Amdocs Investor and Financial Analyst Day 2009

Thomas O’Brien
Vice President, Finance and Investor Relations
Forward-Looking Statements

Our presentations and discussions today may contain forward-looking statements as defined under the Securities Act of 1933, as amended, including statements about Amdocs’ growth and business results in future quarters. Although we believe the expectations reflected in such forward-looking statements are based upon reasonable assumptions, we can give no assurance that our expectations will be obtained, or that any deviations will not be material. Such statements involve risk and uncertainties that may cause future results to differ materially from those anticipated. These risks include, but are not limited to, the effects of general economic conditions, Amdocs’ ability to grow in the business markets that it serves, adverse effects of market competition, rapid technological shifts that may render the company’s products and services obsolete, potential loss of a major customer, and risks associated with operating business in the international market. These and other risks are discussed at greater length in the company’s filings with the Securities and Exchange Commission, including in our Annual Report on Form 20-F filed December 8, 2008 and our Forms 6-K furnished on February 9 and May 12, 2009.
Agenda

- **Executive Summary**: Dov Baharav
- **Customer Perspective**: Robert Strickland, Senior Vice President and Chief Information Officer, T-Mobile USA
- **Management Updates**:
  - Jim Liang: SVP, Strategy and Corporate Development
  - Ayal Shiran: President, Customer Business Group
  - Brian Shepherd: President, Amdocs Interactive
  - Tamar Rapaport-Dagim: SVP, Chief Financial Officer, Amdocs Management Limited
Executive Summary

Dov Baharav
President & CEO, Amdocs Management Limited
Revised Growth Outlook for OSS/BSS

Gartner Group Forecasts for OSS/BSS*

<table>
<thead>
<tr>
<th>Year</th>
<th>Dollars in billions</th>
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<tbody>
<tr>
<td>2008</td>
<td>$30</td>
</tr>
<tr>
<td>2009</td>
<td>$33</td>
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<tr>
<td>2010</td>
<td>$35</td>
</tr>
<tr>
<td>2011</td>
<td>$38</td>
</tr>
<tr>
<td>2012</td>
<td>$40</td>
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</table>

CAGR Revised from 8% to 4% 2008-2012

Gartner, June 2008 - *Adjusted to Markets Served by Amdocs
Gartner, May 2009 - *Adjusted to Markets Served by Amdocs
Shifting Prioritization of Spending

- Spending is Adjusting to Economic Conditions
- Seeing New Interest in Efficiency Investments
- Growth Investing Still Occurring in Select Areas
# Long History of Growth and Smart Investments

<table>
<thead>
<tr>
<th>Era</th>
<th>Main Industry Driver</th>
<th>Emerging Drivers</th>
<th>Amdocs Investments</th>
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</thead>
<tbody>
<tr>
<td>Tera-Play Era (2010-)</td>
<td>Monetization</td>
<td>Billions of connected consumers, Trillion connected devices, Complex business models</td>
<td>Reducing friction and cost in the connected economy, Monetizing networks &amp; assets</td>
</tr>
</tbody>
</table>

**Cost**

- Deregulation & Multi-play
- IP networks (2.5G, 3G)
- Customer experience

**Amdocs Investments**

- R&D: Ensemble BSS
- M&A: IP, CRM and Managed Services

**Emerging Drivers**

- Digital lifestyle competition
- Next-generation networks
- Emerging market maturation

**Main Industry Driver**

- Wireless
- Consolidation
- Monetization

**Consolidation Era (2002-2009)**

- R&D: Convergent B/OSS suite
- M&A: OSS, Interactive, Cable, Emerging Markets

**Tera-Play Era (2010-)**

- Reducing friction and cost in the connected economy
- Monetizing networks & assets
Offerings Aligned With Needs & Growth

**Growth Focused Initiatives**
- Grow
  - Emerging Market Wireless
  - Content, App-stores
  - 4G (WiMax, LTE)
  - Next Gen Cable
  - Data, Commerce, 3G, IP TV

**Cost Focused Initiatives**
- Compete
  - Wireless Voice
  - Analog Cable

- Manage
  - Wireline Voice

**Amdocs Interactive**
- Emerging Markets
  - NG-OSS

**Telco BSS Transformation**
- Cable & Satellite
  - OSS

**Managed Services**
- Legacy BSS
  - OSS

Amdocs Strategy and Offerings Address Service Provider Needs Across the Technology Maturity Cycle
Amdocs Approach to Current Conditions

1. Leverage the business model
   To produce stable profitability and cash flow through the crisis

2. Extend our competitive advantage
   To shape the market as the industry's thought leader

3. Accelerate growth engines and capture opportunity
   To drive our success in the next cycle
Our Approach Is Paying Off

MANAGING SMARTLY THROUGH ECONOMIC CHALLENGES

> 18% Non-GAAP Operating Margin
> Long-term cost benefits

EXTENDING INDUSTRY LEADERSHIP

> 11 CxO’s at Board of Advisors Meeting representing 800M subs
> Introducing new solutions (e.g. BSS Product Pack)

SEVERAL GROWTH DRIVERS OUTPERFORMING

> Cable growing double digits in FY08 and 1H09
> Significant wins in Interactive
> Managed Services deals
The Right Leadership Team

> Strong and deep leadership team
  > Ten seasoned senior executives and 30+ senior business leaders supporting 17,000+ employees

> Hearing from four leaders today
  > Jim Liang: SVP, Strategy and Corporate Development
  > Ayal Shiran: President, Customer Business Group
  > Brian Shepherd: President, Amdocs Interactive
  > Tamar Rapaport-Dagim: SVP, Chief Financial Officer

The Right Team in Place to Take Advantage of the Opportunities in Front of Us
Key Conclusions

> Executing Well Against Difficult Conditions

> Expect to Emerge Stronger

> Right Assets and Leadership Team

We Are Very Optimistic About the Future of Amdocs, Though Realistic About Current Conditions
Amdocs Strategy and OSS Updates

Jim Liang
Senior Vice President, Strategy and Corporate Development
Amdocs Strategy

Provide Comprehensive Solutions to Service Providers Globally
Managing a Portfolio of Opportunities

Established Markets Portfolio

Growth primarily realized through share gains

> Cable & Satellite
> Managed Services
> Core BSS

Evolving Markets Portfolio

Growth realized through higher market growth rates and share gains

> OSS
> Interactive
> Emerging Markets
## Framing Some of the Opportunities

<table>
<thead>
<tr>
<th>Established Markets Portfolio</th>
<th>Total Market Size*</th>
<th>Market Growth Rate*</th>
<th>Amdocs Opportunity Relative to Market</th>
<th>Current Contribution to Amdocs (not mutually exclusive)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cable</strong></td>
<td>$4bn</td>
<td>Mid single digit</td>
<td>• Gain Share</td>
<td>~10% of revenue</td>
</tr>
<tr>
<td><strong>Managed Services</strong></td>
<td>$14bn of internal IT spend</td>
<td>Low single digit</td>
<td>• Capture Internal Spend</td>
<td>~40% of revenue</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Evolving Markets Portfolio</th>
<th>Total Market Size*</th>
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<th>Current Contribution to Amdocs (not mutually exclusive)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Interactive Emerging Markets OSS</strong></td>
<td>$20bn+</td>
<td>High single digit to low double digit</td>
<td>• Gain Share • Consolidation</td>
<td>~20% of revenue (no one business contributes greater than 10% of total revenue)</td>
</tr>
</tbody>
</table>

*Source: Gartner, May 2009 and internal estimates.*
M&A Supports Long-term Strategy

1. Must fit with strategic roadmap
   > Attractive product add-ons (e.g. ChangingWorlds)
   > Enable entry into new, attractive segments

2. Apply strict financial discipline
   > NPV approach to deal evaluation
   > Accretion/dilution; tolerance depends on strategic value of the deal
   > Higher scrutiny of larger transactions
OSS Strategy Update
What is our Opportunity in OSS?

> Big market
  > $15bn of external spend in the areas we serve today

> Fragmented vendor environment
  > No player commanding more than 5% market share

> Spending is growing in the high-single digits with pockets of double digit growth

Market is Big, Fragmented and Growing
Why Amdocs Can Win in OSS

> Superior business model
  > Point software vendors cannot address strategic needs
  > SI's feeding off complexity and point software products

> Amdocs has unique combination of assets
  > Existing relationships with service providers
  > Best-of-suite solutions
  > Best-in-class delivery capabilities
  > Balance sheet to support consolidation efforts

We Can Repeat the BSS Success We’ve Enjoyed in OSS
Progress in OSS

> Expanded Product Leadership
  > Introduced next generation OSS suite (inventory, fulfillment, and activation)
  > Entered Cable OSS via JacobsRimell
  > BSS-OSS synergy

> Created Global Delivery Services
  > Critical mass of resources and projects in production

> Building Customer Momentum Globally
  > Announced 10+ deals in the last year
  > Meaningful penetration into North America
Break
The Amdocs Business Model

Ayal Shiran
President, Amdocs Customer Business Group
The Amdocs Business Model

- Amdocs operates under two primary delivery models:
  - License and services
    - New projects: Licenses, consulting, implementation, integration, customization, etc.
    - On-going support services, maintenance and subsequent license fees
  - Managed services
    - Long-term outsourcing agreements
    - Project work to enhance systems functionality
License and Services Spectrum

Licenses and Services

- Compact Convergence and Point Solutions
- Product Packs
- Multi-product Implementation
- Comprehensive Transformation

Year 1 Revenue

- $2mn
- $20mn+

Addressing the Full Spectrum of Customer Needs Across Customer Tiers and Geographies
License and Services Revenue Model

<table>
<thead>
<tr>
<th>YEAR 1</th>
<th>YEAR 2</th>
<th>YEAR 3</th>
<th>YEAR 4</th>
<th>YEAR 5…</th>
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<tbody>
<tr>
<td>Product License</td>
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<td>Design</td>
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<td>Implementation</td>
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<tr>
<td>and Systems</td>
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<tr>
<td>Integration</td>
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<tr>
<td>Ongoing Support</td>
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<td>&amp; Maintenance</td>
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Ongoing Support Services

Examples of activities that drive customer need for ongoing support services:

- Regulatory changes
- Impacts from 3rd party software / hardware changes
- Major new or expanded functionality
- Consolidation or organizational changes
- New lines of business
- Interfaces to new systems / other systems
- Network changes or upgrades

Amdocs is the Natural Choice for these Ongoing Activities: We Know our Systems and our Customers Best
Amdocs Managed Services: Inside Out Approach

Amdocs greatest differentiation lies in these components given our years of industry experience running Amdocs BSS systems.

Amdocs will address these components based on individual deals and customer relationships.
Managed Services: Value Proposition & Competitive Advantage

**Managed Services Value Proposition**

**I. OPERATIONAL**
- Better SLAs/KPIs
- Improved Productivity & Quality

**II. STRATEGIC**
- Business Agility & Modernization
- Reduced Risks
- Focus on Core Business

**III. FINANCIAL**
- Reduced Operational Costs
- Lower Transformation Costs
- Financial Flexibility for the Customer

**Amdocs Competitive Advantage**

- Knowledge of our Applications – “we operate our systems best”
- Domain Expertise & Best Practices
- CES Products
- Full Accountability – “one throat to choke”
Managed Services Revenue and Margin

> Revenue from Managed Services customers includes:
  > Processing revenue with long-term contracts
  > Additional project revenue which may fluctuate over time

> Margin expansion occurs over the life of the deal

Core Managed Services Processing Revenue

Additional Project Revenue

Operating Margin Profile

YEAR 1  YEAR 2  YEAR 3  YEAR 4  YEAR 5…
Revenue from Managed Services Customers

- 2005: $840 million
- 2006: $896 million
- 2007: $1,059 million
- 2008: $1,216 million

13% CAGR
Progress in Managed Services

- Driving Profitability of Current Portfolio
- Significant Senior Management Involvement
- Created Global Strategic Sourcing Group (GSS)
- Continued Customer Momentum
  - Clearwire and MetroPCS announced in the last year
  - Making progress in Europe
  - Pipeline activity increased due to industry focus on cost containment
Emerging Markets Update
Established Emerging Markets Group
- Better addressing total cost of ownership
- More investment in sales and marketing

Introduced Targeted Product Offerings
- CES 7.5 Product Packs
- Compact Convergence

Continued Customer Momentum
- 16 announced deals in the last year spanning our spectrum of offerings
Summary

> Flexible Business Model and Product Breadth Can Meet a Wide Range of Customer Needs

> Business Model and Delivery Options Produce a Strong Base of Recurring Revenue

> Amdocs is Better Equipped to Address the Emerging Markets Opportunity
Amdocs Cable and Interactive Updates

Brian Shepherd
President, Amdocs Interactive
Broadband Cable & Satellite Update
A Growing Market

North America Cable Broadband Industry Revenue ($ in Billions)

- Convergence
- High Growth
- Synergistic

Source: 2008 SNL Kagan
Built the Foundation for Cable Growth

- PROVE-THE-VALUE TO CUSTOMERS
- BUSINESS PROCESS & DELIVERY EXPERTISE
- SELECTIVE ACQUISITIONS
- MULTIPLAY PRODUCT LEADERSHIP (CES 7.5)
Proof in Our Financial Results

Cable and Satellite Revenue

<table>
<thead>
<tr>
<th>Year</th>
<th>Dollars in Millions</th>
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</thead>
<tbody>
<tr>
<td>2006</td>
<td>$252</td>
</tr>
<tr>
<td>2007</td>
<td>$271</td>
</tr>
<tr>
<td>2008</td>
<td>$301</td>
</tr>
</tbody>
</table>

11% Growth in 2008
Cable Industry Leadership

Global Customer Base

- DIRECTV
- Virgin Media
- CABLEVISION
- dish NETWORK
- astro
- ONO

Transformation Leadership

- UPC
- ROGERS
- J:COM
- Comcast
Well Positioned for Continued Growth in BSS and Beyond

> Transforming the aging legacy BSS systems
> Simplifying complex customer interactions
> Enabling tru2way™ & OSS transformations
> Personalizing the digital experience
> Driving efficiencies through modernization & Managed Services
> Growth from: new subs, new logos, new products and new services
Industry Reaching an Inflection Point

Three key factors are driving increased activity in the digital economy:

1. Ubiquitous, higher bandwidth connectivity
2. Smartphone adoption
3. Consumers expect a different experience

Service Providers are investing

Fragmented vendor market
Misperception of a "Winner Take All" Market
Service Providers Have Valuable Assets

SP Assets
- Rich Customer Information
- Location
- Billing & Payments
- Customer Care
- Quality of Service
- Networks

- Advertising
- Content
- Information
- Apps
- Movies
- My Content
- Devices

- Google
- Coca-Cola
- Disney
- CNN
- Apple
- Sony
- YouTube
- Nokia Ovi

- Mobile
- TV
- Web
- Phone
Amdocs Interactive Helps Service Providers Unlock the Unique Value of their Assets
Personalization

- **Personalized Browser Bar**
- **Targeted Advertising**
- **Personalized Off Portal Links**
- **Personalized Navigation**
- **Personalized Content Teasers**
- **Personalized Recommendations**
- **Personalized Search**

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OpenMarket Reaches 98% of US Subscribers
Customer:
• Telefónica Europe

Project:
• Mobile Internet Solution supporting four O2 opcos – UK, Germany, Czech Republic, Ireland
• Enabling customers to have a personalized mobile browsing experience on- & off-portal

Estimated Deal Size:
• Millions of $’s
Customer:
• Tier 1 with multiple affiliates

Project:
• Personalized Digital Commerce Solution (including storefront)
• Prime SI role

Estimated Deal Size:
• $10’s of millions

Anticipate Strong Pipeline of Interactive Deals into FY2010
Amdocs Interactive Growth Engine

> Establish Amdocs Interactive as the recognized market leader for digital online experiences

> Expand footprint in strategic accounts worldwide
  > Leverage ChangingWorlds installed base
  > Cross-sell across the entire Interactive portfolio

> Accelerate offering and innovation pipeline
  > R&D, partnerships, M&A
  > Continue to build consulting expertise

> Grow hub aggregation business
Financial Update

Tamar Rapaport-Dagim
Chief Financial Officer, Amdocs Management Limited
Financial Ramifications of the Downturn

> Experiencing contraction of total revenue
> But still some bright spots in a tough environment
> Fiercely defending margin and cash flow
> Heightened focus on risk management due to market volatility
Current State of the Business

![Chart showing revenue and operating margin trends for FY2008 and FY2009. The chart compares Total Revenue and Operating Margin (non-GAAP) across different months. The revenue values range from $0 to $900 million, while the operating margin percentages range from 17.2% to 18.1%. The chart indicates an upward trend in both revenue and operating margin from FY2008 to FY2009.]

- **Revenue in millions**:
  - Dec 2008: $500 million
  - Mar 2009: $600 million
  - Jun 2009: $700 million
  - Sep 2009: $800 million
  - Dec 2009: $900 million

- **Operating Margin (non-GAAP)**:
  - Dec 2008: 17.2%
  - Mar 2009: 17.3%
  - Jun 2009: 17.4%
  - Sep 2009: 17.5%
  - Dec 2009: 17.6%
  - Mar 2009: 17.7%

The chart illustrates a consistent increase in both revenue and operating margin from December 2008 to March 2009, indicating a positive current state of the business.
Cash Conversion Ratio

Improving our Cash Conversion Ratio After Several Years of Investment in Managed Services
Beyond the Downturn

> Expected market conditions: reallocation of spend

1. Service providers will funnel investment dollars toward strategic growth areas
2. Traditional BSS market growth likely to slow
3. Industry-wide need to drive efficiency and lower cost

> Our responses: tilt the portfolio to the opportunity

1. Sharpen focus on solutions aligned with industry growth initiatives; M&A effort likely to augment our market position
2. Target Managed Services to accelerate the conversion of internal IT dollars to outsourced spend
3. Invest in lowering the total cost of ownership for customers
Margin Considerations

> Near-term cost initiatives are providing margin support:
  > We have a highly variable cost of services structure
  > Focus on controlling our operating expenses

> Long-term margin considerations include the following:
  > Continuing to increase offshore delivery mix
  > Managed Services vintage
  > Balanced by consistent pricing pressure in the market and investments in growth

Cost Efficiency Contributes to our Competitive Advantage, and is Becoming More Critical
Planning for the Next Cycle

> Premature to update the full long-term model

> Factors to consider:

1. The markets we serve are expected to grow in the mid-single digits
2. We believe we can continue to take market share and grow in excess of the market rate
3. Portfolio mix is likely to change over the cycle
4. Managed Services can create step functions in organic growth
5. M&A may supplement organic growth
6. New Managed Services and M&A could adversely impact margins in the short-term
Capital Strategy

> Uses of Cash
  > Invest in growth initiatives via M&A, R&D and Managed Services
  > Sufficient cash levels required to be viewed as a viable vendor by customers and to compete against large-cap rivals
  > Share repurchase remains a lower priority
  > No dividend on the horizon

> Creditworthiness Remains a Priority
  > Retain investment grade rating status (currently: BBB / Baa3)
  > Have flexibility to raise permanent financing when credit conditions improve
Summary

> We are Weathering the Storm with Financial Strength
  > Continuing to sign important, strategic deals with key customers
  > Protecting margins and cash flow
  > Deploying capital to capture opportunity

> Our Focus Should Result in Furthering our Competitive Advantage as the Market Improves
  > Advancing our thought leadership in the industry
  > Investing in the next stages of growth
  > Focusing on the delivery of cost competitive solutions

We Remain Very Optimistic About the Future of Amdocs, though Realistic About Current Conditions
Thank-You
Key Take-Aways

> Managing well through current conditions

> Serving a large, growing, and highly dynamic market

> Very well positioned for growth in the future
Thank-You