Notwithstanding the foregoing, the indemnification obligations of each Borrowing Subsidiary (but not of the Company) under this paragraph (b) will be limited to losses, claims, damages, penalties, liabilities and related expenses directly related to such Borrowing Subsidiary (including the execution, delivery and performance of this Agreement by such Borrowing Subsidiary, the Loans made and Letters of Credit issued for the account of such Borrowing Subsidiary, the use by such Borrowing Subsidiary of the proceeds of such Loans and such Letters of Credit and the other Transactions insofar as they relate to such Borrowing Subsidiary).

(c) To the extent that the Company or any other Borrower fails to pay any amount required to be paid by it to any Agent or Issuing Bank or the Swingline Lender under paragraph (a) or (b) of this Section, each Lender severally agrees to pay to such Agent or Issuing Bank or the Swingline Lender, as the case may be, such Lender's pro rata share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount; provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against such Agent or Issuing Bank or the Swingline Lender in its capacity as such. For purposes hereof, a Lender's "pro rata share" shall be determined based upon its share of the sum of the aggregate Revolving Credit Exposures and unused Commitments at the time.

(d) The Borrowers shall not assert, and hereby waive, any claim against any Indemnatee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement or any agreement or instrument contemplated hereby, the Transactions, any Loan, BA or Letter of Credit or the use of the proceeds thereof.

(e) All amounts due under this Section shall be payable promptly after written demand therefor.

SECTION 11.04. Successors and Assigns. (a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby (including any Affiliate of any Issuing Bank that issues any Letter of Credit), except that the Borrowers may not assign or otherwise transfer any of their rights or obligations hereunder without the prior written consent of each Lender and Issuing Bank (and any attempted assignment or transfer by any Borrower without such consent shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby (including any Affiliate of any Issuing Bank that issues any Letter of Credit) and, to the extent expressly contemplated hereby, the Related Parties of each of the Agents, the Issuing Banks and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) (i) Subject to the conditions set forth in paragraph (b)(ii) below, any Lender may assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment under any Tranche and the Loans and other amounts at the time owing to it under such Tranche) with the prior written consent (such consent not to be unreasonably withheld) of:

(A) the Company; provided that no consent of the Company shall be required for an assignment to a Lender, an Affiliate of a Lender, an Approved Fund (except to the extent such assignment to an Affiliate or Approved Fund will result in an increase in the payments required to be made by any Borrower under Section 2.15, 2.17 or 2.20) or, if an Event of Default has occurred and is continuing, any other assignee;

(B) the Administrative Agent;

(C) each Issuing Bank, in the case of an assignment of a Tranche A Commitment; and

(D) the Swingline Lender.

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender or an Affiliate of a Lender or an assignment of the entire remaining amount of any Commitment of the assigning Lender, the amount of each Commitment of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent) shall not be less than US\$5,000,000 unless each of the Company and the Administrative Agent otherwise consent; provided that no such consent of the Company shall be required if an Event of Default has occurred and is continuing;

(B) each partial assignment of a Commitment and extensions of credit under a Tranche shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under such Tranche;

(C) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of \$3,500;

(D) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire in which the assignee designates one or more

credit contacts to whom all syndicate-level information (which may contain material non-public information about the Borrower and its Related Parties or their securities) will be made available and who may receive such information in accordance with the assignee's compliance procedures and applicable laws, including Federal, State and foreign securities laws;

(E) the assignee shall be able to receive payments of interest from the Borrowers under the Tranche or Tranches in which it will participate free of withholding taxes referred to in clause (b) or (c), as applicable, of the definition of "Excluded Taxes" (other than any such withholding taxes resulting from a Change in Law after the Closing Date or any withholding taxes imposed by any taxation authority in Switzerland or any political subdivision thereof that is payable as a result of the unavailability as to such assignee of an exemption for amounts paid to banks) and shall have delivered any and all tax certificates required to be delivered by it under Section 2.17(e);

(F) if the assignee is not a bank, the assignor shall have so notified the Company (it being agreed that the Company may withhold its consent to any assignment under clause (i)(A) above if it determines that the status of the proposed assignee as an entity other than a bank could result in the applicability of Swiss withholding taxes to payments under this Agreement for which the Company or any other Borrower would be required to indemnify any Lender); and

(G) the assignee shall be capable of lending in the applicable currencies and to the applicable Borrowers under the Tranche or Tranches in which it will participate.

For purposes of this Section, the term "Approved Fund" has the following meaning:

"Approved Fund" means any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course of its business and that is administered or managed by a Lender, an Affiliate of a Lender or an entity or an Affiliate of an entity that administers or manages a Lender.

(c) Subject to acceptance and recording thereof pursuant to paragraph (e) of this Section, from and after the effective date specified in each Assignment and Assumption the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.15, 2.16, 2.17, 2.20 and 11.03). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this paragraph shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (f) of this Section.

(d) The Administrative Agent, acting for this purpose as an agent of the Borrowers, shall maintain at one of its offices in The City of New York a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, and the Borrowers, the Administrative Agent, the Issuing Banks and the Lenders

may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by any Borrower, Issuing Bank or Lender at any reasonable time and from time to time upon reasonable prior notice.

(e) Upon its receipt of a duly completed Assignment and Assumption executed by an assigning Lender and an assignee, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section and any written consent to such assignment required by paragraph (b) of this Section, the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph. Following the effectiveness of any assignment, the Administrative Agent shall, if so requested, cause promissory notes reflecting such assignment to be issued to the Assignee and, if applicable, to the Assignor, upon cancellation of any existing promissory notes originally issued to the Assignor.

(f) Any Lender may, without the consent of the Company, the Administrative Agent, the Issuing Banks or any other Lender, sell participations to one or more banks or other entities (a "Participant") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitments and its Loans and other extensions of credit hereunder); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrowers, the Agents, the Issuing Banks and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce the Credit Documents and to approve any amendment, modification or waiver of any provision of the Credit Documents; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the first proviso to Section 11.02(b) that affects such Participant. Subject to paragraph (g) of this Section, each Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.15, 2.16, 2.17 and 2.20 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 11.08 as though it were a Lender, provided such Participant agrees to be subject to Section 2.18(c) as though it were a Lender.

(g) A Participant shall not be entitled to receive any greater payment under Section 2.15, 2.17 or 2.20 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant. A Participant shall not be entitled to the benefits of Section 2.17 unless the Company is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrowers, to comply with Section 2.17(e) as though it were a Lender.

(h) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank, and this Section shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(i) Notwithstanding anything to the contrary contained herein, but subject to satisfaction of the conditions set forth in Section 11.04(b)(ii)(E) and (F), any Lender (a "Granting Bank") may grant to a special purpose funding vehicle (an "SPC") of such Granting Bank, identified as such in writing from time to time by the Granting Bank to the Administrative Agent and the Company, the option to provide to any Borrower all or any part of any Loan that such Granting Bank would otherwise be obligated to make to such Borrower pursuant to Section 2.01, provided that (i) nothing herein shall constitute a commitment to make any Loan by any SPC, (ii) if an SPC elects not to exercise such option or otherwise fails to provide all or any part of such Loan, the Granting Bank shall be obligated to make such Loan pursuant to the terms hereof, (iii) all amounts payable by any Borrower to any SPC hereunder in respect of any Loan and the applicability of the cost protection provisions contained in Section 2.15, 2.16, 2.17 and 2.20 shall be determined as if the Granting Bank had made such Loan and (iv) any notices given by the Agents, the Borrowers and the other Lenders with respect to any Loan provided by a SPC may be given to the Granting Bank and the Granting Bank shall have the authority to act on behalf of the SPC with respect to such Loans and/or notices. The making of Loans and other extensions of credit by a SPC hereunder shall be deemed to utilize the Commitments of the Granting Bank to the same extent, and as if, such Loans and other extensions of credit were made by the Granting Bank. Each party hereto hereby agrees that no SPC shall be liable for any payment under this Agreement for which a Lender would otherwise be liable, for so long as, and to the extent, the related Granting Bank makes such payment. In furtherance of the foregoing, each party hereto hereby agrees that, prior to the date that is one year and one day after the payment in full of all outstanding senior indebtedness of any SPC, it will not institute against, or join any other person in instituting against, such SPC any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings or similar proceedings under the laws of the United States or any State thereof. In addition, notwithstanding anything to the contrary contained in this Section, any SPC may assign all or a portion of its interests in any Loans and other extensions of credit to its Granting Bank or to any financial institutions providing liquidity and/or credit facilities to or for the account of such SPC to fund the Loans and other extensions of credit made by such SPC or to support the securities (if any) issued by such SPC to fund such Loans and other extensions of credit.

SECTION 11.05. Survival. All covenants, agreements, representations and warranties made by the Credit Parties in the Credit Documents and in the certificates or other instruments delivered in connection with or pursuant to this Agreement or any other Credit Document shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of the Credit Documents and the making of any Loans, the acceptance and purchase of any BAs and the issuance of any Letters of Credit, regardless of any investigation made by any such other party or on its behalf and notwithstanding that any Agent, Issuing Bank or Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under this Agreement is outstanding and unpaid or any Letter of Credit is outstanding and so long as the Commitments have not expired or terminated. The provisions of Sections 2.15, 2.16, 2.17, 2.20 and 11.03 and Article VIII shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Loans and BAs, the expiration or termination of the Letters of Credit and the Commitments or the termination of this Agreement or any provision hereof.

SECTION 11.06. Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement, the other Credit Documents and any separate letter agreements with

respect to fees payable to the Agents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Agents and when the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or other electronic imaging means shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 11.07. Severability. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

SECTION 11.08. Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender and each of its Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other obligations at any time owing by such Lender or Affiliate to or for the credit or the account of any Borrower against any of and all the obligations of such Borrower now or hereafter existing under this Agreement or any other Credit Document held by such Lender, irrespective of whether or not such Lender shall have made any demand under this Agreement and although such obligations may be unmaturing. The rights of each Lender under this Section are in addition to other rights and remedies (including other rights of setoff) which such Lender may have.

SECTION 11.09. Governing Law; Jurisdiction; Consent to Service of Process. (a) This Agreement shall be construed in accordance with and governed by the law of the State of New York.

(b) Each Borrower hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to any Credit Document, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or any other Credit Document shall affect any right that any Agent, Issuing Bank or Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Credit Document against any Borrower or its properties in the courts of any jurisdiction.

(c) Each Borrower hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or any other Credit Document in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each Credit Party has appointed CT Corporation System, 111 Eighth Avenue, 13th Floor, New York, New York, 10011, as its authorized agent (the "Authorized Agent") upon whom process may be served in any action arising out of or based on this Agreement or any other Credit Document which may be instituted in any court referred to in clause (b) of this Section by any Agent, Issuing Bank or Lender or their Affiliates, and waives any other requirements of or objections to personal jurisdiction with respect thereto. Such appointment shall be irrevocable. Each Credit Party represents and warrants that the Authorized Agent has agreed to act as such agent for service of process and agrees to take any and all action, including the filing of any and all documents and instruments, that may be necessary to continue such appointment in full force and effect as aforesaid. Service of process upon the Authorized Agent and written notice of such service to the applicable Credit Party shall be deemed, in every respect, effective service of process upon such Credit Party.

(e) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 11.01. Nothing in the Agreement or any other Credit Document will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 11.10. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY OTHER CREDIT DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

SECTION 11.11. Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

SECTION 11.12. Confidentiality. Each Agent, Issuing Bank and Lender agrees to maintain the confidentiality of the Information (as defined below), and will not use such confidential Information for any purpose or in any manner except in connection with this Agreement, except that Information may be disclosed (a) to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any governmental, supervisory or regulatory authority (it being agreed that, except in the case of a request by a bank supervisory or regulatory authority, such Agent, Issuing Bank or Lender will to the extent reasonably practicable and permitted by law provide the Company with prior notice of such disclosure and an opportunity to request confidential treatment from such authority), (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process (it being agreed that such Agent, Issuing Bank or Lender will to the extent reasonably practicable and permitted by law provide the Company with prior notice of such disclosure), (d) to any other party to this Agreement, (e) in connection with the exercise of any

remedies hereunder or any suit, action or proceeding relating to this Agreement or any other Credit Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any Hedging Agreement or other derivative transaction relating to the Company or any Subsidiary and its obligations, (g) with the written consent of the Company or (h) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section or any other confidentiality agreement to which it is party with the Company or any Subsidiary or (ii) becomes available to such Agent, Issuing Bank or Lender on a nonconfidential basis from a source other than the Company. For the purposes of this Section, "Information" means all confidential information received from the Company relating to the Company or its businesses, other than any such information that is available to any Agent, Issuing Bank or Lender on a nonconfidential basis prior to disclosure by the Company. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

SECTION 11.13. Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any extension of credit hereunder, together with all fees, charges and other amounts which are treated as interest on such extension of credit under applicable law (collectively the "Charges"), shall exceed the maximum lawful rate (the "Maximum Rate") which may be contracted for, charged, taken, received or reserved by the Lender that made such extension of credit in accordance with applicable law, the rate of interest payable in respect of such extension of credit hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such extension of credit but were not payable as a result of the operation of this Section shall be cumulated and the interest and Charges payable to such Lender in respect of other extensions of credit or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Effective Rate to the date of repayment, shall have been received by such Lender.

SECTION 11.14. U.S.A. PATRIOT Act. Each Lender hereby notifies the Borrowers that pursuant to the requirements of the USA Patriot Act, it is required to obtain, verify and record information that identifies the Borrowers, which information includes the names and addresses of the Borrowers and other information that will allow such Lender to identify the Borrowers in accordance with the USA Patriot Act.

SECTION 11.15. Non-Public Information. (a) Each Lender acknowledges that all information furnished to it pursuant to this Agreement by the Credit Parties or on their behalf and relating to the Company, the Subsidiaries or their businesses may include material non-public information concerning the Company and the Subsidiaries or their securities, and confirms that it has developed compliance procedures regarding the use of material non-public information and that it will handle such material non-public information in accordance with the procedures and applicable law, including Federal, state and foreign securities laws.

(b) All such information, including requests for waivers and amendments, furnished by the Credit Parties or the Administrative Agent pursuant to, or in the course of administering, this Agreement will be syndicate-level information, which may contain material non-public information about the Company and the Subsidiaries and their securities.

Accordingly, each Lender represents to the Credit Parties and the Administrative Agent that it has identified in its Administrative Questionnaire a credit contact who may receive information that may contain material non-public information in accordance with its compliance procedures and applicable law, including Federal, state and foreign securities laws.

SECTION 11.16. No Fiduciary Duty. Each Credit Party agrees that in connection with all aspects of the Transactions and any communications in connection therewith, the Company and its Affiliates, on the one hand, and the Agents, the Arrangers, the Issuing Banks, the Lenders and their Affiliates, on the other hand, will have a business relationship that does not create, by implication or otherwise, any fiduciary duty on the part of the Agents, the Arrangers, the Issuing Banks, the Lenders or their Affiliates, and no such duty will be deemed to have arisen in connection with any such Transactions or communications.

SECTION 11.17. Senior Indebtedness. In the event that any Credit Party shall at any time issue or have outstanding any Subordinated Indebtedness, such Credit Party shall take all such actions as shall be necessary under the terms of such Subordinated Indebtedness to cause the Obligations of such Credit Party to constitute senior indebtedness (however denominated) in respect of such Subordinated Indebtedness and to enable the Lenders to have and exercise any payment blockage or other remedies available or potentially available to holders of senior indebtedness under the terms of such Subordinated Indebtedness. Without limiting the foregoing, the Obligations of each Credit Party are hereby designated as "senior indebtedness" and as "designated senior indebtedness" under and in respect of any indenture or other agreement or instrument under which Subordinated Indebtedness of such Credit Party is outstanding and are further given all such other designations as shall be required under the terms of any such Subordinated Indebtedness in order that the Lenders or the Administrative Agent may have and exercise any payment blockage or other remedies available or potentially available to holders of senior indebtedness under the terms of such Subordinated Indebtedness.

SECTION 11.18. Conversion of Currencies. (a) If, for the purpose of obtaining judgment in any court, it is necessary to convert a sum owing hereunder in one currency into another currency, each party hereto agrees, to the fullest extent that it may effectively do so, that the rate of exchange used shall be that at which in accordance with normal banking procedures in the relevant jurisdiction the first currency could be purchased with such other currency on the Business Day immediately preceding the day on which final judgment is given.

(b) The obligations of each party hereto in respect of any sum due to any other party hereto or any holder of the obligations owing hereunder (the "Applicable Creditor") shall, notwithstanding any judgment in a currency (the "Judgment Currency") other than the currency in which such sum is stated to be due hereunder (the "Agreement Currency"), be discharged only to the extent that, on the Business Day following receipt by the Applicable Creditor of any sum adjudged to be so due in the Judgment Currency, the Applicable Creditor may in accordance with normal banking procedures in the relevant jurisdiction purchase the Agreement Currency with the Judgment Currency; if the amount of the Agreement Currency so purchased is less than the sum originally due to the Applicable Creditor in the Agreement Currency, the Company agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Applicable Creditor against such loss. The obligations of each party hereto contained in this Section shall survive the termination of this Agreement and the payment of all other amounts owing hereunder.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

AMDOCS LIMITED,

by /s/ Thomas G. O'Brien

Name: Thomas G. O'Brien
Title: Treasurer and Secretary

EUROPEAN SOFTWARE MARKETING LTD,

by /s/ Antonis Antonaides

Name: Antonis Antonaides
Title: Secretary

JPMORGAN CHASE BANK, N.A., individually
and as Administrative Agent, Issuing
Bank and Swingline Lender,

by /s/ Christophe Vohmann

Name: Christophe Vohmann
Title: Vice President

J. P. MORGAN EUROPE LIMITED,
individually and as London Agent,

by /s/ Maxine Graines

Name: Maxine Graines
Title: Associate

JPMORGAN CHASE BANK, N.A., TORONTO
BRANCH, individually and as Canadian
Agent and Swingline Lender,

by /s/ Drew McDonald

Name: Drew McDonald
Title: Executive Director

Lender Signature Page to
the Amdocs Limited
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Name of Institution: ABN AMRO Bank N.V.

by /s/ A. Rouncivell

Name: A. Rouncivell
Title: Authorized Signatory

For any Lender requiring a second
signature line:

by /s/ Stuart Johnstone

Name: Stuart Johnstone
Title: Executing Director

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the Amdocs Limited
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Name of Institution: Bank of America, N.A.

by /s/ David Vega

Name: David Vega
Title: Managing Director

For any Lender requiring a second
signature line:

by

Name:
Title:

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the Amdocs Limited
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Name of Institution: Bank of America, N.A., Canada Branch

by /s/ Nelson Lam

Name: Nelson Lam
Title: Vice President

For any Lender requiring a second
signature line:

by

Name:
Title:

Lender Signature Page to
the Amdocs Limited
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Name of Institution: Bank Hapoalim B.M. New York Branch

by /s/ Gabi Hamani

Name: Gabi Hamani
Title: Senior Vice President

For any Lender requiring a second
signature line:

by /s/ Maxine Levy

Name: Maxine Levy
Title: Vice President

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the Amdocs Limited
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Name of Institution: Bank Hapoalim B.M. London Branch

by /s/ Michaela Murdoch

Name: Michaela Murdoch
Title: Authorized Signatory

For any Lender requiring a second
signature line:

by /s/ Sandra Bowen

Name: Sandra Bowen
Title: Authorized Signatory

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the Amdocs Limited
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Name of Institution: Bank Leumi (UK) plc

by /s/ Menachem Friedman

Name: Menachem Friedman
Title: Managing Director & CEO

For any Lender requiring a second
signature line:

by /s/ Andrew Dowsett

Name: Andrew Dowsett
Title: Manager

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the Amdocs Limited
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Name of Institution: Merrill Lynch Credit Corporation

by /s/ John C. Rowland

Name: John C. Rowland
Title: Vice President

For any Lender requiring a second
signature line:

by

Name:
Title:

Lender Signature Page to
the Amdocs Limited
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Name of Institution: Morgan Stanley Bank

by /s/ Elizabeth Hendricks

Name: Elizabeth Hendricks
Title: Authorized Signatory

For any Lender requiring a second
signature line:

by

Name:
Title:

Lender Signature Page to
the Amdocs Limited
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Name of Institution: Morgan Stanley Senior Funding (Nova Scotia) Co.

by /s/ Jaap L. Tonckens

Name: Jaap L. Tonckens
Title: Vice President

For any Lender requiring a second
signature line:

by

Name:
Title:

Lender Signature Page to
the Amdocs Limited
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Name of Institution: Royal Bank of Canada

by /s/ Dustin Craven

Name: Dustin Craven
Title: Attorney-in-Fact

For any Lender requiring a second
signature line:

by

Name:
Title:

Lender Signature Page to
the Amdocs Limited
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Name of Institution: Royal Bank of Canada

by /s/ Marc J. Drovin

Name: Marc J. Drovin
Title: Senior Account Manager

For any Lender requiring a second
signature line:

by

Name:
Title:

Lender Signature Page to
the Amdocs Limited
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Name of Institution: Royal Bank of Canada, London Branch

by /s/ Michael Atherton

Name: Michael Atherton
Title: Managing Director

For any Lender requiring a second
signature line:

by

Name:
Title:

Lender Signature Page to
the Amdocs Limited
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Name of Institution: U.S. Bank, N.A.

by /s/ Mark D. Skornia

Name: Mark D. Skornia
Title: Vice President

For any Lender requiring a second
signature line:

by

Name:
Title:

Lender Signature Page to
the Amdocs Limited
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Name of Institution: William Street Credit Corporation

by /s/ Mark Walton

Name: Mark Walton
Title: Assistant Vice President

For any Lender requiring a second
signature line:

by

Name:
Title:

Mandatory Costs Rate

1. The Mandatory Costs Rate is an addition to the interest rate to compensate Lenders for the cost of compliance with (a) the requirements of the Bank of England and/or the Financial Services Authority (or, in either case, any other authority which replaces all or any of its functions) or (b) the requirements of the European Central Bank.
2. On the first day of each Interest Period (or as soon as possible thereafter) the London Agent shall calculate, as a percentage rate, a rate (the "Additional Cost Rate") for each Lender, in accordance with the paragraphs set out below. The Mandatory Costs Rate will be calculated by the London Agent as a weighted average of the Lenders' Additional Cost Rates (weighted in proportion to the percentage participation of each Lender in the relevant Loan) and will be expressed as a percentage rate per annum. The London Agent will, at the request of the Company, deliver to the Company a statement setting forth the calculation of Mandatory Costs Rate.
3. The Additional Cost Rate for any Lender lending from a Lending Office in a participating member state of the European Communities under the legislation of the European Community relating to Economic and Monetary Union will be the percentage notified by that Lender to the London Agent. This percentage will be certified by that Lender in its notice to the London Agent to be its reasonable determination of the cost (expressed as a percentage of that Lender's participation in all Loans made from that Lending Office) of complying with the minimum reserve requirements of the European Central Bank in respect of loans made from that Lending Office.
4. The Additional Cost Rate for any Lender lending from a Lending Office in the United Kingdom will be calculated by the London Agent as follows:

(a) in relation to a sterling Loan:

$$\frac{AB+C(B-D)+Ex0.01}{100-(A+C)} \text{ per cent. per annum}$$

(b) in relation to a Loan in any currency other than sterling:

$$\frac{Ex0.01}{300} \text{ per cent. per annum.}$$

Where:

- A is the percentage of Eligible Liabilities (assuming these to be in excess of any stated minimum) which that Lender is from time to time required to maintain as an interest free cash ratio deposit with the Bank of England to comply with cash ratio requirements.
- B is the percentage rate of interest (excluding the spreads set forth in the definition of "Applicable Rate" and the Mandatory Costs Rate and, if the principal of the Loan remains outstanding after the date on which it is due, the additional rate of interest specified in Clause 2.13(e)) payable for the relevant Interest Period on the Loan.
- C is the percentage (if any) of Eligible Liabilities which that Lender is required

from time to time to maintain as interest bearing Special Deposits with the Bank of England.

D is the percentage rate per annum payable by the Bank of England to the Agent on interest-bearing Special Deposits.

E is designed to compensate Lenders for amounts payable under the Fees Rules and is calculated by the Agent as being the average of the most recent rates of charge supplied by the Reference Banks to the Agent pursuant to paragraph 7 below and expressed in pounds per £1,000,000.

5. For the purposes of this Schedule:

(a) "Eligible Liabilities" and "Special Deposits" have the meanings given to them from time to time under or pursuant to the Bank of England Act 1998 or (as may be appropriate) by the Bank of England;

(b) "Fees Rules" means the rules on periodic fees contained in the FSA Supervision Manual or such other law or regulation as may be in force from time to time in respect of the payment of fees for the acceptance of deposits;

(c) "Fee Tariffs" means the fee tariffs specified in the Fees Rules under the activity group A.1 Deposit acceptors (ignoring any minimum fee or zero rated fee required pursuant to the Fees Rules but taking into account any applicable discount rate); and

(d) "Tariff Base" has the meaning given to it in, and will be calculated in accordance with, the Fees Rules.

6. In application of the above formulae, A, B, C and D will be included in the formulae as percentages (i.e. 5 per cent. will be included in the formula as 5 and not as 0.05). A negative result obtained by subtracting D from B shall be taken as zero. The resulting figures shall be rounded to four decimal places.

7. If requested by the London Agent, each Reference Bank shall, as soon as practicable after publication by the Financial Services Authority, supply to the London Agent, the rate of charge payable by that Reference Bank to the Financial Services Authority pursuant to the Fees Rules in respect of the relevant financial year of the Financial Services Authority (calculated for this purpose by that Reference Bank as being the average of the Fee Tariffs applicable to that Reference Bank for that financial year) and expressed in pounds per £1,000,000 of the Tariff Base of that Reference Bank.

8. Each Lender shall supply any information required by the London Agent for the purpose of calculating its Additional Cost Rate. In particular, but without limitation, each Lender shall supply the following information on or prior to the date on which it becomes a Lender:

(a) the jurisdiction of its Lending Office; and

(b) any other information that the London Agent may reasonably require for such purpose.

Each Lender shall promptly notify the London Agent of any change to the information provided by it pursuant to this paragraph.

9. The percentages of each Lender for the purpose of A and C above and the rates of charge of each Reference Bank for the purpose of E above shall be determined by the London Agent

based upon the information supplied to it pursuant to paragraphs 7 and 8 above and on the assumption that, unless a Lender notifies the London Agent to the contrary, each Lender's obligations in relation to cash ratio deposits and Special Deposits are the same as those of a typical bank from its jurisdiction of incorporation with a Lending Office in the same jurisdiction as its Lending Office.

10. The London Agent shall have no liability to any person if such determination results in an Additional Cost Rate which over or under compensates any Lender and shall be entitled to assume that the information provided by any Lender or Reference Bank pursuant to paragraphs 3, 7 and 8 above is true and correct in all respects.
11. The London Agent shall distribute the additional amounts received as a result of the Mandatory Costs Rate to the Lenders on the basis of the Additional Cost Rate for each Lender based on the information provided by each Lender and each Reference Bank pursuant to paragraphs 3, 7 and 8 above.
12. Any determination by the London Agent pursuant to this Schedule in relation to a formula, the Mandatory Costs Rate, an Additional Cost Rate or any amount payable to a Lender shall, in the absence of manifest error, be conclusive and binding on all parties.
13. The London Agent may from time to time, after consultation with the Company and the Lenders, determine and notify to all parties any amendments which are required to be made to this Schedule in order to comply with any change in law, regulation or any requirements from time to time imposed by the Bank of England, the Financial Services Authority or the European Central Bank (or, in any case, any other authority which replaces all or any of its functions) and any such determination shall, in the absence of manifest error, be conclusive and binding on all parties.

SIGNIFICANT SUBSIDIARIES OF AMDOCS LIMITED

JURISDICTION
OF
INCORPORATION
OR LIST OF
THE
SUBSIDIARIES
ORGANIZATION
BUSINESS
NAME - - - - -

- Amdocs
Astrum
Limited
Ireland
Amdocs
Astrum
Limited
Amdocs BCS,
Inc. State
of
California
Amdocs BCS,
Inc. Amdocs
BCS Vision,
Inc. State
of North
Carolina
Amdocs BCS
Vision, Inc.
- Amdocs
Canadian
Managed
Canada
Amdocs
Canadian
Managed
Services,
Inc.
Services
Inc. Amdocs
Champaign,
Inc. State
of Delaware
Amdocs
Champaign,
Inc. Amdocs
(Denmark)
ApS Denmark
Amdocs
(Denmark)
ApS Amdocs
Development
Centre India
Amdocs
Development
Centre India
Private
Limited
India
Private
Limited
Amdocs
Development
Limited
Republic of
Cyprus
Amdocs
Development
Limited

Amdocs
Holdings ULC
Canada
Amdocs
Holdings ULC
Amdocs, Inc.
State of
Delaware
Amdocs, Inc.
Amdocs
International
GmbH
Switzerland
Amdocs
International
GmbH Amdocs
(Israel)
Limited
Israel
Amdocs
(Israel)
Limited
Amdocs
Management
Limited
United
Kingdom
Amdocs
Management
Limited
Amdocs
Software
Solutions
Kft Hungary
Amdocs
Software
Solutions
Limited
Liability
Company
Amdocs
Software
Systems Ltd.
Ireland
Amdocs
Software
Systems Ltd.
Amdocs
Stamford,
Inc. State
of Delaware
Amdocs
Stamford,
Inc. Amdocs
(UK) Limited
United
Kingdom
Amdocs (UK)
Limited
Cramer
Systems
Group
Limited
United
Kingdom
Cramer
Systems
Group
Limited
European
Software
Marketing
Island of
Guernsey,
Channel
European
Software
Marketing
Ltd. Islands
Ltd.
Longshine

Information
British
Virgin
Islands
Longshine
Information
Technology
Co. Ltd.
Technology
Co. Ltd.
Sypress,
Inc. State
of Delaware
Sypress,
Inc. Qpass,
Inc. State
of
Washington
Amdocs Qpass
Inc.

CERTIFICATIONS

I, Dov Baharav, certify that:

1. I have reviewed this annual report on Form 20-F of Amdocs Limited;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the company and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: December 3, 2007

/s/ DOV BAHARAV

Chief Executive Officer
Amdocs Management Limited

CERTIFICATIONS

I, Tamar Rapaport-Dagim, certify that:

1. I have reviewed this annual report on Form 20-F of Amdocs Limited;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the company and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: December 3, 2007

/s/ TAMAR RAPAPORT-DAGIM

Chief Financial Officer
Amdocs Management Limited

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the annual report on Form 20-F of Amdocs Limited (the "Company") for the period ended September 30, 2007 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Dov Baharav, Chief Executive Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, that to the best of his knowledge and belief:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: December 3, 2007

/s/ DOV BAHARAV

Chief Executive Officer
Amdocs Management Limited

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the annual report on Form 20-F of Amdocs Limited (the "Company") for the period ended September 30, 2007 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Tamar Rapaport-Dagim, Chief Financial Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, that to the best of his knowledge and belief:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: December 3, 2007

/s/ TAMAR RAPAPORT-DAGIM

Chief Financial Officer
Amdocs Management Limited

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the reference to our firm in the headnote to Item 3. Key Information -- Selected Financial Data included in this Annual Report (Form 20-F) of Amdocs Limited and to the incorporation by reference in the following Registration Statements:

COMMISSION FILE NO.
Form S-8, No. 333-91847
Form S-8, No. 333-92705
Form S-8, No. 333-31506
Form S-8, No. 333-34104
Form S-8, No. 333-58454
Form S-8, No. 333-114077
Form S-8, No. 333-132968
Form S-8, No. 333-135320
Form S-8, No. 333-137617
Form S-8, No. 333-139310
Form S-8, No. 333-140728
Form F-3 (and related Prospectus), No. 333-39278
Form F-3 (and related Prospectus), No. 333-44994
Form F-3 (and related Prospectus), No. 333-57036
Form F-3 (and related Prospectus), No. 333-67572
Form F-3 (and related Prospectus), No. 333-114079
Form F-3 (and related Prospectus), No. 333-114344

of our reports dated December 3, 2007, with respect to the consolidated financial statements and financial statement schedule of Amdocs Limited and the effectiveness of internal control over financial reporting of Amdocs Limited, included in this Annual Report (Form 20-F) for the year ended September 30, 2007.

/s/ ERNST & YOUNG LLP

New York, New York
December 3, 2007