

NGL Energy Partners LP  
Form SC 13D  
September 26, 2013

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**SCHEDULE 13D**

(Rule 13d-101)

**Under the Securities Exchange Act of 1934  
(Amendment No. 2)**

**NGL Energy Partners, LP**

(Name of Issuer)

**Common units representing limited partnership interests**

(Title of Class of Securities)

**62913M107**

(CUSIP Number)

**Patrick Wade**

**c/o the Energy & Minerals Group, 811 Main Street, Suite 4200, Houston, Texas 77002**

**Telephone: (972) 432-1800**

(Name, Address and Telephone Number of Person  
Authorized to Receive Notices and Communications)

**July 15, 2013**

(Date of Event Which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box. o

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**Note:** Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 13d-7 for other parties to whom copies are to be sent.

\*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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CUSIP No. 62913M107

1	Names of Reporting Persons EMG NGL HC, LLC
2	Check the Appropriate Box if a Member of a Group (See Instructions) (a) <input type="radio"/> (b) <input checked="" type="radio"/>
3	SEC Use Only
4	Source of Funds (See Instructions) OO (See Item 3)
5	Check box if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e) <input type="radio"/>
6	Citizenship or Place of Organization Delaware
7	Sole Voting Power 0
8	Shared Voting Power 2,696,634 common units
9	Sole Dispositive Power 0
10	Shared Dispositive Power 2,696,634 common units
11	Aggregate Amount Beneficially Owned by Each Reporting Person 2,696,634 common units
12	Check box if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions) <input type="radio"/>
13	Percent of Class Represented by Amount in Row 11 4.3% (see Note 1)
14	Type of Reporting Person (See Instructions) OO (Limited Liability Company)

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Note 1: Based on 62,315,815 Common Units issued and outstanding as of August 5, 2013 as reported on the Issuer's Quarterly Report on Form 10-Q for the period ended June 30, 2013. Outstanding units do not include 5,919,346 subordinated units, of which the reporting person owns none.

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CUSIP No. 62913M107

1	Names of Reporting Persons	NGP Midstream & Resources, L.P.						
2	Check the Appropriate Box if a Member of a Group (See Instructions)	<table border="0" style="width: 100%;"> <tr> <td style="width: 5%;">(a)</td> <td style="width: 75%;"><input type="checkbox"/></td> <td style="width: 20%; text-align: right;">o</td> </tr> <tr> <td>(b)</td> <td><input checked="" type="checkbox"/></td> <td style="text-align: right;">x</td> </tr> </table>	(a)	<input type="checkbox"/>	o	(b)	<input checked="" type="checkbox"/>	x
(a)	<input type="checkbox"/>	o						
(b)	<input checked="" type="checkbox"/>	x						
3	SEC Use Only							
4	Source of Funds (See Instructions)	OO (See Item 3)						
5	Check box if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)	<input type="checkbox"/>						
6	Citizenship or Place of Organization	Delaware						
Number of Shares Beneficially Owned by Each Reporting Person With:	7	Sole Voting Power 0						
	8	Shared Voting Power 2,696,634 common units (see Note 1)						
	9	Sole Dispositive Power 0						
	10	Shared Dispositive Power 2,696,634 common units (see Note 1)						
11	Aggregate Amount Beneficially Owned by Each Reporting Person	2,696,634 common units (see Note 1)						
12	Check box if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)	<input type="checkbox"/>						
13	Percent of Class Represented by Amount in Row 11	4.3% (see Note 2)						
14	Type of Reporting Person (See Instructions)	PN						

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Note 1: Solely in its capacity as a member holding a majority interest in EMG NGL HC, LLC. Beneficial ownership of the Common Units referred to herein is being reported hereunder solely because the reporting person may be deemed to beneficially own such securities as a result of its status as a member holding a majority interest in EMG NGL HC, LLC. Neither the filing of this Schedule 13D nor any of its contents shall be deemed to constitute an admission by any Reporting Person that it is the beneficial owner of any of the securities referred to herein for purposes of Section 13(d) of the Securities Exchange Act of 1934, as amended, or for any other purpose, and such beneficial ownership is expressly disclaimed. See Items 4 and 5.

Note 2: Based on 62,315,815 Common Units issued and outstanding as of August 5, 2013 as reported on the Issuer's Quarterly Report on Form 10-Q for the period ended June 30, 2013. Outstanding units do not include 5,919,346 subordinated units, of which the reporting person owns none.



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CUSIP No. 62913M107

1	Names of Reporting Persons NGP MR, LP	
2	Check the Appropriate Box if a Member of a Group (See Instructions)	
	(a)	o
	(b)	x
3	SEC Use Only	
4	Source of Funds (See Instructions) OO (See Item 3)	
5	Check box if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)	o
6	Citizenship or Place of Organization Delaware	
7	Sole Voting Power	0
8	Shared Voting Power	2,696,634 common units (see Note 1)
9	Sole Dispositive Power	0
10	Shared Dispositive Power	2,696,634 common units (see Note 1)
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12	Check box if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)	o
13	Percent of Class Represented by Amount in Row 11	4.3% (see Note 2)
14	Type of Reporting Person (See Instructions)	PN; IA

Note 1: Solely in its capacity as the general partner of NGP Midstream & Resources, L.P, a member holding a majority interest in EMG NGL HC, LLC. Beneficial ownership of the Common Units referred to herein is being reported hereunder solely because the reporting person may be deemed to beneficially own such securities as a result its status as the general partner of NGP Midstream & Resources, L.P., a member holding a majority interest in EMG NGL HC, LLC. Neither the filing of this Schedule 13D nor any of its contents shall be deemed to constitute an admission by any Reporting Person that it is the beneficial owner of any of the securities referred to herein for purposes of Section 13(d) of the Securities Exchange Act of 1934, as amended, or for any other purpose, and such beneficial ownership is expressly disclaimed. See Items 4 and 5.

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CUSIP No. 62913M107

1	Names of Reporting Persons	NGP MR GP, LLC						
2	Check the Appropriate Box if a Member of a Group (See Instructions)	<table border="0" style="width: 100%;"> <tr> <td style="width: 5%;">(a)</td> <td style="width: 70%;"><input type="radio"/></td> <td style="width: 25%; text-align: right;">o</td> </tr> <tr> <td>(b)</td> <td><input checked="" type="radio"/></td> <td style="text-align: right;">x</td> </tr> </table>	(a)	<input type="radio"/>	o	(b)	<input checked="" type="radio"/>	x
(a)	<input type="radio"/>	o						
(b)	<input checked="" type="radio"/>	x						
3	SEC Use Only							
4	Source of Funds (See Instructions)	OO (See Item 3)						
5	Check box if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)	<input type="radio"/>						
6	Citizenship or Place of Organization	Delaware						
Number of Shares Beneficially Owned by Each Reporting Person With:	7	Sole Voting Power 0						
	8	Shared Voting Power 2,696,634 common units (see Note 1)						
	9	Sole Dispositive Power 0						
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13	Percent of Class Represented by Amount in Row 11	4.3% (see Note 2)						
14	Type of Reporting Person (See Instructions)	OO (Limited Liability Company); IA						

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Note 1: Solely in its capacity as the general partner of NGP MR, LP, the general partner of NGP Midstream & Resources, LLC, a member holding a majority interest in EMG NGL HC, LLC. Beneficial ownership of the Common Units referred to herein is being reported hereunder solely because the reporting person may be deemed to beneficially own such securities as a result of the LLC Agreement described in Item 5 hereof. Neither the filing of this Schedule 13D nor any of its contents shall be deemed to constitute an admission by any Reporting Person that it is the beneficial owner of any of the securities referred to herein for purposes of Section 13(d) of the Securities Exchange Act of 1934, as amended, or for any other purpose, and such beneficial ownership is expressly disclaimed. See Items 5 and 5.

Note 2: Based on 62,315,815 Common Units issued and outstanding as of August 5, 2013 as reported on the Issuer's Quarterly Report on Form 10-Q for the period ended June 30, 2013. Outstanding units do not include 5,919,346 subordinated units, of which the reporting person owns none.





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1	Names of Reporting Persons John T. Raymond
2	Check the Appropriate Box if a Member of a Group (See Instructions) (a) <input type="radio"/> (b) <input checked="" type="radio"/>
3	SEC Use Only
4	Source of Funds (See Instructions) OO (See Item 3)
5	Check box if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e) <input type="radio"/>
6	Citizenship or Place of Organization United States of America
Number of Shares Beneficially Owned by Each Reporting Person With:	7                      Sole Voting Power 0
	8                      Shared Voting Power 2,696,634 common units (see Note 1)
	9                      Sole Dispositive Power 0
	10                     Shared Dispositive Power 2,696,634 common units (see Note 1)
11	Aggregate Amount Beneficially Owned by Each Reporting Person 2,696,634 common units (see Note 1)
12	Check box if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions) <input type="radio"/>
13	Percent of Class Represented by Amount in Row 11 4.3% (see Note 2)
14	Type of Reporting Person (See Instructions) IN

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Note 1: Solely in his capacity as the Chief Executive Officer and Managing Partner of NGP MR GP, LLC, the general partner of NGP MR, LP, the general partner of NGP Midstream & Resources, LLC, a member holding a majority interest in EMG NGL HC, LLC. Beneficial ownership of the Common Units referred to herein is being reported hereunder solely because the reporting person may be deemed to beneficially own such securities as a result of the LLC Agreement described in Item 5 hereof. Neither the filing of this Schedule 13D nor any of its contents shall be deemed to constitute an admission by any Reporting Person that it is the beneficial owner of any of the securities referred to herein for purposes of Section 13(d) of the Securities Exchange Act of 1934, as amended, or for any other purpose, and such beneficial ownership is expressly disclaimed. See Items 4 and 5.

Note 2: Based on 62,315,815 Common Units issued and outstanding as of August 5, 2013 as reported on the Issuer's Quarterly Report on Form 10-Q for the period ended June 30, 2013. Outstanding units do not include 5,919,346 subordinated units, of which the reporting person owns none.



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1	Names of Reporting Persons	John G. Calvert						
2	Check the Appropriate Box if a Member of a Group (See Instructions)	<table border="0" style="width: 100%;"> <tr> <td style="width: 5%;">(a)</td> <td style="width: 75%;"></td> <td style="width: 20%; text-align: right;">o</td> </tr> <tr> <td>(b)</td> <td></td> <td style="text-align: right;">x</td> </tr> </table>	(a)		o	(b)		x
(a)		o						
(b)		x						
3	SEC Use Only							
4	Source of Funds (See Instructions)	OO (See Item 3)						
5	Check box if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)	o						
6	Citizenship or Place of Organization	United States of America						
Number of Shares Beneficially Owned by Each Reporting Person With:	7	Sole Voting Power 0						
	8	Shared Voting Power 2,696,634 common units (see Note 1)						
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13	Percent of Class Represented by Amount in Row 11	4.3% (see Note 2)						
14	Type of Reporting Person (See Instructions)	IN						

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Note 1: Solely in his capacity as the Chief Operating Officer and Managing Partner of NGP MR GP, LLC, the general partner of NGP MR, LP, the general partner of NGP Midstream & Resources, LLC, a member holding a majority interest in EMG NGL HC, LLC. Beneficial ownership of the Common Units referred to herein is being reported hereunder solely because the reporting person may be deemed to beneficially own such securities as a result of the LLC Agreement described in Item 5 hereof. Neither the filing of this Schedule 13D nor any of its contents shall be deemed to constitute an admission by any Reporting Person that it is the beneficial owner of any of the securities referred to herein for purposes of Section 13(d) of the Securities Exchange Act of 1934, as amended, or for any other purpose, and such beneficial ownership is expressly disclaimed. See Items 4 and 5.

Note 2: Based on 62,315,815 Common Units issued and outstanding as of August 5, 2013 as reported on the Issuer's Quarterly Report on Form 10-Q for the period ended June 30, 2013. Outstanding units do not include 5,919,346 subordinated units, of which the reporting person owns none.



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This Amendment No. 2 to Schedule 13D is filed by the Reporting Persons as an amendment to the original Schedule 13D filed with the Securities and Exchange Commission on May 17, 2013 (as amended, this Schedule 13D ). This Amendment No. 2 relates to common units representing limited partner interests ( NGL Common Units ) in NGL Energy Partners, L.P., a Delaware limited partnership (the Issuer ). Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the original Schedule 13D. Only those items of the Schedule 13D that are being amended hereby are included herein, and each such amended item that is included in this Amendment No. 2 is restated in its entirety as amended hereby.

The Reporting Persons' beneficial ownership has dropped below the Schedule 13D reporting threshold. Therefore, this Amendment No. 2 constitutes the final amendment to the Reporting Persons' Schedule 13D and an exit filing for the Reporting Persons.

### **Item 4. Purpose of Transaction.**

Item 4(d) is hereby amended and restated in its entirety as follows:

(d) Pursuant to Section 5.13 of the GP Merger Agreement, Patrick Wade was appointed by EMG NGL HC to the Board of Directors of NGL GP. NGL GP controls the Issuer through its directors.

On August 6, 2013, pursuant to a Membership Interest Purchase Agreement, dated August 1, 2013, by and among NGL Holdings, Inc., NGL GP and the purchasers named therein (the GP Purchase Agreement ), EMG II NGL GP Holdings, LLC ( EMG II ) purchased membership interests in NGL GP. In connection with the GP Purchase Agreement, EMG II received the right to designate a director to the Board of Directors of NGL GP and appointed John T. Raymond as the representative of EMG II. Other than the appointment of Mr. Wade and Mr. Raymond, none of the Reporting Persons has any plan or proposal of the type referred to in clause (d) of Item 4 of Schedule 13D.

### **Item 5. Interest in Securities of the Issuer.**

Item 5 is hereby amended and restated in its entirety as follows:

(a) The information contained on the cover pages and in Items 2 and 4(a) of this Schedule 13D is incorporated herein by reference.

After giving effect to the Merger Agreement and the transactions contemplated thereby, EMG NGL HC became the beneficial owner of 5,696,634 NGL Common Units. Pursuant to the June 3 Unit Purchase Agreement and the June 21 Unit Purchase Agreement, EMG NGL HC disposed of 2,000,000 NGL Common Units and 1,000,000 NGL Common Units, respectively, leaving EMG NGL HC with 2,696,634 NGL Common Units representing an approximate 4.3% interest in the Issuer. By nature of its controlling 65% membership interest in EMG NGL HC, EMG Fund I may be deemed a beneficial owner of the 2,696,634 NGL Common Units held by EMG NGL HC. As the general partner of EMG Fund I, EMG Fund



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I GP may be deemed a beneficial owner of the 2,696,634 NGL Common Units held by EMG NGL HC. As the general partner of EMG Fund I GP, Ultimate GP may be deemed a beneficial owner of the 2,696,634 NGL Common Units held by EMG NGL HC.

Pursuant to authority granted to them under the Limited Liability Company Agreement of Ultimate GP, dated February 16, 2007 (the LLC Agreement), John T. Raymond and John G. Calvert, as Chief Executive Officer and Managing Partner and as Chief Operating Officer and Managing Partner, respectively, of Ultimate GP, as the general partner of EMG Fund I GP, as the general partner of EMG Fund I, and by nature of EMG Fund I's controlling 65% membership interest in EMG NGL HC, may be deemed beneficial owners of the 2,696,634 NGL Common Units held by EMG NGL HC. Additionally, the terms of the LLC Agreement require that the Chief Executive Officer of Ultimate GP only take action when such action is also approved by another officer of Ultimate GP (or comply with DTC procedures for doing so in respect of your beneficial interest in notes evidenced by a global note): 28 - complete and manually sign the conversion notice on the back of the note or facsimile of the conversion notice and deliver this notice to the conversion agent; - surrender the note to the conversion agent; - if required, furnish appropriate endorsements and transfer documents; - if required, pay all transfer or similar taxes; and - if required, pay funds equal to interest payable on the next interest payment date. The date you comply with these requirements is the conversion date under the indenture. CONVERSION RATE ADJUSTMENTS We will adjust the conversion rate if any of the following events occurs: (1) We issue ordinary shares as a dividend or distribution on our ordinary shares. (2) We issue to all holders of ordinary shares certain rights or warrants to purchase our ordinary shares, for a period expiring within 45 days of the record date for such issuance, at a price per share that is less than the average of the closing sale prices of our ordinary shares for the 10 trading days preceding the declaration date for such distribution. (3) We subdivide or combine our ordinary shares. (4) We distribute to all holders of our ordinary shares any shares of our capital stock, evidences of indebtedness or assets, including cash and securities but excluding rights or warrants specified above and dividends or distributions specified above. If we distribute shares of capital stock of, or similar equity interests in, a subsidiary or other business unit of ours, then the conversion rate will be adjusted based on the market value of the securities so distributed relative to the market value of our ordinary shares, in each case based on the average of the closing sale prices of those securities (where such closing sale prices are available) for the 10 trading days commencing on and including the fifth trading day after the date on which "ex-dividend trading" commences for such distribution on the New York Stock Exchange or such other national or regional exchange or market on which the securities are then listed or quoted. If we distribute cash (excluding any dividend or distribution in connection with our liquidation, dissolution or winding up), then the conversion rate shall be increased so that it equals the rate determined by multiplying the conversion rate in effect on the record date with respect to the cash distribution by a fraction, (1) the numerator of which shall be the current market price of our ordinary shares on the record date, and (2) the denominator of which will be the current market price of our ordinary shares on the record date minus the amount per share of such distribution. (5) We or one of our subsidiaries makes a payment in respect of a tender offer or exchange offer for our ordinary shares to the extent that the cash and value of any other consideration included in the payment per share of ordinary shares exceeds the closing sale price per share of ordinary shares on the trading day next succeeding the last date on which tenders or exchanges may be made pursuant to such tender or exchange offer. (6) Someone other than us or one of our subsidiaries makes a payment in respect of a tender offer or exchange offer in which, as of the closing date of the offer, our board of directors is not recommending rejection of the offer. The adjustment referred to in this clause (6) will only be made if: 29 - the tender offer or exchange offer is for an amount that increases the offeror's ownership of ordinary shares to more than 25% of the total ordinary shares outstanding; and - the cash and value of any other consideration included in the payment per share of ordinary shares exceeds the closing sale price per share of ordinary shares on the trading day next succeeding the last date on which tenders or exchanges may be made pursuant to the tender or exchange offer. However, the adjustment referred to in this clause (6) will generally not be made if as of the closing of the offer, the offering documents disclose a plan or an intention to cause us to engage in a consolidation or merger or a sale of all or substantially all of our assets. "Current market price" of our ordinary shares on any day means the average of the closing price per share of our ordinary shares for each of the 10 consecutive trading days ending on the earlier of the day in question and the day before the "ex-date" with respect to the issuance or distribution requiring such computation. For purposes of this paragraph, "ex-date" means the first date on which our ordinary shares trade on the applicable exchange or in the applicable market, regular way, without the right to receive such issuance or distribution. To the extent that we have a rights plan in effect upon conversion of the notes into ordinary shares, you will receive, in addition to the ordinary shares, the rights under the rights plan, unless prior to any conversion, the rights have separated from the ordinary shares, in which case the conversion rate will be adjusted at the time of separation as if we distributed to all holders of our ordinary shares, shares of our capital stock, evidences of indebtedness or assets as described above, subject to readjustment in the event of the expiration, termination or redemption of such rights. In the event of: - any reclassification of our ordinary shares; - a consolidation,



merger or combination involving us; or - a sale or conveyance to another person or entity of all or substantially all of our property and assets; in which holders of our ordinary shares would be entitled to receive stock, other securities, other property, assets or cash for their ordinary shares, upon conversion of your notes you will be entitled to receive the same type of consideration that you would have been entitled to receive if you had converted the notes into our ordinary shares immediately prior to any of these events. We may, from time to time, increase the conversion rate if our Board of Directors has made a determination that this increase would be in our best interests. Any such determination by our board will be conclusive. In addition, we may increase the conversion rate if our board of directors deems it advisable to avoid or diminish any income tax to holders of ordinary shares resulting from any stock or rights distribution. See "Certain United States Federal Income Tax Considerations--Tax Consequences to U.S. Holders--Adjustment to Conversion Rate." The holders of the notes may, in certain circumstances, be deemed to have received a distribution subject to U.S. federal income tax as a dividend as a result of the adjustments to the conversion rate described above. See "Certain United States Federal Income Tax Considerations--Tax Consequences to U.S. Holders--Adjustment to Conversion Rate." We will not be required to make an adjustment in the conversion rate unless the adjustment would require a change of at least 1% in the conversion rate. However, we will carry forward any adjustments that are less than 1% of the conversion rate. Except as described above in this section, we will not adjust the conversion rate for any issuance of our ordinary shares or convertible or exchangeable securities or rights to purchase our ordinary shares or convertible or exchangeable securities.

**30 OPTIONAL REDEMPTION BY AMDOCS Beginning March 20, 2009,** we may redeem the notes in whole or in part for cash at any time at a redemption price equal to 100% of the principal amount of notes, plus accrued and unpaid interest and liquidated damages, if any, to, but excluding, the redemption date. If such redemption date falls after a record date but on or prior to the next succeeding interest payment date, we will pay the full amount of accrued and unpaid interest, and liquidated damages, if any, on such interest payment date to the holder of record on the close of business on the corresponding record date. We are required to give notice of redemption by mail to holders not more than 60 but not less than 30 days prior to the redemption date. If less than all of the outstanding notes are to be redeemed, the trustee will select the notes to be redeemed in principal amounts of \$1,000 or multiples of \$1,000 by lot, pro rata or by another method the trustee considers fair and appropriate. If a portion of your notes is selected for partial redemption and you convert a portion of your notes, the converted portion will be deemed to the extent practicable to be of the portion selected for redemption. We may not redeem the notes if we have failed to pay any interest on the notes and such failure to pay is continuing, or if the principal amount of the notes has been accelerated.

**REPURCHASE AT OPTION OF THE HOLDER** You have the right to require us to repurchase your notes, in whole or in part, on March 15 of 2009, 2014 and 2019. We will be required to repurchase any outstanding note for which you deliver a written repurchase notice to the paying agent. This notice must be delivered during the period beginning at any time from the opening of business on the date that is 20 business days prior to the repurchase date until the close of business on the repurchase date. If a repurchase notice is given and withdrawn during that period, we will not be obligated to repurchase the notes listed in the notice. Our repurchase obligation will be subject to certain additional conditions. The repurchase price payable for a note will be equal to the principal amount to be repurchased, plus accrued and unpaid interest and liquidated damages, if any, to, but excluding, the repurchase date. At our option, instead of paying the repurchase price in cash, we may pay it in our ordinary shares or a combination of cash and our ordinary shares valued at 100% of the average of the closing sales prices of such ordinary shares on the NYSE (or such other national or regional exchange or market on which the securities are then listed or quoted) for the five consecutive trading days ending on the third trading day prior to the repurchase date. We may only pay the repurchase price in ordinary shares if we satisfy certain conditions provided in the indenture, including: - registration of the ordinary shares to be issued upon repurchase under the Securities Act and the Securities Exchange Act of 1934, referred to herein as the Exchange Act, if required; - qualification of the ordinary shares to be issued upon repurchase under applicable state securities laws, if necessary, or the availability of an exemption therefrom; and - listing of the ordinary shares on a United States national securities exchange or quotation thereof in an inter-dealer quotation system of any registered United States national securities association. If any condition is not satisfied, such as the condition that there be no restrictions on any transfer of the shares, the repurchase price may be paid only in cash. For a discussion of the tax treatment of a holder receiving cash, ordinary shares or any combination thereof, see "Certain United States Federal Income Tax Considerations." We may, at any time, irrevocably relinquish our right to pay the repurchase price in ordinary shares by entering into a supplemental indenture with the trustee. You may withdraw any written repurchase notice by delivering a written notice of withdrawal to the paying agent prior to the close of business on the repurchase date. The withdrawal notice must state: 31 - the principal amount of the withdrawn notes; - if certificated notes have been issued, the certificate numbers of the withdrawn notes (or, if your notes are not certificated, your withdrawal notice must comply with appropriate DTC procedures); and - the principal amount, if any, that remains subject to the repurchase notice. We must give notice of an upcoming repurchase date to all note holders not less than 20 business days prior to the repurchase date at their addresses shown in the register of the registrar. We will also give notice to beneficial owners as required by applicable law. This notice will state, among other things: whether we will pay the repurchase price of the notes in cash or ordinary shares, or both cash and ordinary shares (in which case the relative percentages will be specified); if we elect to pay all or a portion of the repurchase price in ordinary shares, the method by which we are required to calculate market price of the ordinary shares; and the procedures that holders must follow to require us to repurchase their notes. Payment of the repurchase price for a note for which a repurchase notice has been delivered and not withdrawn is conditioned upon book-entry transfer or delivery of the note, together with necessary endorsements, to the paying agent at its office in the Borough of Manhattan, The City of New York, or any other office of the paying agent, at any time after delivery of the repurchase notice. Payment of the repurchase price for the note will be made promptly following the later of the repurchase date and the time of book-entry transfer or delivery of the note. If the paying agent holds money sufficient to pay the repurchase price of the note on the business day following the repurchase date, then, on and after the date: - the note will cease to be outstanding; - interest will cease to accrue; and - all other rights of the holder will terminate, other than the right to receive the repurchase price upon delivery of the note. This will be the case whether or not book-entry transfer of the note has been made or the note has been delivered to the paying agent. No notes may be repurchased by us at the option of the holders if the principal amount of the notes has been accelerated, and such acceleration has not been rescinded, on or prior to the indicated repurchase date. We may be unable to repurchase the notes if you elect to require us to repurchase the notes pursuant to this provision. If you elect to require us to repurchase the notes on March 15 of 2009, 2014 or 2019, we may not have enough funds to pay the repurchase price for all tendered notes. Any future credit agreements or other agreements relating to our indebtedness may contain provisions prohibiting the repurchase of the notes under certain

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circumstances. If you elect to require us to repurchase the notes at a time when we are prohibited from repurchasing notes, we could seek the consent of our lenders to repurchase the notes or attempt to refinance this debt. If we do not obtain consent, we would not be permitted to repurchase the notes. Our failure to repurchase tendered notes would constitute an event of default under the indenture, which might constitute a default under the terms of our other indebtedness. We will comply with the provisions of Rule 13e-4 and any other tender offer rules under the Exchange Act that may be applicable at the time of the tender offer. To the extent applicable, we will file a Schedule TO or any other schedule required in connection with any offer by us to repurchase the notes. **REPURCHASE AT OPTION OF THE HOLDER UPON A DESIGNATED EVENT** If a designated event occurs at any time prior to the maturity of the notes, you may require us to repurchase your notes, in whole or in part, on a repurchase date that is not less than 20 nor more than 35 business days after the date of our notice of the designated event. The notes will be repurchased only in integral multiples of \$1,000 principal amount. <sup>32</sup> We will repurchase the notes at a price equal to 100% of the principal amount to be repurchased, plus accrued and unpaid interest, and liquidated damages, if any, to, but excluding, the repurchase date. If such repurchase date falls after a record date and on or prior to the corresponding interest payment date, we will pay the full amount of accrued and unpaid interest payable on such interest payment date to the holder of record on the close of business on the corresponding record date. At our option, instead of paying the repurchase price in cash, we may pay it in our ordinary shares or, if applicable, our parent's common equity, or a combination of cash and shares valued at 100% of the average of the closing sales prices of such shares on the New York Stock Exchange (or such other national or regional exchange or market on which the securities are then listed or quoted) for the five consecutive trading days ending on the third trading day prior to the repurchase date. We may only pay the repurchase price in shares if we satisfy certain conditions provided in the indenture, including: - registration of the shares to be issued upon redemption under the Securities Act and the Exchange Act, if required; - qualification of the shares to be issued upon redemption under applicable state securities laws, if necessary, or the availability of an exemption therefrom; and - listing of the shares on a United States national securities exchange or quotation thereof in an inter-dealer quotation system of any registered United States national securities association. If any condition is not satisfied, such as the condition that there be no restrictions on any transfer of the shares, the repurchase price may be paid only in cash. We may, at any time, irrevocably relinquish our right to pay the repurchase price in shares by entering into a supplemental indenture with the trustee. We will mail to all record holders a notice of a designated event within 15 days after it has occurred. This notice will state, among other things: whether we will pay the repurchase price of the notes in cash, shares of our ordinary shares or, if applicable, our parent's common equity, or both cash and shares (in which case the relative percentages will be specified); if we elect to pay all or a portion of the repurchase price in shares, the method by which we are required to calculate market price of the shares; and the procedures that holders must follow to require us to repurchase their notes. We are also required to deliver to the trustee a copy of the designated event notice. If you elect to require us to repurchase your notes, you must deliver to us or our designated agent, on or before the repurchase date specified in our designated event notice, your repurchase notice and any notes to be repurchased, duly endorsed for transfer. We will promptly pay the repurchase price for notes surrendered for repurchase following the repurchase date. You may withdraw any written repurchase notice by delivering a written notice of withdrawal to the paying agent prior to the close of business on the repurchase date. The withdrawal notice must state: - the principal amount of the withdrawn notes; - if certificated notes have been issued, the certificate numbers of the withdrawn notes (or, if your notes are not certificated, your withdrawal notice must comply with appropriate DTC procedures); and - the principal amount, if any, that remains subject to the repurchase notice. Payment of the repurchase price for a note for which a repurchase notice has been delivered and not withdrawn is conditioned upon book-entry transfer or delivery of the note, together with necessary endorsements, to the paying agent at its corporate trust office in the Borough of Manhattan, The City of New York, or any other office of the paying agent, at any time after delivery of the repurchase notice. Payment of the repurchase price for the note will be made promptly following the later of the repurchase date and the time of book-entry transfer or delivery of the note. If the paying agent holds money sufficient to pay the repurchase price of the note on the repurchase date, then, on and after the business day following the repurchase date: - the note will cease to be outstanding; <sup>33</sup> - interest will cease to accrue; and - all other rights of the holder will terminate, other than the right to receive the repurchase price upon delivery of the note. This will be the case whether or not book-entry transfer of the note has been made or the note has been delivered to the paying agent. A "designated event" will be deemed to have occurred upon a fundamental change or a termination of trading. A "fundamental change" is any transaction or event (whether by means of an exchange offer, liquidation, tender offer, consolidation, merger, combination, reclassification, recapitalization or otherwise) in connection with which all or substantially all of our ordinary shares are exchanged for, converted into, acquired for or constitute solely the right to receive, consideration that is not all or substantially all common stock (or comparable equity security of a non-U.S. entity) that: - is listed on, or immediately after the transaction or event will be listed on, a United States national securities exchange, or - is approved, or immediately after the transaction or event will be approved, for quotation on the NASDAQ National Market or any similar United States system of automated dissemination of quotations of securities prices. A "termination of trading" will be deemed to have occurred if our ordinary shares (or other securities into which the notes are then convertible) are neither listed for trading on a United States national securities exchange nor approved for trading on the NASDAQ National Market. We will comply with the provisions of Rule 13e-4 and any other tender offer rules under the Exchange Act that may be applicable at the time of a designated event. To the extent applicable, we will file a Schedule TO or any other schedule required in connection with any offer by us to repurchase the notes in the event of a designated event. These designated event repurchase rights could discourage a potential acquirer of Amdocs. However, this designated event repurchase feature is not the result of management's knowledge of any specific effort to obtain control of us by means of a merger, tender offer or solicitation, or part of a plan by management to adopt a series of anti-takeover provisions. The term "designated event" is limited to specified transactions and may not include other events that might adversely affect our financial condition or business operations. Our obligation to offer to repurchase the notes upon a designated event would not necessarily afford you protection in the event of a highly leveraged transaction, reorganization, merger or similar transaction involving us. No notes may be repurchased by us at the option of holders upon a designated event if the principal amount of the notes has been accelerated and such acceleration has not been rescinded. We may be unable to repurchase the notes in the event of a designated event. If a designated event were to occur, we may not have enough funds to pay the repurchase price for all tendered notes. Any future credit agreements or other agreements relating to our indebtedness may contain provisions prohibiting repurchase of the notes under certain circumstances, or expressly prohibit our repurchase of the notes upon a designated event or may provide that a designated event constitutes an event of default under that agreement. If a designated event occurs at a time when we are prohibited from repurchasing

notes, we could seek the consent of our lenders to repurchase the notes or attempt to refinance this debt. If we do not obtain consent, we would not be permitted to repurchase the notes. Our failure to repurchase tendered notes would constitute an event of default under the indenture, which might constitute a default under the terms of our other indebtedness.

**34 ADDITIONAL TAX AMOUNTS** All amounts payable (whether in respect of principal, interest, liquidated damages or otherwise) in respect of the notes will be made free and clear of and without withholding or deduction for or on account of any present or future taxes, duties, levies, assessments or governmental charges of whatever nature imposed or levied by or on behalf of Guernsey or any political subdivision thereof or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, levies, assessments or governmental charges is required by law. In that event, we will pay, or cause to be paid, such additional amounts as may be necessary in order that the net amounts receivable by the holder after such withholding or deduction shall equal the respective amounts that would have been receivable by such holder in the absence of such withholding or deduction; except that no such additional amounts shall be payable in relation to any payment in respect of any of the notes: - to, or to a third party on behalf of, a person who is liable for such taxes, duties, levies, assessments or governmental charges in respect of such note by reason of his having some connection with (including being a citizen of, being incorporated or engaged in a trade or business in, or having a residence or principal place of business or other presence in) Guernsey other than (a) the mere holding of such note or (b) the receipt of principal, interest or other amount in respect of such note; or - presented for payment more than 30 days after the relevant date (as defined below), except to the extent that the relevant holder would have been entitled to such additional amounts on presenting the same for payment on or before the expiry of such period of 30 days; or - on account of any inheritance, gift, estate, personal property, sales, or similar taxes duties, levies, assessments or similar governmental charges; or - on account of any taxes, duties, levies, assessments or governmental charges that are payable otherwise than by withholding from payments in respect of such note. The "relevant date" means, in respect of any payment, the date on which such payment first becomes due and payable, but if the full amount of the moneys payable has not been received by the trustee on or prior to such due date, it means the first date on which, the full amount of such moneys having been so received and being available for payment to holders, notice to that effect shall have been duly given to the holders of the notes. If Amdocs becomes subject generally at any time to any taxing jurisdiction other than or in addition to Guernsey, references to Guernsey in this section and the following section shall be read and construed as references to such other jurisdiction(s) and/or to Guernsey. Notwithstanding the foregoing discussion concerning withholding taxes, in the event that any deduction or withholding on account of tax is required to be made, or is made, in connection with the European Union directive on the taxation of savings income adopted on June 3, 2003, or any law, regardless of whether or not enacted by a member state of the European Union or otherwise, required by such directive implementing or complying with, or introduced in order to conform to, such directive, no additional amounts shall be payable or paid by us to any holder in respect of the notes. See "Certain Guernsey Tax Considerations--European Union Savings Tax Directive." Any reference in this section to "principal" and/or "interest" in respect of the notes shall be deemed also to refer to any additional amounts that may be payable under this section. Unless the context otherwise requires, any reference in this section to "principal" shall include any redemption amount and any other amounts in the nature of principal payable pursuant to this section and "interest" shall include all amounts payable pursuant to this section and any other amounts in the nature of interest payable pursuant to this section, including liquidated damages.

**35 TAX REDEMPTION** Subject to the conditions described below, the notes may be redeemed for cash, in whole but not in part, at our option, upon not less than 30 days' nor more than 60 days' prior notice to the holders at the redemption price equal to 100% of the principal amount, plus accrued and unpaid interest and liquidated damages, if any, to, but excluding, the date fixed for redemption, if we determine, based on an opinion received from a tax advisor who is an expert in the tax laws of the relevant jurisdiction, that on the next succeeding interest payment date, as a result of any change in or amendment to the laws or treaties, or any regulations or rulings promulgated thereunder, of Guernsey or any political subdivision thereof or any authority or agency therein or thereof having power to tax and affecting taxation, or any proposed change in such laws, treaties, regulations or rulings (including a holding by a court of competent jurisdiction) which change or amendment becomes effective or is proposed on or after the closing date of the sale of the notes, Amdocs has or will become obligated to pay additional amounts on any notes, provided, however, that (i) the obligation to withhold or deduct cannot be avoided by us by using our reasonable best efforts to obtain an exemption from such deduction or withholding obligation (in the event application to the appropriate authorities is reasonably required in order to avoid such obligation) and such application has been denied, and (ii) no such notice of redemption may be given earlier than 90 days prior to the earliest date on which we would be obligated to pay such additional amounts. Notwithstanding the foregoing, if we give notice of redemption as described above, each holder of notes will have the right to elect that such holder's notes will not be subject to such redemption. If a holder of notes elects not to be subject to such redemption, we will not be required to pay any additional amounts with respect to payments made on that holder's notes (solely as a result of the change in Guernsey tax law that caused additional amounts to be payable) following the redemption date fixed by us, and all subsequent payments on such holder's notes whether in cash or ordinary shares will be subject to applicable Guernsey taxes. In such event, payments of interest on the notes arising on maturity, redemption, purchase or conversion of a note or on an assignment or other transfer of a note to a person resident in Guernsey may be subject to Guernsey taxes, and the tax consequences to holders of notes described under "Certain Guernsey Tax Considerations" will no longer apply. Because the tax consequences to holders in such circumstances could be material and adverse, holders of notes should consult their own tax advisors in considering whether to elect their option to avoid redemption in such circumstances. In the event that cash payments which a holder would otherwise be entitled to receive from us are insufficient to pay applicable Guernsey taxes, we may require from a holder as a condition to the holder's right to receive any ordinary shares on conversion or other amounts from us an amount of cash sufficient to pay applicable Guernsey taxes. Holders of notes must elect their option to avoid such redemption by written notice to the trustee no later than the 15th day prior to the redemption date fixed by us.

**MERGER AND SALE OF ASSETS BY AMDOCS** The indenture provides that we may not consolidate with or merge with or into any other person or convey, transfer, sell or lease our properties and assets substantially as an entirety to another person, and we may not permit any person to consolidate with or merge into us or convey, transfer, sell or lease such person's properties and assets substantially as an entirety to us, unless among other items: - the person formed by such consolidation or into or with which we are merged or the person to which our properties and assets are so conveyed, transferred, sold or leased, shall be a corporation, limited liability company, partnership or trust organized and validly existing under either (1) the laws of Guernsey, the United States, any state within the United States or the District of Columbia or any other country (including its political subdivisions) which on the issue date is a member of the Organization for Economic Cooperation and Development or (2) any other

country whose legal and jurisprudential system is principally based on, or substantially similar to, English common law so long as the location of that entity in such common law country would not adversely affect the rights of holders and, in each case, if we are not the surviving person, the surviving person files a supplement to the indenture and expressly assumes the payment of the principal and interest on the notes and the performance of our other covenants under the indenture; - after giving effect to such transaction, there is no event of default under the indenture, and no event which, after notice or passage of time or both, would become an event of default; and - other requirements as described in the indenture are met. **EVENTS OF DEFAULT; NOTICE AND WAIVER** The following are events of default under the indenture: - we fail to pay principal when due at maturity, upon redemption, repurchase or otherwise on the notes; - we fail to pay any interest and liquidated damages, if any, on the notes, when due and such failure continues for a period of 30 days; - we fail to provide timely notice of a designated event; - we fail to perform or observe any of the covenants in the indenture for 60 days after written notice to us from the trustee (or to us and the trustee from the holders of at least 25% in principal amount of the outstanding notes); - payment defaults or other defaults causing acceleration of indebtedness prior to maturity, where the principal amount of the indebtedness subject to such defaults aggregates \$50.0 million or more; - we fail to deliver our ordinary shares upon conversion of the notes within the time period required by the indenture, and such failure continues for a period of five days; or - certain events involving our bankruptcy, insolvency or reorganization. The trustee may withhold notice to the holders of the notes of any default, except defaults in payment of interest or liquidated damages, if any, on the notes. However, the trustee must consider it to be in the interest of the holders of the notes to withhold this notice. If an event of default occurs and continues, the trustee or the holders of at least 25% in principal amount of the outstanding notes may declare the principal, and accrued interest and liquidated damages, if any, on the outstanding notes to be immediately due and payable. In case of certain events of bankruptcy or insolvency involving us, the principal, and accrued interest and liquidated damages, if any, on the notes will automatically become due and payable. However, if we cure all defaults, except the nonpayment of principal, interest or liquidated damages, if any, that became due as a result of the acceleration, and meet certain other conditions, with certain exceptions, this declaration may be cancelled and the holders of a majority of the principal amount of outstanding notes may waive these past defaults. Payments of principal or interest or liquidated damages, if any, on the notes that are not made when due will accrue interest from the required payment date at the annual rate of 1% above the then applicable interest rate for the notes. The holders of a majority of outstanding notes will have the right to direct the time, method and place of any proceedings for any remedy available to the trustee, subject to limitations specified in the indenture. No holder of the notes may pursue any remedy under the indenture, except in the case of a default in the payment of principal or interest on the notes, unless: - the holder has given the trustee written notice of an event of default; 37 - the holders of at least 25% in principal amount of outstanding notes make a written request and offer indemnity reasonably satisfactory to the trustee to pursue the remedy; - the trustee does not receive an inconsistent direction from the holders of a majority in principal amount of the notes; - the holder or holders have offered security or indemnity reasonably satisfactory to the trustee against any costs, liability or expense of the trustee; and - the trustee fails to comply with the request within 60 days after receipt of the request and offer of indemnity. **MODIFICATION AND WAIVER** The consent of the holders of a majority in principal amount of the outstanding notes is required to modify or amend the indenture. However, a modification or amendment requires the consent of the holder of each outstanding note if it would: - extend the fixed maturity of any note; - reduce the rate or extend the time for payment of interest, or liquidated damages, if any, on any note; - reduce the principal amount of any note; - reduce any amount payable upon redemption or repurchase of any note; - adversely change our obligation to repurchase any note at the option of a holder or upon a designated event; - impair the right of a holder to institute suit for payment on any note; - change the currency in which any note is payable; - impair the right of a holder to convert any note or reduce the number of ordinary shares or the amount of any other property receivable upon conversion; - reduce the quorum or voting requirements under the indenture; - subject to specified exceptions, modify certain of the provisions of the indenture relating to modification or waiver of provisions of the indenture; or - reduce the percentage of notes required for consent to any modification of the indenture. We are permitted to modify certain provisions of the indenture without the consent of the holders of the notes. **FORM, DENOMINATION AND REGISTRATION** The notes were issued: - in fully registered form; - without interest coupons; and - in denominations of \$1,000 principal amount and integral multiples of \$1,000. **GLOBAL NOTE, BOOK-ENTRY FORM** Notes are evidenced by one or more global notes. We deposited the global note or notes with DTC and register the global notes in the name of Cede & Co. as DTC's nominee. Except as set forth 38 below, a global note may be transferred, in whole or in part, only to another nominee of DTC or to a successor of DTC or its nominee. Beneficial interests in a global note may be held directly through DTC if such holder is a participant in DTC, or indirectly through organizations that are participants in DTC (called "participants"). Transfers between participants will be effected in the ordinary way in accordance with DTC rules and will be settled in clearing house funds. The laws of some states require that certain persons take physical delivery of securities in definitive form. As a result, the ability to transfer beneficial interests in the global note to such persons may be limited. Holders who are not participants may beneficially own interests in a global note held by DTC only through participants, or certain banks, brokers, dealers, trust companies and other parties that clear through or maintain a custodial relationship with a participant, either directly or indirectly (called "indirect participants"). So long as Cede & Co., as the nominee of DTC, is the registered owner of a global note, Cede & Co. for all purposes will be considered the sole holder of such global note. Except as provided below, owners of beneficial interests in a global note will: - not receive physical delivery of certificates in definitive registered form; and - not be considered holders of the global note. We will pay interest on and the redemption price and the repurchase price of a global note to Cede & Co., as the registered owner of the global note, by wire transfer of immediately available funds on each interest payment date or the redemption or repurchase date, as the case may be. Neither we, the trustee nor any paying agent will be responsible or liable: - for the records relating to, or payments made on account of, beneficial ownership interests in a global note; or - for maintaining, supervising or reviewing any records relating to the beneficial ownership interests. Neither we, the trustee, registrar, paying agent nor conversion agent will have any responsibility for the performance by DTC or its participants or indirect participants of their respective obligations under the rules and procedures governing their operations. DTC has advised us that it will take any action permitted to be taken by a holder of notes, including the presentation of notes for exchange, only at the direction of one or more participants to whose account with DTC interests in the global note are credited, and only in respect of the principal amount of the notes represented by the global note as to which the participant or participants has or have given such direction. DTC has advised us that it is: - a limited purpose trust company organized under the laws of the State of New York, and a member of the Federal Reserve System; - a "clearing corporation" within the meaning of the Uniform Commercial Code; and - a "clearing agency" registered pursuant to the provisions of Section

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17A of the Exchange Act. DTC was created to hold securities for its participants and to facilitate the clearance and settlement of securities transactions between participants through electronic book-entry changes to the accounts of its participants. Participants include securities brokers, dealers, banks, trust companies and clearing corporations and other organizations. Some of the participants or their representatives, together with other entities, own DTC. Indirect access to the DTC system is available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a participant, either directly or indirectly. 39 DTC has agreed to the foregoing procedures to facilitate transfers of interests in a global note among participants. However, DTC is under no obligation to perform or continue to perform these procedures, and may discontinue these procedures at any time. We will issue the notes in definitive certificated form if DTC notifies us that it is unwilling or unable to continue as depository or DTC ceases to be a clearing agency registered under the Exchange Act and a successor depository is not appointed by us within 90 days. In addition, beneficial interests in a global note may be exchanged for definitive certificated notes upon request by or on behalf of DTC in accordance with customary procedures. We may determine at any time and in our sole discretion that notes shall no longer be represented by global notes, in which case we will issue certificates in definitive form in exchange for the global notes.

**REGISTRATION RIGHTS** We entered into a registration rights agreement dated March 5, 2004 with the initial purchasers pursuant to which we have, at our own expense, for the benefit of the noteholders, filed with the SEC the shelf registration statement of which this prospectus is a part, covering resale of the notes and the ordinary shares issuable upon conversion of the notes. Our obligation to keep the shelf registration statement effective terminates upon the earlier of: - such time as all of the registrable securities have been sold pursuant to the shelf registration statement or sold to the public pursuant to Rule 144 under the Securities Act, or any other similar provision then in force (but not Rule 144A); or - the expiration of the holding period applicable to such securities held by persons that are not affiliates of Amdocs under Rule 144(k) under the Securities Act, or any successor provision. When we use the term "registrable securities" in this section, we are referring to the notes and the ordinary shares issuable upon conversion of the notes until the earliest of: - the effective registration under the Securities Act and the resale of the securities in accordance with the registration statement; - the expiration of the holding period with respect to the registrable securities under Rule 144(k) under the Securities Act; and - the sale of the registrable securities to the public pursuant to Rule 144 under the Securities Act. We may, upon written notice to all the holders of registrable securities, postpone having the shelf registration statement declared effective for a reasonable period not to exceed 90 days if we in good faith reasonably believe that we possess material non-public information, the disclosure of which would have a material adverse effect on us and our subsidiaries taken as a whole. We may suspend the use of the prospectus under certain circumstances relating to pending corporate developments, public filings with the SEC and similar events. Any suspension period shall not exceed: - 30 days in any three-month period; or - an aggregate of 90 days for all periods in any 12-month period. Notwithstanding the foregoing, we will be permitted to suspend the use of the prospectus for up to 60 days in any three-month period under certain circumstances, relating to possible acquisitions, financings or other similar transactions. We will pay predetermined liquidated damages on the interest payment dates for the notes if the shelf registration statement is not timely filed or declared effective or if the prospectus included in such registration statement is unavailable for periods in excess of those permitted above: 40 - on the notes at an annual rate equal to 0.25% of the aggregate principal amount of the notes outstanding for the first 90-day period immediately following the failure to timely file or make effective a shelf registration statement or the failure to make the prospectus available for periods described above, and such rate will increase to 0.50% per annum thereafter until the registration statement is filed or made effective or until the prospectus is made available; and - on the ordinary shares that have been issued upon conversion of the notes, at an annual rate equal to 0.25% of an amount equal to \$1,000 divided by the conversion rate during such periods for the first 90-day period immediately following the failure to timely file or make effective a shelf registration statement or the failure to make the prospectus available for periods described above, and such rate will increase to 0.50% per annum thereafter until the registration statement is filed or made effective or until the prospectus is made available. In no event will liquidated damages accrue at an annual rate exceeding 0.50%. As a result of the shelf registration statement not being declared effective within the time periods described above, we became obligated to pay to the holders of the notes aggregate liquidated damages in the amount of \$68,750. We paid \$43,750 of this amount on September 15, 2004 in conjunction with our interest payment to the record holders of the notes as of the close of business on September 1, 2004, and we will pay the balance in connection with our March 15, 2005 interest payment to the record holders of the notes as of the close of business on March 1, 2005. A holder who elects to sell registrable securities pursuant to the shelf registration statement will be required to: - be named as a selling securityholder in the related prospectus; - deliver a prospectus to purchasers; and - be subject to the provisions of the registration rights agreement, including indemnification provisions. Under the registration rights agreement we will: - pay all customary expenses with respect to the shelf registration statement; - provide each registered holder copies of the prospectus; - notify holders when the shelf registration statement has become effective; and - take other reasonable actions as are required to permit unrestricted resales of the registrable securities in accordance with the terms and conditions of the registration rights agreement. The plan of distribution of the shelf registration statement, of which this prospectus is a part, permits resales of registrable securities by selling securityholders through brokers and dealers. We agreed in the registration rights agreement to give notice to all holders of the filing and effectiveness of the shelf registration statement, of which this prospectus is a part. This summary in this prospectus of provisions of the registration rights agreement is not complete. This summary is subject to, and is qualified in its entirety by reference to, all the provisions of the registration rights agreement, a copy of which has previously been filed with the SEC.

**RULE 144A INFORMATION REQUEST** We will furnish to the holders or beneficial holders of the notes or the underlying ordinary shares and prospective purchasers, upon their request, the information required under Rule 144A(d)(4) under the Securities Act until such time as such securities are no longer "restricted securities" within the meaning of Rule 144 under the Securities Act, assuming these securities have not been owned by an affiliate of ours.

**INFORMATION CONCERNING THE TRUSTEE** We have appointed The Bank of New York, the trustee under the indenture, as paying agent, conversion agent, note registrar and custodian for the notes. The trustee or its affiliates may provide banking and other services to us in the ordinary course of their business. 41 The indenture contains certain limitations on the rights of the trustee, if it or any of its affiliates is then our creditor, to obtain payment of claims in certain cases or to realize on certain property received on any claim as security or otherwise. The trustee and its affiliates are permitted to engage in other transactions with us. However, if the trustee or any affiliate continues to have any conflicting interest and a default occurs with respect to the notes, the trustee must eliminate such conflict or resign.

**GOVERNING LAW** The notes and the indenture are governed by, and construed in accordance with, the laws of the State of New York. 42

**DESCRIPTION OF SHARE CAPITAL** The

following description summarizes the most important terms of our share capital. Because it is only a summary, it does not contain all of the information that may be important to you. For a complete description, you should refer to our Articles of Association. The share capital of Amdocs is (pound)5,750,000 divided into (i) 25,000,000 preferred shares with a par value of (pound)0.01 per share and (ii) 550,000,000 ordinary shares with a par value of (pound)0.01 per share, consisting of 500,000,000 voting ordinary shares and 50,000,000 non-voting ordinary shares. As of September 30, 2004, 201,334,057 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, the holders of our 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 our assets are insufficient to pay in full the amount stated above, then such assets shall be distributed among the holders of our 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 shares 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 our shares, the holders of voting ordinary shares and non-voting ordinary shares are entitled to share equally, share for share, in such dividends except that if dividends are declared which are payable in voting ordinary shares or non-voting ordinary shares, dividends must be declared which 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 our books as voting ordinary shares and automatically convert into the same number of voting ordinary shares. 43 - **Liquidation --** upon any liquidation, dissolution or winding-up, any of our assets 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. 44 **COMPARISON OF UNITED STATES AND GUERNSEY CORPORATE LAW** The following discussion is a summary of the material differences between United States and Guernsey corporate law relevant to an investment in the notes and our ordinary shares. The following discussion is based upon laws and relevant interpretations thereof in effect as of the date of this prospectus, all of which are subject to change. Under the laws of many jurisdictions in the United States, controlling shareholders generally have certain "fiduciary" responsibilities to minority shareholders. Shareholder action by controlling shareholders must be taken in good faith and actions by such shareholders that are obviously unreasonable may be declared null and void. Guernsey law protecting the interests of minority shareholders may not be as protective in all circumstances as the law protecting minority shareholders in United States jurisdictions. Under Guernsey law, an individual shareholder cannot, without the authority of the majority of the shareholders of the corporation, initiate litigation in the corporation's name, but an individual shareholder may seek to enforce the corporation's rights by suing in representative form on behalf of himself and all of the other shareholders of the corporation (except the wrongdoers where the complaint is against other shareholders) against the wrongdoers, who may include directors. In these circumstances, the corporation itself may be joined as a nominal defendant in order that it can be bound by the judgment and, if an action results in any property or damages recovered, such recovery goes not to the plaintiff, but to the corporation. Alternatively, Guernsey law makes specific provision to enable a shareholder to apply to the court for relief on the ground that the affairs of the corporation are being or have been conducted in a manner that is unfairly prejudicial to the interests of certain shareholders (including at least himself) or any actual or proposed act or omission of the corporation is or would be so prejudicial. In such circumstances, the court has wide discretion to make orders to regulate the conduct of the corporation's affairs in the future, to require the corporation to refrain from doing or continuing to do an act that the applicant has complained it has omitted to do, to authorize civil proceedings to be brought in the name and on behalf of the corporation and to provide for the purchase of shares of any shareholder of the corporation by other members or by the corporation itself. As in most United States jurisdictions, unless approved by a special resolution of our shareholders, our directors do not have the power to take certain actions, including an amendment of our Memorandum of Association or Articles of Association or an increase or reduction in our authorized capital. Directors of a Guernsey corporation, without shareholder approval, in certain instances may, among other things, implement a reorganization and effect certain mergers or consolidations, certain sales, transfers, exchanges or dispositions of assets, property, parts of the business or securities of the corporation; or any combination thereof, if they determine any such action is in the best interests of the corporation, its creditors or its shareholders. As in most United States jurisdictions, the board of directors of a Guernsey corporation is charged with the management of the affairs of the corporation. In most United States jurisdictions, directors owe a fiduciary duty to the corporation and its shareholders, including a duty of care, pursuant to which directors must properly apprise themselves of all reasonably available information, and a duty of loyalty, pursuant to which they must protect the interests of the corporation and refrain from conduct that injures the corporation or its shareholders or that deprives the corporation or its shareholders of any profit or advantage. Under Guernsey law, directors have comparable fiduciary duties. Many United States jurisdictions have enacted various statutory provisions that permit the monetary liability of directors to be eliminated or limited. Guernsey has not adopted provisions eliminating or limiting the liabilities of directors, although Guernsey law protecting the interests of shareholders may not be as protective in all circumstances as the law protecting shareholders in United States jurisdictions. Under our Articles of Association, we are obligated to indemnify any person who is made or threatened to be made a party to a legal or administrative

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proceeding by virtue of being a director, officer or agent of Amdocs, provided that 45 we have no obligation to indemnify any such persons for any claims they incur or sustain by or through their own willful act or default. 46 **CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS** The following summary describes the anticipated material United States federal income tax consequences of the purchase, ownership and disposition of the notes and ordinary shares into which the notes may be converted, as of the date hereof. The information provided below is based on the Internal Revenue Code of 1986, as amended (the "Code"), and regulations, rulings and judicial decisions all as in effect as of the date hereof, all of which may be repealed, revoked or modified with possible retroactive effect. The summary applies only to holders that purchase notes in the initial offering at their issue price and hold the notes and ordinary shares into which the notes may be converted as capital assets for tax purposes. The summary does not address tax considerations that may be relevant to particular investors because of their specific circumstances, or because they are subject to special rules. For example, this summary does not address tax considerations applicable to investors to whom special tax rules may apply, such as: - banks or other financial institutions; - entities treated as partnerships or other flow-through entities for United States federal income tax purposes; - U.S. Holders (as defined below) whose functional currency is other than the United States dollar; - tax-exempt entities; - insurance companies; - regulated investment companies; - dealers in securities or currencies; or - persons that will hold notes or the ordinary shares into which the notes may be converted as a hedge against currency risk or as part of a straddle, synthetic security, conversion transaction or other integrated investment comprised of the notes or the ordinary shares into which the notes may be converted (as the case may be) and one or more other investments. Finally, the summary does not describe the effect of the federal gift or estate tax laws or the effect of any applicable foreign, state or local laws. This discussion is for general information only and is not intended as legal or tax advice to any particular investor. This summary does not provide a complete analysis or listing of all potential tax considerations. Prospective holders should consult their tax advisors as to the particular tax consequences to them of purchasing, holding or disposing of the notes and the ordinary shares into which the notes may be converted. For purposes of this discussion, the term "U.S. Holder" means a beneficial owner of a note or our ordinary shares acquired upon conversion of a note that is, for United States federal income tax purposes, (i) a citizen or resident of the United States, (ii) a corporation or other entity subject to tax as a corporation for United States federal income tax purposes that is created or organized in or under the laws of the United States or any political subdivision thereof, (iii) an estate the income of which is subject to United States federal income taxation regardless of source, or (iv) a trust if a court within the United States is able to exercise primary supervision over its administration and one or more United States persons have authority to control all of its substantial decisions. A "Non-U.S. Holder" is any beneficial owner of a note or our ordinary shares acquired upon conversion of a note that is not a U.S. Holder. If a partnership or other flow-through entity is a beneficial owner of a note or ordinary shares, the tax treatment of the partner will depend upon the status of the partner or other owner and the activities of the partnership or other entity. 47 **TAX CONSEQUENCES TO U.S. HOLDERS INTEREST** U.S. Holders will be required to recognize as ordinary income any interest paid or accrued on the notes at the time that such payments are accrued or received, in accordance with their regular method of accounting. In general, if the terms of a debt instrument entitle a holder to receive payments, other than fixed periodic interest and certain de minimis payments, that exceed the issue price of the instrument, the holder may be required to recognize the additional amounts as "original issue discount" over the term of the instrument. We believe that the notes will not be issued with original issue discount for U.S. federal income tax purposes. We may make payments of liquidated damages or certain other contingent payments to holders of the notes: - if we do not file, or cause to be declared effective, or keep effective, a registration statement, or if the prospectus included in such registration statement is unavailable for specified periods, as described under "Description of Notes -- Registration Rights"; - if Guernsey imposes an obligation to withhold or deduct certain amounts from the payments in respect of the notes, as described under "Description of Notes -- Additional Tax Amounts"; and - if we choose to pay the repurchase price of the notes in ordinary shares or a combination of cash and ordinary shares, as described under "Description of Notes--Repurchase at Option of the Holder". We believe that there is only a remote possibility that we will make any of these payments, and therefore we do not intend to treat the notes as subject to the special rules governing certain "contingent payment" debt instruments (which, if applicable, would affect the timing, amount and character of income with respect to a note). Our determination in this regard, while not binding on the U.S. Internal Revenue Service, or the IRS, is binding on holders unless they disclose their contrary position to the IRS. If, contrary to expectations, we make any of the payments described above, U.S. Holders may be required to recognize additional interest income. **CONVERSION OF NOTES INTO ORDINARY SHARES** A U.S. Holder will not recognize gain or loss upon conversion of the notes solely into our ordinary shares, except with respect to cash received in lieu of a fractional share. The U.S. Holder's basis in the ordinary shares received on conversion will be the same as the U.S. Holder's adjusted tax basis in the notes at the time of conversion (reduced by any basis allocable to any fractional share interest). The holding period for the ordinary shares received on conversion will generally include the holding period of the notes that were converted. Cash received in lieu of a fractional share upon conversion will generally be treated as a payment in exchange for such fractional share. Accordingly, the receipt of cash in lieu of a fractional share will generally result in capital gain or loss (measured by the difference between the cash received for the fractional share and the holder's adjusted tax basis in the fractional share). **ADJUSTMENT TO CONVERSION RATE** The conversion rate of the notes will be adjusted if we distribute cash with respect to shares of our ordinary shares and in certain other circumstances. See "Description of Notes - Conversion of Notes." Under section 305(c) of the Code and the applicable Treasury regulations, an increase in the conversion rate as a result of a taxable distribution to our ordinary shareholders will generally result in a deemed distribution to you. Other adjustments in the conversion rate (or failures to make such adjustments) that have the effect of increasing your proportionate interest in our assets or earnings may have the same result. Any deemed distribution to you will be subject to tax as a dividend to the extent of 48 our current or accumulated earnings and profits. In such a case, U.S. Holders will recognize dividend income as a result of an event pursuant to which they receive no cash or other property that could be used to pay the related tax. See "--Dividends" below. Such deemed dividend income may not qualify for preferential U.S. income tax rates generally afforded to dividend income under recently enacted legislation. Holders of notes are advised to consult with their tax advisors with respect to the potential tax consequences of such constructive distributions. **SALE, EXCHANGE, REDEMPTION OR OTHER TAXABLE DISPOSITION OF NOTES** A U.S. Holder will generally recognize capital gain or loss upon the sale, exchange, redemption or other taxable disposition of the notes in an amount equal to the difference between (i) the amount of cash proceeds and the fair market value of any property received (except to the extent such amount is attributable to accrued interest income not previously included in income, which is subject to tax as ordinary income) and (ii) such U.S. Holder's adjusted tax basis in the note. A U.S. Holder's

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adjusted tax basis in a note will generally equal the cost of the note to such holder. Such capital gain or loss will be long-term capital gain or loss if the notes were held for more than one year. The deductibility of capital losses is subject to certain limitations. If we repurchase the notes in exchange for our ordinary shares in certain circumstances at the option of the holder, such a repurchase generally will be treated in the same manner as a conversion to the extent of the portion of the notes exchanged for our ordinary shares. See "--Conversion of Notes into Ordinary Shares." **DIVIDENDS** Dividends paid on our ordinary shares will generally be includable in the income of a U.S. Holder as ordinary income to the extent of our current or accumulated earnings and profits, with any excess treated first as a return of capital to the extent of the U.S. Holder's basis in the ordinary shares, which will not be subject to tax, and thereafter as capital gain. Pursuant to recently enacted legislation, dividends on our ordinary shares paid to certain U.S. Holders (including individuals) may qualify for preferential U.S. federal income tax rates (a maximum rate of 15%) if we constitute a "qualified foreign corporation" and certain other conditions are satisfied. We believe that we constitute a "qualified foreign corporation." **SALE, EXCHANGE OR OTHER TAXABLE DISPOSITION OF ORDINARY SHARES** Upon the sale, exchange, or other taxable disposition of our ordinary shares, a U.S. Holder will generally recognize capital gain or loss equal to the difference between (i) the amount of cash and the fair market value of any property received upon the sale or exchange and (ii) such holder's adjusted tax basis in the ordinary shares. Such capital gain or loss will be long-term capital gain or loss if the U.S. Holder's holding period of the ordinary shares is more than one year at the time of the sale or exchange. The deductibility of capital losses is subject to certain limitations. **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% 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 49 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. **SPECIAL TAX RULES APPLICABLE TO NON-U.S. HOLDERS** Payments (or deemed payments attributable to adjustments in the conversion rate) on the notes or the ordinary shares to a Non-U.S. Holder, or gain realized on the sale, exchange or redemption of the notes or the ordinary shares by a Non-U.S. Holder, will not be subject to U.S. federal income or withholding tax, as the case may be, unless such income is effectively connected with a trade or business conducted by such Non-U.S. Holder in the United States, or, in the case of gain, such Non-U.S. Holder is a nonresident alien individual who holds the notes or ordinary shares, as the case may be, as a capital asset and who is present in the United States more than 182 days in the taxable year of the sale and certain other conditions are met. U.S. trade or business income of a Non-U.S. Holder will generally be subject to regular United States federal income tax in the same manner as if it were realized by a U.S. Holder. Non-U.S. Holders that realize U.S. trade or business income with respect to the notes or ordinary shares should consult their tax advisors as to the treatment of such income or gain. **BACKUP WITHHOLDING AND INFORMATION REPORTING U.S. HOLDERS** Payments of interest or dividends made by us on, or the proceeds of the sale or other disposition of, the notes or ordinary shares may be subject to information reporting and United States federal backup withholding tax at the rate of 28% if the U.S. Holder who receives such payments fails to supply an accurate taxpayer identification number or otherwise fails to comply with applicable United States information reporting or certification requirements. Any amount withheld from a payment to a U.S. Holder under the backup withholding rules is allowable as a credit against the holder's United States federal income tax, provided that the required information is furnished to the IRS. **NON-U.S. HOLDERS.** A Non-U.S. Holder may be required to comply with certification procedures to establish that the holder is not a U.S. person in order to avoid backup withholding tax and information reporting requirements. **THE PRECEDING DISCUSSION OF CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS IS FOR GENERAL INFORMATION ONLY AND IS NOT TAX ADVICE. ACCORDINGLY, EACH PROSPECTIVE INVESTOR SHOULD CONSULT ITS TAX ADVISOR AS TO THE PARTICULAR U.S. FEDERAL, STATE, AND LOCAL TAX CONSEQUENCES OF PURCHASING, HOLDING AND DISPOSING OF THE NOTES AND OUR ORDINARY SHARES. TAX ADVISORS SHOULD ALSO BE CONSULTED AS TO THE U.S. ESTATE AND GIFT TAX CONSEQUENCES AND THE FOREIGN TAX CONSEQUENCES OF PURCHASING, HOLDING AND DISPOSING OF THE NOTES AND OUR ORDINARY SHARES, AS WELL AS THE CONSEQUENCES OF ANY PROPOSED CHANGE IN APPLICABLE LAWS.** **50 CERTAIN GUERNSEY TAX CONSIDERATIONS** Under the laws of Guernsey, as currently in effect, a holder of the notes (and, upon conversion, 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, would be exempt from Guernsey income tax on interest and dividends paid with respect to such notes and such ordinary shares, respectively, and would not be liable for Guernsey income tax on gains realized upon the sale or other disposition of such notes and such ordinary shares. In addition, Guernsey would not impose a withholding tax on interest and dividends paid by us to the holders of such notes and such ordinary shares. There are no capital gains, gift or inheritance taxes levied by Guernsey, and the notes and ordinary shares generally would not be subject to any transfer taxes, stamp duties or similar charges on issuance or transfer. **EUROPEAN UNION SAVINGS TAX DIRECTIVE** The European Union adopted a directive regarding taxation of savings income on June 3, 2003. It is proposed that, subject to a number of important conditions being met, each EU member state will, from January 1, 2005, be required to provide to the tax authorities of another EU member state details of payments of interest (or other similar income) paid by a person within its jurisdiction to or for the benefit of an individual resident in that other EU member state; however, Austria, Belgium and Luxembourg will instead apply a withholding tax system for a transitional period in relation to such payments. Although Guernsey is not subject to the EU savings tax directive, the Advisory and Finance Committee of Guernsey has announced that, in keeping with



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Guernsey's policy of constructive international engagement, Guernsey proposes to introduce a withholding tax system in respect of payments of interest, or other similar income, made to an individual beneficial owner resident in an EU member state by an issuer or paying agent situated in Guernsey. The withholding tax system would apply for a transitional period prior to the implementation of a system of automatic exchange of information regarding such payments. During this transitional period, such an individual beneficial owner resident in an EU member state will be entitled to request an issuer or paying agent situated in Guernsey not to withhold tax from such payments but instead to apply a system by which the details of such payments are communicated to the tax authorities of the EU member state in which the beneficial owner is resident. As indicated above under "Description of Notes--Additional Tax Amounts," we will not make any additional payments to holders to compensate them for any tax that is required to be withheld as a result of these proposals.

**51 SELLING SECURITYHOLDERS** We originally issued the notes on March 5, 2004 to Morgan Stanley & Co. Incorporated, Goldman, Sachs & Co. and Merrill Lynch, Pierce, Fenner & Smith Incorporated, whom we refer to as the initial purchasers of the notes. The initial purchasers advised us that the notes were resold by them in transactions exempt from the registration requirements of the Securities Act to persons reasonably believed by the initial purchasers to be "qualified institutional buyers," as defined in Rule 144A of the Securities Act. These subsequent purchasers, listed below as selling securityholders, or their transferees, pledgees or donees or their successors, may from time to time offer and sell any or all the notes and ordinary shares issuable upon conversion of the notes pursuant to this prospectus. The selling securityholders have represented to us that they purchased the notes and the ordinary shares issuable upon conversion of the notes for their own account for investment only and not with a view toward selling or distributing them, except through sales registered under the Securities Act or exemptions therefrom. We agreed with the initial purchasers to file this registration statement to register the resale of the notes and the sale of the ordinary shares issuable upon conversion of the notes. We agreed to prepare and file all necessary amendments and supplements to the registration statement to keep it effective until the date on which the notes and the ordinary shares issuable upon conversion of the notes no longer qualify as "registrable securities" under our registration rights agreement. The following table sets forth, to our knowledge, certain information regarding the selling securityholders based upon information provided by or on behalf of the selling securityholders in a questionnaire and is as of the date specified by the securityholders in those questionnaires. The percentages set forth below are based on 201,334,057 of our ordinary shares outstanding as of September 30, 2004. The selling securityholders may offer all, some or none of the notes or ordinary shares issuable upon conversion of the notes. Thus, we cannot estimate the amount of the notes or the ordinary shares issuable upon conversion of the notes that will be held by the selling securityholders upon termination of any sales. The column showing ownership after completion of the offering assumes that the selling securityholders will sell all of the securities offered by this prospectus. In addition, the selling securityholders identified below may have sold, transferred or otherwise disposed of all or a portion of their notes since the date on which they provided the information about their notes in transactions exempt from the registration requirements of the Securities Act. The information contained under the column "Ordinary Shares Beneficially Owned Upon Conversion of the Notes" represents ordinary shares issuable upon conversion of the principal amount of notes listed and assumes conversion of the full amount of the notes at the initial conversion rate of 23.1911 shares per each \$1,000 principal of the notes. However, the maximum conversion rate is subject to adjustment as described under "Description of Notes - Conversion of Notes - Conversion Rate Adjustments." As a result, the amount of ordinary shares issuable upon conversion of the notes may increase or decrease in the future. Except as indicated below, none of the selling securityholders has had any material relationship with us or our affiliates within the past three years. This table assumes that other holders of notes or any future transferees from any such holder do not beneficially own any ordinary shares other than ordinary shares issuable upon conversion of the notes.

**52 ORDINARY SHARES ORDINARY SHARES PRINCIPAL BENEFICIALLY OWNED PRINCIPAL BENEFICIALLY AMOUNT OF NOTES UPON CONVERSION AMOUNT OF NOTES OWNED BENEFICIALLY OF THE NOTES BENEFICIALLY AFTER OFFERING OWNED THAT MAY ----- OWNED AFTER ----- NAME OF SELLING SECURITYHOLDER BE SOLD (\$) NUMBER PERCENTAGE OFFERING NUMBER PERCENTAGE**

NAME OF SELLING SECURITYHOLDER	BE SOLD (\$)	NUMBER	PERCENTAGE	OFFERING	NUMBER	PERCENTAGE
----- Acuity Master Fund, Ltd.						
.....1,440,000	33,395	* 0	0	* ACUITY Capital Management LLC 4 Greenwich Office Park, 3rd Floor Greenwich, CT 06831 USA		
Allstate Insurance Company (1).....	3,250,000	75,371	* 0	0 * Allstate Investments, LLC 3075 Sanders Road Suite G6B Northbrook, IL 60062-7127		
Allstate Life Insurance Company.....	3,000,000	69,573	* 0	0 * Allstate Investments, LLC 3075 Sanders Road Suite G6B Northbrook, IL 60062-7127		
AM International E MAC 63 Ltd. ....	630,000	14,610	* 0	0 * 350 Park Avenue, 4th Floor New York, NY 10022		
AM Master Fund I, LP. ....	8,470,000	196,428	* 0	0 * 350 Park Avenue, 4th Floor New York, NY 10022		
American Investors Life Insurance Co. ....	700,000	16,233	* 0	0 * Inflective Asset Management, LLC 1334 Parkview Avenue Suite 310 Manhattan Beach, CA 90266		
AmerUs Life Insurance Company.....	4,200,000	97,402	* 0	0 * Inflective Asset Management, LLC 1334 Parkview Avenue Suite 310 Manhattan Beach, CA 90266		
The Animi Master Fund, Ltd. ....	14,000,000	324,675	* 0	0 * Archeus Capital Management, LLC 360 Madison Avenue, 10th Floor New York, NY 10017		
Arbitex Master Fund L.P. (1).....	9,000,000	208,719	* 0	0 * Arbitex Asset Management L.P. 1601 Elm Street, Suite 4000 Dallas, TX 75201		
Argent Classic Convertible Arbitrage Fund (Bermuda) Ltd. ....	6,955,000	161,294	* 0	0 * Argent Financial Group (Bermuda) Ltd. 73 Front Street Hamilton HM12 Bermuda		
Argent Classic Convertible Arbitrage Fund II, L.P.....	255,000	5,913	* 0	0 * Argent 55 Vilcom Circle Suite 200 Chapel Hill, NC 27514		
Argent Classic Convertible Arbitrage Fund L.P.....	1,150,000	26,669	* 0	0 * Argent 55 Vilcom Circle Suite 200 Chapel Hill, NC 27514		
Argent LowLev Convertible Arbitrage Fund LLC.....	1,770,000	41,048	* 0	0 * Argent 55 Vilcom Circle Suite 200 Chapel Hill, NC 27514		
Argent LowLev Convertible Arbitrage Fund II, LLC.....	280,000	6,493	* 0	0 * Argent 55 Vilcom Circle Suite 200 Chapel Hill, NC 27514		
Argent LowLev Convertible Arbitrage Fund Ltd. ....	10,280,000	238,404	* 0	0 * Argent Financial Group (Bermuda) Ltd. PO Box 3013 Hamilton, HMMX		
Bermuda Aviva Life Insurance Co.....	250,000	5,797	* 0	0 * Aviva Life Insurance Co Morley Fund Management No. 1 Poultry London EC2R 8EJ		
Aviva Life Insurance Co.....	2,750,000	63,775	* 0	0 * Aviva Life Insurance Co Morley Fund Management No. 1 Poultry London EC2R 8EJ		
Bankers Life Insurance Company of New York.....	75,000	1,739	* 0	0 * Inflective Asset Management, LLC 1334 Parkview Avenue Suite 310 Manhattan Beach, CA 90266		
Bear, Stearns & Co. ....	6,250,000	144,944	* 0	0 * Bear, Stearns & Co. Inc. 383 Madison Avenue 23rd Floor, Global Fund New York, NY 10179		
USA Black Diamond Convertible Offshore LDC.....	2,300,000	53,339	* 0	0 * UBS Fund Services [Cayman] Limited P.O. Box 852 UBS House, 75 Fort Street George Town, Grand Cayman Cayman Islands		
BWI Black Diamond Offshore Ltd. ....	1,360,000	31,539	* 0	0		

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\* UBS Fund Services [Cayman] Limited P.O. Box 852 UBS House, 75 Fort Street George Town, Grand Cayman Cayman Islands BWI Citadel Credit Trading Ltd. (1).....11,775,000 273,075 \* 0 0 \* Citadel Investment Group, L.L.C. 131 South Dearborn Chicago, IL 60603 USA Citadel Equity Fund Ltd. (1).....66,725,000 1,547,426 \* 0 0 \* Citadel Investment Group, L.L.C. 131 South Dearborn Chicago, IL 60603 USA Citigroup Global Markets Inc. (2).....4,400,000 102,040 \* 0 0 \* Citigroup Global Markets Inc. 390 Greenwich Street, 3rd Floor Convertible Trading New York, NY 10013 Class C Trading Company, Ltd. .... 700,000 16,233 \* 0 0 \* Argent 55 Vilcom Circle Suite 200 Chapel Hill, NC 27514 Commissioners of the Land Office.....1,000,000 23,191 \* 0 0 \* Lord, Abnett & Co. LLC 90 Hudson Street Jersey City, NJ 07302 Context Convertible Arbitrage Fund, LP.....1,350,000 31,307 \* 0 0 \* Context Capital Management, LLC 12626 High Bluff Drive, #440 San Diego, CA 92130 Context Convertible Arbitrage Offshore Fund, LTD. ....3,800,000 88,126 \* 0 0 \* Context Capital Management, LLC 12626 High Bluff Drive, #440 San Diego, CA 92130 Credit Suisse First Boston Europe Ltd. (1).....160,000 3,710 \* 0 0 \* Credit Suisse First Boston LLC Reorg. Department - 2nd Floor One Madison Avenue New York, NY 10010 Custom Investments PCC, Ltd. .... 220,000 5,102 \* 0 0 \* Argent 55 Vilcom Circle Suite 200 Chapel Hill, NC 27514 Deephaven Domestic Convertible Trading Ltd (1).....22,662,000 525,556 \* 0 0 \* Deephaven Domestic Convertible Trading Ltd. 130 Chesire Lane Suite 102 Minnetonka, MN 55305 Deutsche Bank Securities Inc. (2)..... 200,000 4,638 \* 0 0 \* 1251 Avenue of the Americas 26th Floor, Mail Stop NYCO7-2638 New York, NY 10020 Diaco Investments LP..... 360,000 8,348 \* 0 0 \* Diaco Investments 1271 Avenue of the Americas New York, NY 10020 Double Black Diamond Offshore LDC.....7,319,000 169,735 \* 0 0 \* UBS Fund Services [Cayman] Limited P.O. Box 852 UBS House, 75 Fort Street George Town, Grand Cayman Cayman Islands BWI Georgia Firefighters Pension Fund..... 450,000 10,435 \* 0 0 \* Lord, Abnett & Co. LLC 90 Hudson Street Jersey City, NJ 07302 GLG Market Neutral Fund.....1,000,000 23,191 \* 0 0 \* GLG Partners LP One Curzon Street London W1J5HB United Kingdom Guggenheim Portfolio Co. XV, LLC.....1,360,000 31,539 \* 0 0 \* Ramius Capital Group, LLC 666 Third Avenue, 26th Floor New York, NY 10017 HFR CA Global Select Master Trust Account..... 440,000 10,204 \* 0 0 \* Argent 55 Vilcom Circle Suite 200 Chapel Hill, NC 27514 HSBC Asset Management (Americas) Inc. for the HSBC Multi-Strategy Arbitrage Fund (1).....1,000,000 23,191 \* 0 0 \* HSBC Asset Management (Americas) Inc. 452 5th Avenue, 18th Floor New York, NY 10018 Huntrise Capital Leveraged Partners, LLC..... 31,000 718 \* 0 0 \* Inflective Asset Management, LLC 1334 Parkview Avenue Suite 310 Manhattan Beach, CA 90266 Indianapolis Life Insurance Co. ....21,100,000 489,332 \* 0 0 \* Inflective Asset Management, LLC 1334 Parkview Avenue Suite 310 Manhattan Beach, CA 90266 Inflective Convertible Opportunity Fund I, L.P. .... 725,000 16,813 \* 0 0 \* Inflective Asset Management, LLC 1334 Parkview Avenue Suite 310 Manhattan Beach, CA 90266 Inflective Convertible Opportunity Fund I, LTD..... 35,000 811 \* 0 0 \* Inflective Asset Management, LLC 1334 Parkview Avenue Suite 310 Manhattan Beach, CA 90266 Injured Workers Insurance Fund.....1,450,000 33,627 \* 0 0 \* Lord, Abnett & Co. LLC 90 Hudson Street Jersey City, NJ 07302 Intl. Truck & Engine Corp. Non Contributory Retirement Plan Trust.....1,000,000 23,191 \* 0 0 \* Lord, Abnett & Co. LLC 90 Hudson Street Jersey City, NJ 07302 Intl. Truck & Engine Corp. Retirement Plan for Salaried Employee's Trust.....1,700,000 39,424 \* 0 0 \* Lord, Abnett & Co. LLC 90 Hudson Street Jersey City, NJ 07302 Jefferies Umbrella Fund US Convertible Bonds..... 150,000 3,478 \* 0 0 \* Jefferies Asset Management LTD. Uraniastrasse 12 CH-8023 Zurich, Switzerland JP Morgan Securities Inc. (2).....3,000,000 69,573 \* 0 0 \* 500 Stanton Christiana Road Newark, DE 19713 KBC Financial Products USA Inc. (2).....4,200,000 97,402 \* 0 0 \* KBC Financial Products 140 East 45th Street 2 Grand Central Tower, 42nd Floor New York, NY 10017-3144 KeySpan Foundation..... 75,000 1,739 \* 0 0 \* Lord, Abnett & Co. LLC 90 Hudson Street Jersey City, NJ 07302 KeySpan Insurance Company..... 100,000 2,319 \* 0 0 \* Lord, Abnett & Co. LLC 90 Hudson Street Jersey City, NJ 07302 Lehman Brothers (2).....1,050,000 24,350 \* 0 0 \* 745 Seventh Avenue 16th Floor New York, NY 10019 Lord Abnett Investment Trust - LA Convertible Fund.....1,750,000 40,584 \* 0 0 \* Lord, Abnett & Co. LLC 90 Hudson Street Jersey City, NJ 07302 Lydian Global Opportunities Master Fund Limited.....7,500,000 173,933 \* 0 0 \* 495 Post Road East Westport, CT 06880 Lydian Overseas Partners Master Fund LP.....10,000,000 231,911 \* 0 0 \* 495 Post Road East Westport, CT 06880 Lyxor/AM Investment Fund LTD.....1,870,000 43,367 \* 0 0 \* 350 Park Avenue, 4th Floor New York, NY 10022 Lyxor/Context Fund LTD (1)..... 650,000 15,074 \* 0 0 \* Context Capital Management, LLC 12626 High Bluff Drive, #440 San Diego, CA 92130 Lyxor/Inflective Convertible Opportunity Fund LTD..... 325,000 7,537 \* 0 0 \* Inflective Asset Management, LLC 1334 Parkview Avenue Suite 310 Manhattan Beach, CA 90266 Lyxor Master Fund Ref: Argent/LowLev CB c/o Argent.....1,750,000 40,584 \* 0 0 \* Argent 55 Vilcom Circle Suite 200 Chapel Hill, NC 27514 National Bank of Canada (1)..... 550,000 12,755 \* 0 0 \* Context Capital Management, LLC 12626 High Bluff Drive, #440 San Diego, CA 92130 National Benefit Life Insurance Company (1)..... 112,000 2,597 \* 0 0 \* Citigroup Insurance Company 242 Trumbull Street PO Box 150449 Hartford, CT 06115-0449 Nomura Securities Int'l Inc (2).....15,000,000 347,866 \* 0 0 \* Nomura Securities International Inc. 2 World Financial Center, 18th Floor New York, NY 10281 USA Partners Group Alternative Strategies PCC LTD..... 800,000 18,552 \* 0 0 \* Argent 55 Vilcom Circle Suite 200 Chapel Hill, NC 27514 Primerica Life Insurance Company (1).....1,031,000 23,910 \* 0 0 \* Citigroup Insurance Company 242 Trumbull Street PO Box 150449 Hartford, CT 06115-0449 R2 Investments, LDC (1)..... 660,000 15,306 \* 0 0 \* c/o Amalgamated Gadget, L.P. as Investment Manager 301 Commerce, Suite 2975 Ft. Worth, TX 76102 Radian Asset Assurance, Inc. ....2,625,000 60,876 \* 0 0 \* Lord, Abnett & Co. LLC 90 Hudson Street Jersey City, NJ 07302 Radian Group Convertible Securities.....1,300,000 30,148 \* 0 0 \* Lord, Abnett & Co. LLC 90 Hudson Street Jersey City, NJ 07302 Radian Guaranty.....5,950,000 137,987 \* 0 0 \* Lord, Abnett & Co. LLC 90 Hudson Street Jersey City, NJ 07302 Ramius Capital Group (1)..... 425,000 9,856 \* 0 0 \* Ramius Capital Group, LLC 666 Third Avenue, 26th Floor New York, NY 10017 Ramius Master Fund, LTD (1).....6,715,000 155,728 \* 0 0 \* Ramius Capital Group, LLC 666 Third Avenue, 26th Floor New York, NY 10017 RCG Halifax Master Fund, LTD (1)..... 425,000 9,856 \* 0 0 \* Ramius Capital Group, LLC 666 Third Avenue, 26th Floor New York, NY 10017 RCG Latitude Master Fund, LTD (1).....6,885,000 159,670 \* 0 0 \* Ramius Capital Group, LLC 666 Third Avenue, 26th Floor New York, NY 10017 RCG Multi Strategy Master Fund, LTD (1)..... 850,000 19,712 \* 0 0 \* Ramius Capital Group, LLC 666 Third Avenue, 26th Floor New York, NY 10017 Royal Bank of Canada (Norshield) (1)..... 475,000 11,015 \* 0 0 \* Context Capital Management, LLC 12626 High Bluff Drive, #440 San Diego, CA 92130 Silver Convertible Arbitrage Fund, LDC..... 700,000 16,233 \* 0 0 \* Argent 55 Vilcom Circle Suite 200 Chapel Hill, NC 27514 Sphinx Convertible Arbitrage Fund SPC..... 588,000 13,636 \* 0 0 \*

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Deephaven Domestic Convertible Trading Ltd. 130 Chesire Lane Suite 102 Minnetonka, MN 55305 State of Florida Division of Treasury..... 1,300,000 30,148 \* 0 0 \* Froyley Revy Investment Co. Inc. 10900 Wilshire Blvd. Ste. 900 Los Angeles, CA 90024 Teachers Insurance and Annuity Association of America.....23,300,000 540,352 \* 0 0 \* TIAA-CREF 730 Third Avenue New York, NY 10017 USA Thomas Weisel Partners (2).....3,500,000 81,168 \* 0 0 \* Thomas Weisel Partners 1 Montgomery Street, 37th Floor San Francisco, CA 94104 Thrivent Financial For Lutherans (1).....1,000,000 23,191 \* 0 0 \* Thrivent Financial for Lutherans 625 Fourth Avenue South Minneapolis, MN 55415 USA Total Fina Elf Finance USA, Inc. .... 300,000 6,957 \* 0 0 \* Lord, Abbett & Co. LLC 90 Hudson Street Jersey City, NJ 07302 Travelers Insurance Company - Life (1).....2,604,000 60,389 \* 0 0 \* Citigroup Insurance Company 242 Trumbull Street PO Box 150449 Hartford, CT 06115-0449 Travelers Insurance Company Separate Account TLAC (1)..... 88,000 2,040 \* 0 0 \* Citigroup Insurance Company 242 Trumbull Street PO Box 150449 Hartford, CT 06115-0449 Travelers Life and Annuity Company (1)..... 154,000 3,571 \* 0 0 \* Citigroup Insurance Company 242 Trumbull Street PO Box 150449 Hartford, CT 06115-0449 Travelers Series Trust Convertible Bond Portfolio.....1,500,000 34,786 \* 0 0 \* Citigroup Insurance Company 242 Trumbull Street PO Box 150449 Hartford, CT 06115-0449 University of Arkansas..... 450,000 10,435 \* 0 0 \* Lord, Abbett & Co. LLC 90 Hudson Street Jersey City, NJ 07302 University of Arkansas Foundation..... 450,000 10,435 \* 0 0 \* Lord, Abbett & Co. LLC 90 Hudson Street Jersey City, NJ 07302 Univest Convertible Arbitrage Fund II LTD (Norshield)..... 175,000 4,058 \* 0 0 \* Context Capital Management, LLC 12626 High Bluff Drive, #440 San Diego, CA 92130 Vermont Mutual Insurance Company..... 175,000 4,058 \* 0 0 \* Lord, Abbett & Co. LLC 90 Hudson Street Jersey City, NJ 07302 Wachovia Securities International Ltd. (1)(2).....5,000,000 115,955 \* 0 0 \* 201 S. College Street Charlotte, NC 28214 White River Securities L.L.C. (2).....6,250,000 144,944 \* 0 0 \* Bear, Stearns & Co. Inc. 383 Madison Avenue 23rd Floor, Global Fund New York, NY 10179 USA Worldwide Transactions Ltd..... 221,000 5,125 \* 0 0 \* Worldwide Transactions Ltd. Washington Mall-Phase I Church Street, 3rd Floor Hamilton HM 11 Bermuda Xavex Convertible Arbitrage 5 Fund..... 340,000 7,884 \* 0 0 \* Ramius Capital Group, LLC 666 Third Avenue, 26th Floor New York, NY 10017 Xavex Convertible Arbitrage 10 Fund..... 640,000 14,842 \* 0 0 \* Argent 55 Vilcom Circle Suite 200 Chapel Hill, NC 27514 Xavex Convertible Arbitrage 2 Fund..... 400,000 9,276 \* 0 0 \* Argent 55 Vilcom Circle Suite 200 Chapel Hill, NC 27514 Any other holder of notes or future transferee, pledgee, donee or successor of any holder (3)..... 95,315,000 2,210,504 \* 0 0 \* 53 ----- \* Less than one percent. (1) The selling securityholder is an affiliate of a registered broker-dealer and has informed us that it acquired the notes in the ordinary course of business, and at the time of the acquisition of the notes had no agreements, understandings or arrangements with any other persons, either directly or indirectly, to distribute the notes. (2) The selling securityholder is a registered broker-dealer and an "underwriter" within the meaning of the Securities Act. (3) Information about other selling securityholders will be set forth in an amendment to the registration statement of which this prospectus is a part and information about future transferees, pledgees, donees or successors of any holder named as a selling securityholder in this prospectus will be set forth in prospectus amendments or supplements, as required. 54 VOTING/INVESTMENT CONTROL TABLE NAME OF SELLING SECURITYHOLDER NATURAL PERSON OR PERSONS WITH VOTING/INVESTMENT CONTROL ----- Acuity Master Fund, Ltd. ....Howard Needle and David J. Harris Allstate Insurance Company.....(1) Allstate Life Insurance Company.....(1) AM Master Fund I, LP. ....Adam Stern and Mark Friedman AM International E MAC 63 Ltd. ....Adam Stern and Mark Friedman American Investors Life Insurance Co. ....Thomas J. Ray AmerUs Life Insurance Company.....Thomas J. Ray The Animi Master Fund, Ltd. ....(2) Arbitex Master Fund L.P. ....Clark Hunt, Jonathan Bren and Ken Tananbaum Argent Classic Convertible Arbitrage Fund (Bermuda) Ltd. ....Nathaniel Brown and Robert Richardson Argent Classic Convertible Arbitrage Fund II, L.P.....Nathaniel Brown and Robert Richardson Argent Classic Convertible Arbitrage Fund L.P.....Nathaniel Brown and Robert Richardson Argent LowLev Convertible Arbitrage Fund LLC. ....Nathaniel Brown and Robert Richardson Argent LowLev Convertible Arbitrage Fund II, LLC. ....Nathaniel Brown and Robert Richardson Argent LowLev Convertible Arbitrage Fund Ltd. ....Nathaniel Brown and Robert Richardson Aviva Life Insurance Co. ....David Clott Aviva Life Insurance Co. ....David Clott Bankers Life Insurance Company of New York.....Thomas J. Ray Bear, Stearns & Co. Inc. ....Yan Erlich & David Liebowitz Black Diamond Convertible Offshore LDC.....Clint D. Carlson Black Diamond Offshore Ltd. ....Clint D. Carlson Citadel Credit Trading Ltd. ....(4) Citadel Equity Fund Ltd. ....(4) Citigroup Global Markets Inc. ....(5) Class C Trading Company, Ltd. ....Nathaniel Brown and Robert Richardson Commissioners of the Land Office.....Maren Lindstrom Context Convertible Arbitrage Fund, LP. ....Michael Rosen and William Fertig Context Convertible Arbitrage Offshore Fund, LTD. ....Michael Rosen and William Fertig Credit Suisse First Bostan Europe Ltd.....Gerry Murtagh Custom Investments PCC, Ltd. ....Nathaniel Brown and Robert Richardson Deephaven Domestic Convertible Trading Ltd. ....Colin Smith Deutsche Bank Securities Inc. ....(6) Diaco Investments LP. ....Simon Glick Double Black Diamond Offshore LDC. ....Clint D. Carlson Georgia Firefighters Pension Fund.....Maren Lindstrom GLG Market Neutral Fund.....(7) Guggenheim Portfolio Co. XV, LLC. ....Alex Adair HFR CA Global Select Master Trust Account. ....Nathaniel Brown and Robert Richardson HSBC Asset Management (Americas) Inc. for the HSBC Multi-Strategy Arbitrage Fund.....Warren Stein and John Moore Stanley Huntrise Capital Leveraged Partners, LLC. ....Thomas J. Ray Indianapolis Life Insurance Co. ....Thomas J. Ray Inflective Convertible Opportunity Fund I, L.P. ....Thomas J. Ray Inflective Convertible Opportunity Fund I, LTD. ....Thomas J. Ray Injured Workers Insurance Fund.....Maren Lindstrom Intl. Truck & Engine Corp. Non Contributory Retirement Plan Trust.....Maren Lindstrom Intl. Truck & Engine Corp. Retirement Plan for Salaried Employee's Trust.....Maren Lindstrom Jefferies Umbrella Fund US Convertible Bonds.....Andre Sager and Evelyne Kaser JP Morgan Securities Inc. ....Craig Petherick KBC Financial Products USA Inc. ....(8) KeySpan Foundation.....Maren Lindstrom KeySpan Insurance Company.....Maren Lindstrom Lehman Brothers.....Kevin Lowe Lord Abbett Investment Trust - LA Convertible Fund.....Maren Lindstrom Lydian Overseas Partners Master Fund.....(9) Lydian Global Opportunities Master Fund Limited.....(9) Lyxor/AM Investment Fund

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LTD. ....(3) Lyxor/Context Fund LTD. ....Michael Rosen and William Fertig Lyxor/Inflective Convertible Opportunity Fund LTD. ....Thomas J. Ray Lyxor Master Fund Ref: Argent/LowLev CB c/o Argent.....Nathaniel Brown and Robert Richardson National Bank of Canada.....Michael Rosen and William Fertig National Benefit Life Insurance Company.....David A. Tyson and Robert Simmons Nomura Securities Int'l Inc. ....Simon Pharr Partners Group Alternative Strategies PCC LTD. ....Nathaniel Brown and Robert Richardson Primerica Life Insurance Company.....David A. Tyson and Robert Simmons R2 Investments, LDC. ....(10) Radian Asset Assurance, Inc. ....Maren Lindstrom Radian Group Convertible Securities.....Maren Lindstrom Radian Guaranty.....Maren Lindstrom Ramius Capital Group.....Alex Adair Ramius Master Fund, LTD. ....Alex Adair RCG Halifax Master Fund, LTD. ....Alex Adair RCG Latitude Master Fund, LTD. ....Alex Adair RCG Multi Strategy Master Fund, LTD. ....Alex Adair Royal Bank of Canada (Norshield).....Michael Rosen and William Fertig Silver Convertible Arbitrage Fund, LDC. ....Nathaniel Brown and Robert Richardson Sphinx Convertible Arbitrage Fund SPC. ....Colin Smith State of Florida Division of Treasury.....Ann Houlihan Teachers Insurance and Annuity Association of America.....Elizabeth Black and Edward L. Toy Thrivent Financial For Lutherans.....(11) Thomas Weisel Partners.....Tim Heekin Total Fina Elf Finance USA, Inc. ....Maren Lindstrom Travelers Insurance Company - Life.....David A. Tyson and Robert Simmons Travelers Insurance Company Separate Account TLAC.....David A. Tyson and Robert Simmons Travelers Life and Annuity Company.....David A. Tyson and Robert Simmons Travelers Series Trust Convertible Bond Portfolio.....David A. Tyson and Robert Simmons University of Arkansas.....Maren Lindstrom University of Arkansas Foundation.....Maren Lindstrom Univest Convertible Arbitrage Fund II LTD (Norshield).....Michael Rosen and William Fertig Vermont Mutual Insurance Company.....Maren Lindstrom Wachovia Securities International Ltd.....Evic Peyton White River Securities L.L.C.....Yan Erlich & David Liebowitz Worldwide Transactions Ltd. ....(12) Xavex Convertible Arbitrage 5 Fund.....Alex Adair Xavex Convertible Arbitrage 10 Fund.....Nathaniel Brown and Robert Richardson Xavex Convertible Arbitrage 2 Fund.....Nathaniel Brown and Robert Richardson

(1) The securityholder is a wholly owned subsidiary of The Allstate Corporation, a reporting entity with the Securities and Exchange Commission. The Allstate Corporation has voting and investment control over the securities held by the securityholder. (2) Archeus Capital Management, LLC is the Investment Manager for The Animi Master Fund, Ltd., the selling securityholder. Peter Hirsch is a Managing Member of Archeus Capital Management, LLC and its Chief Investment Officer on behalf of The Animi Master Fund, Ltd. and, as a result, exercises voting and dispositive power of the securities held by the selling securityholder. Mr. Hirsch disclaims beneficial ownership of the securities held by Animi Master Fund, Ltd. (3) AM Investment Partners LLC has the authority to vote over the Company's securities as Investment Managers. The principals of AM Investment Partners LLC are Adam Stern and Mark Friedman and as a result, they exercise voting and investment control over the securities held by the selling securityholder. (4) Citadel Limited Partnership ("Citadel") is the trading manager of this securityholder and consequently has investment discretion over the referenced securities held by the securityholder. Citadel disclaims beneficial ownership of the shares beneficially owned by the securityholder. Kenneth C. Griffin indirectly controls Citadel and therefore has ultimate investment discretion over securities held by the securityholder. Mr. Griffin disclaims beneficial ownership of the shares held by the securityholder. (5) Citigroup Global Markets Inc. is an indirect wholly owned subsidiary of Citigroup Inc., which is a reporting company under the Exchange Act. (6) The securityholder is a reporting entity with the Securities and Exchange Commission. (7) GLG Market Neutral Fund is a publicly owned company listed on the Irish Stock Exchange. GLG Partners LP, an English limited partnership, acts as the investment manager of the fund and has voting and dispositive power over the securities held by the fund. The general partner of GLG Partners LP GLG Partners Limited, an English limited company. The shareholders of GLG Partners Limited are Noam Gottesman, Pierre Lagrange, Jonathan Green, Philippe Jabre and Lehman (Cayman) Limited, a subsidiary of Lehman Brothers, Inc., a publicly held entity, and as a result, each has voting and dispositive power over the securities held by the selling securityholder. GLG Partners LP, GLG Partners Limited, Noam Gottesman, Pierre Lagrange, Jonathan Green, Philippe Jabre and Lehman (Cayman) Limited disclaim beneficial ownership of the securities held by the fund, except for their pecuniary interest therein. (8) KBC Financial Products USA Inc. exercises voting and investment control over any ordinary shares issuable upon conversion of the notes owned by this selling securityholder. Luke Edwards, Managing Director, exercises voting and investment control on behalf of KBC Financial Products USA Inc. (9) Lydian Asset Management is the investment advisor for the selling securityholder. David Friezo is a principal of Lydian Asset Management and, as a result, exercises voting and dispositive power over the securities held by the selling securityholder. (10) Amalgamated Gadget, L.P. has the sole power to vote or direct the vote and to dispose or direct the disposition of the securities pursuant to an Investment Management Agreement with R2 Investments, LDC. Amalgamated Gadget, L.P. is controlled by Scepter Holdings, Inc., its sole general partner, which is in turn controlled by Geoffrey Raynor, the president and sole shareholder of Scepter Holdings, Inc. (11) John Pickering, Michael Swendsen, Mark Swanson and Rand Mattsson (12) Pursuant to an Investment Management Agreement between Carlson Capital, L.P. and Worldwide Transactions Ltd., Carlson Capital, L.P. exercises voting and investment control over the securities held by the selling securityholder. Clint D. Carlson is the CIO of Carlson Capital, L.P. and therefore exercises voting and investment control over the securities held by the selling securityholder. Mr. Carlson disclaims beneficial ownership of the securities held by the selling securityholder. 55 PLAN OF DISTRIBUTION We will not receive any of the proceeds from the sale of the notes and the ordinary shares issuable upon conversion of the notes offered by this prospectus. The selling securityholders may offer and sell the notes and ordinary shares covered by this prospectus from time to time. The selling securityholders will act independently of us in making decisions with respect to the timing, manner and size of each sale. If the notes and the ordinary shares issuable upon conversion of the notes are sold through underwriters, broker-dealers or agents, the selling securityholders will be responsible for underwriting discounts or commissions or agent's commissions. Such notes and shares may be sold in one or more transactions at fixed prices, at prevailing market prices at the time of sale, at varying prices determined at the time or at negotiated prices. Such sales may be effected in one or more transactions, which may involve block transactions: - on any national securities exchange or quotation service on which the notes and shares may be listed or quoted at the time of sale; - in the over-the-counter market; or - in transactions otherwise than on such exchanges or services or in the over-the-counter market. In addition, the selling securityholders may sell ordinary shares issuable upon conversion of the notes by one or more of, or a combination of, the following

methods: - purchases by a broker-dealer as principal and resale by such broker-dealer for its own account pursuant to this prospectus; - ordinary brokerage transactions and transactions in which the broker solicits purchasers; - block trades in which the broker-dealer so engaged will attempt to sell the shares as agent but may position and resell a portion of the block as principal to facilitate the transaction; - in privately negotiated transactions; and - in options transactions. In addition, the selling securityholders may sell any shares that qualify for sale under Rule 144 rather than pursuant to this prospectus. To the extent required, this prospectus may be amended or supplemented from time to time to describe a specific plan of distribution. In connection with distributions of the notes and the ordinary shares issuable upon conversion of the notes, the selling securityholders may pledge the notes and the ordinary shares issuable upon conversion of the notes to a broker-dealer or other financial institution, and, upon a default, such broker-dealer or other financial institution, may effect sales of the pledged notes and the ordinary shares issuable upon conversion of the notes pursuant to this prospectus, as supplemented or amended to reflect such transaction. The selling securityholders may also loan the notes and the ordinary shares issuable upon conversion of the notes to a broker-dealer that in turn may sell the securities. In effecting sales, broker-dealers or agents engaged by the selling securityholders may arrange for other broker-dealers to participate. Broker-dealers or agents may receive commissions, discounts or concessions from the selling securityholders in customary or specifically negotiated amounts. In offering the notes and ordinary shares issuable upon conversion of the notes covered by this prospectus, the selling securityholders and any broker-dealers who execute sales for the selling securityholders may be treated as "underwriters" within the meaning of the Securities Act in connection 56 with such sales. Any profits realized by the selling securityholders and the compensation of any broker-dealer may be treated as underwriting discounts and commissions. Our ordinary shares are listed on the New York Stock Exchange. In order to comply with the securities laws of some states, if applicable, the selling securityholders may be required to sell their notes and ordinary shares issuable upon conversion of the notes in such jurisdictions only through registered or licensed brokers or dealers. In addition, some states may restrict the selling securityholders from selling notes and ordinary shares issuable upon conversion of the notes unless the securities have been registered or qualified for sale in the applicable state or an exemption from the registration or qualification requirement is available and is complied with. We have advised the selling securityholders that the anti-manipulation rules of Regulation M under the Exchange Act may apply to sales of notes and ordinary shares issuable upon conversion of the notes in the market and to the activities of the selling securityholders and their affiliates. In addition, we will make copies of this prospectus, as it may be supplemented or amended from time to time, available to the selling securityholders for the purpose of satisfying the prospectus delivery requirements of the Securities Act, which may include delivery through the facilities of the New York Stock Exchange pursuant to Rule 153 under the Securities Act with respect to our ordinary shares. The selling securityholders may indemnify any broker-dealer that participates in transactions involving the sale of the notes and ordinary shares issuable upon conversion of the notes against certain liabilities, including liabilities arising under the Securities Act. At the time a particular offer of notes and ordinary shares issuable upon conversion of the notes is made, if required, we will distribute a prospectus supplement that will set forth the number of notes and ordinary shares issuable upon conversion of the notes being offered and the terms of the offering, including the name of any underwriter, dealer or agent, the purchase price paid by any underwriter, any discount, commission and other item constituting compensation, any discount, commission or concession allowed or reallocated or paid to any dealer, and the proposed selling price to the public. In addition, to the extent required, we may amend or supplement this prospectus from time to time to describe a particular plan of distribution. In addition, upon receiving notice from a selling securityholder that a donee, pledgee or transferee or other successor-in-interest intends to sell notes or ordinary shares covered by this prospectus, we will file a supplement to this prospectus pursuant to Rule 424(b) under the Securities Act to identify the transferee. We have agreed to indemnify the selling securityholders against certain liabilities, including certain liabilities under the Securities Act. We have agreed with the selling securityholders to keep the registration statement of which this prospectus constitutes a part effective until the earlier of (1) the date there are no longer any registrable securities and (2) the date on which all of the securities being offered hereby held by persons that are not our affiliates can be sold under Rule 144(k) under the Securities Act, whichever occurs first.

**57 LEGAL MATTERS** The validity of the ordinary shares and the notes offered hereby will be passed upon for us by Carey Olsen, Island of Guernsey. Certain legal matters in connection with the offering will be passed upon for us by Wilmer Cutler Pickering Hale and Dorr LLP, New York, New York. Carey Olson has rendered an opinion as to the validity of the Notes and Wilmer Cutler Pickering Hale and Dorr LLP has rendered an opinion that the Notes are binding obligations of the Company under the laws of the state of New York. The foregoing opinions are exhibits to the registration statement of which this prospectus is included and are subject to the qualifications and assumptions set forth in such opinions.

**EXPERTS** The consolidated financial statements and schedule of Amdocs Limited appearing in Amdocs Limited's Annual Report (Form 20-F/A Amendment No. 1) for the year ended September 30, 2003, have been audited by Ernst & Young LLP, independent registered public accountants, as set forth in their report thereon included therein and incorporated herein by reference. Such consolidated financial statements and schedule are incorporated herein by reference in reliance upon such report given on the authority of such firm as experts in accounting and auditing. The consolidated financial statements of Certen Inc. incorporated in this prospectus by reference from Amdocs Limited's Annual Report on Form 20-F/A (Amendment No. 1) for the year ended September 30, 2003, have been audited by Deloitte & Touche LLP, an independent registered accounting firm as stated in their report, which is incorporated by reference and has been so incorporated in reliance upon the report of such firm given their authority as experts in accounting and auditing.

**ENFORCEABILITY OF CIVIL LIABILITIES** We are incorporated under the laws of the Island of Guernsey. Several of our directors and officers are not residents of the United States, and a significant portion of our assets and the assets of those persons are located outside the United States. Where legal proceedings are commenced in the courts of the United States under the civil liability provisions of the U.S. federal securities laws against us, our officers or directors resident in a foreign country, or against any underwriters or experts named in the registration statement, the question of service will be governed by U.S. law for the purposes of the action. The United States and the United Kingdom are parties to the Hague Convention of November 15, 1965 on the service abroad of judicial and extrajudicial documents in civil and commercial matters (the "Hague Convention") and the United Kingdom has extended the application of the Hague Convention to the Channel Islands, including Guernsey. It is expected that it would be possible for U.S. court documents to be served in Guernsey on us, our officers or directors, or any underwriters or experts named in the registration statement (provided such persons are resident in Guernsey) in the manners permitted under the terms of the Hague Convention. It is doubtful that the Royal Court of Guernsey would recognize service of Guernsey legal proceedings on us or any officer or director, or any underwriter or expert named in the registration statement, outside of Guernsey unless permission had first been obtained from that court so to do. The Royal Court of

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Guernsey does recognize service of Guernsey legal proceedings by the Sergeant's office in Guernsey on us at our registered office in Guernsey. We have been advised by Carey Olsen, our Guernsey counsel, that there is doubt as to the enforceability against our directors and officers in Guernsey, whether in original actions in a Guernsey court or in actions in a Guernsey court for the enforcement of judgments of a U.S. court, of civil liabilities predicated solely upon the laws of the United States, including the federal securities laws. If non-Guernsey resident investors obtained a judgment based on the civil liability provisions of the U.S. federal securities laws from the Royal Court of Guernsey against us, our officers or directors, underwriters or experts named in the registration statement, such judgment would be enforceable against any of the defendants in the same manner as any judgment of the Royal Court of Guernsey. That is to say that the judgment creditors would be entitled to enforce their judgment against any Guernsey assets (whether personalty or realty) of the judgment debtors. There is no statutory regime under which the reciprocal enforcement of judgments may be effected between the United States and Guernsey. However, subject to certain time and other limitations, the Royal Court of Guernsey may permit the foreign judgment creditor to sue in Guernsey on the foreign judgment. In order for the Royal Court of Guernsey to entertain an action to sue on a foreign judgment, it is expected that the following criteria would have to be met: 1. The foreign court is recognized by the Royal Court of Guernsey as having jurisdiction to determine the dispute. It is likely that such jurisdiction will be recognized in the following circumstances: - If the judgment debtor was present in the foreign country at the time the foreign proceedings were instituted; - If the judgment debtor was claimant or counterclaimant in the proceedings in the foreign court; - If the judgment debtor, being a defendant in the foreign court, submitted to the jurisdiction of that court by voluntarily appearing in the proceedings; or - If the judgment debtor, being a defendant in the original court, had before the commencement of the proceedings agreed, in respect of the subject matter of the proceedings to submit to the jurisdiction of that court or of the courts of that country. 2. The foreign judgment was not obtained by fraud, is not contrary to public policy in Guernsey and the proceedings were not contrary to the principles of natural justice. This is likely to include the requirement that the judgment debtor was given sufficient notice of the proceedings. The foreign judgment must be final and conclusive on the merits and is for a definite sum of money, other than a sum in respect of taxes, fines or other penalties. 58 INCORPORATION OF DOCUMENTS BY REFERENCE We incorporate by reference into this prospectus the documents listed below and any future filings we make with the SEC, under Sections 13(a), 13(c) or 15(d) of the Exchange Act, including any filings or submissions after the date of this prospectus, until the selling securityholders have sold all of the ordinary shares to which this prospectus relates: o Our annual report on Form 20-F for the fiscal year ended September 30, 2003, filed on December 24, 2003; o Amendment No. 1 to our annual report on Form 20-F for the fiscal year ended September 30, 2003, filed on September 21, 2004; o Our reports on Form 6-K with respect to our offering of 0.50% Convertible Senior Notes due 2024, filed on March 1, March 2 and March 5, 2004; o Our reports on Form 6-K, filed on September 30, 2004 and October 1, 2004; and o The description of our ordinary shares contained in our Registration Statement on Form 8-A filed on June 17, 1998 under Section 12 of the Exchange Act, including any amendment or report updating this description. The information incorporated by reference is an important part of this prospectus. Any statement in a document incorporated by reference into this prospectus will be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained in (1) this prospectus or (2) any other subsequently filed document that is incorporated by reference into this prospectus modifies or supersedes such statement. You may request a copy of any or all of the documents referred to above other than exhibits to such documents that are not specifically incorporated by reference therein. Written or telephone requests should be directed to Thomas G. O'Brien, Secretary and Treasurer, Amdocs, Inc., 1390 Timberlake Manor Parkway, Chesterfield, Missouri 63017, telephone (314) 212-8328. Copies of such documents may also be obtained from various alternative sources. See "Where You Can Find More Information." WHERE YOU CAN FIND MORE INFORMATION We are subject to the reporting requirements of foreign private issuers under the Exchange Act. Pursuant to the Exchange Act, we file reports with the SEC, including an Annual Report on Form 20-F, and we submit reports to the SEC, including Reports of Foreign Private Issuers on Form 6-K. These reports and other information may be inspected and copied at the Public Reference Section of the SEC at 450 Fifth Street, N.W, Judiciary Plaza, Washington, D.C. 20549-1004. Information on the operation of the Public Reference Room may be obtained by calling the SEC at 1-800-SEC-0330. Reports and information statements and other information filed electronically with the SEC are available at the SEC's website at <http://www.sec.gov>. Some of this information may also be found on our website at [www.amdocs.com](http://www.amdocs.com). This prospectus is part of a registration statement that we filed with the SEC. The registration statement contains more information than this prospectus regarding us and our ordinary shares, including certain exhibits and schedules. You can obtain a copy of the registration statement from the SEC at the address listed above or from the SEC's Internet site. 59 UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE AND NINE MONTH PERIODS ENDED JUNE 30, 2004 AMDOCS LIMITED CONSOLIDATED BALANCE SHEETS (in U.S. dollars, unless otherwise stated) (in thousands, except per share data) As of ----- June 30, September 30, 2004 2003 ----- (Unaudited) ASSETS Current assets: Cash and cash equivalents \$ 492,446 \$ 847,600 Short-term interest-bearing investments 735,779 443,292 Accounts receivable, net 270,560 198,274 Deferred income taxes and taxes receivable 68,180 60,868 Prepaid expenses and other current assets 66,769 85,902 ----- Total current assets 1,633,734 1,635,936 Equipment, vehicles and leasehold improvements, net 174,801 203,467 Deferred income taxes 108,033 105,943 Goodwill 803,606 797,134 Intangible assets, net 52,653 58,841 Other noncurrent assets 125,145 76,196 ----- Total assets \$ 2,897,972 \$ 2,877,517 ===== LIABILITIES AND SHAREHOLDERS' EQUITY Current liabilities: Accounts payable \$ 93,540 \$ 101,116 Accrued expenses and other current liabilities 141,044 123,223 Accrued personnel costs 126,959 106,857 2% convertible notes -- 400,454 Financing arrangements 2,076 2,179 Deferred revenue 230,952 174,616 Short-term portion of capital lease obligations 19,863 27,140 Deferred income taxes and taxes payable 161,376 133,002 ----- Total current liabilities 775,810 1,068,587 Deferred income taxes 37,424 44,835 0.50% convertible notes 450,000 -- Noncurrent liabilities and other 151,777 172,495 ----- Total liabilities 1,415,011 1,285,917 ----- Shareholders' equity: Preferred Shares - Authorized 25,000 shares:(pound)0.01 par value; 0 shares issued and outstanding -- -- Ordinary Shares - Authorized 550,000 shares:(pound)0.01 par value; 224,854 and 223,790 issued and 206,135 and 216,058 outstanding, respectively 3,599 3,580 Additional paid-in capital 1,836,743 1,820,956 Treasury stock, at cost - 18,719 and 7,732 Ordinary Shares, respectively (402,360) (109,281) Accumulated other comprehensive (loss) income (358) 3,715 Unearned compensation (571) -- Retained earnings (accumulated deficit) 45,908 (127,370) ----- Total shareholders' equity 1,482,961 1,591,600 ----- Total liabilities and shareholders' equity \$ 2,897,972 \$ 2,877,517 ===== The accompanying notes are an integral part of these consolidated financial statements. 60 AMDOCS LIMITED CONSOLIDATED STATEMENTS

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OF INCOME (UNAUDITED) (in thousands, except per share data) Three months ended Nine months ended June 30, June 30,  
----- 2004 2003 2004 2003 ----- Revenue: License (\*) \$ 17,298 \$ 11,491 \$  
52,026 \$ 51,176 Service (\*) 432,926 365,677 1,269,251 1,020,392 ----- 450,224 377,168 1,321,277 1,071,568  
----- Operating expenses: Cost of license 1,448 1,455 3,807 4,137 Cost of service 283,109 230,323 833,470  
646,389 Research and development 31,665 29,941 92,247 88,888 Selling, general and administrative 52,745 50,943 159,078 153,644  
Amortization of purchased intangible 4,558 4,524 13,423 14,303 assets Restructuring charges -- -- 9,956 -----  
373,525 317,186 1,102,025 917,317 ----- Operating income 76,699 59,982 219,252 154,251 Interest income and  
other, net (\*) 121 3,269 2,899 12,432 ----- Income before income taxes 76,820 63,251 222,151 166,683 Income  
taxes 16,900 15,813 48,873 41,671 ----- Net income \$ 59,920 \$ 47,438 \$ 173,278 \$ 125,012 =====  
===== Basic earnings per share \$ 0.29 \$ 0.22 \$ 0.82 \$ 0.58 =====  
===== Diluted earnings per share \$ 0.28 \$ 0.21 \$ 0.80 \$ 0.57 ===== Basic weighted  
average number of shares outstanding 206,093 215,938 210,409 215,786 ===== Diluted  
weighted average number of shares outstanding 211,801 220,792 216,186 218,953 ===== (\*)  
See Note 4. The accompanying notes are an integral part of these consolidated financial statements. 61 AMDOCS LIMITED CONSOLIDATED  
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED) (in thousands) Ordinary Shares Additional Accumulated  
Other ----- Paid-in Treasury Comprehensive Shares Amount Capital Stock (Loss) Income -----  
----- Balance as of September 30, 2003 216,058 \$ 3,580 \$ 1,820,956 \$ (109,281) \$ 3,715 Comprehensive income: Net income -- --  
-- -- Unrealized loss on foreign currency hedging contracts, net of \$(991) tax -- -- -- (2,846) Unrealized loss on cash equivalents and  
short-term interest-bearing investments, net of \$(348) tax -- -- -- (1,227) Comprehensive income Issuance of ordinary 561 -- 747 14,392 --  
shares related to acquisition, net Employee stock options exercised 1,064 19 11,345 -- -- Tax benefit of stock options exercised -- -- 2,738 -- --  
Repurchase of ordinary shares (11,548) -- -- (307,471) -- Expense related to vesting of stock options -- -- 6 -- -- Stock options granted -- -- 951 -- --  
-- Amortization of unearned compensation -- -- -- ----- Balance as of June 30, 2004 206,135 \$ 3,599 \$  
1,836,743 \$ (402,360) \$ (358) ===== Retained Earnings Unearned (Accumulated  
Accumulated Compensation Deficit) Equity ----- Balance as of September 30, 2003 \$ -- \$ (127,370) \$  
1,591,600 Comprehensive income: Net income -- 173,278 173,278 Unrealized loss on foreign currency hedging contracts, net of \$(991) tax -- --  
(2,846) Unrealized loss on cash equivalents and short-term interest-bearing investments, net of \$(348) tax -- -- (1,227) ----- Comprehensive  
income 169,205 ----- Issuance of ordinary -- -- 15,139 shares related to acquisition, net Employee stock options exercised -- -- 11,364 Tax  
benefit of stock options exercised -- -- 2,738 Repurchase of ordinary shares -- -- (307,471) Expense related to vesting of stock options -- -- 6  
Stock options granted (951) -- -- Amortization of unearned compensation 380 -- 380 ----- Balance as of June 30, 2004 \$  
(571) \$ 45,908 \$ 1,482,961 ===== As of June 30, 2004 and September 30, 2003, accumulated other  
comprehensive (loss) income is comprised of unrealized gain on derivatives, net of tax, of \$837 and \$3,683, respectively, and unrealized (loss)  
gain on cash equivalents and short-term interest-bearing investments, net of tax, of \$(1,195) and \$32, respectively. The accompanying notes are  
an integral part of these consolidated financial statements. 62 AMDOCS LIMITED CONSOLIDATED STATEMENTS OF CASH FLOWS  
(UNAUDITED) (in thousands) Nine months ended June 30, ----- 2004 2003 ----- Cash Flow from Operating  
Activities: Net income \$ 173,278 \$ 125,012 Reconciliation of net income to net cash provided by operating activities: Depreciation and  
amortization 76,944 69,973 (Gain) loss on sale of equipment (444) 427 Gain on repurchase of 2% convertible notes (13) -- Deferred income  
taxes (8,093) 10,556 Tax benefit of stock options exercised 2,738 221 Realized loss from short-term interest-bearing investments 1,039 199 Net  
changes in operating assets and liabilities, net of amounts acquired: Accounts receivable (69,503) 32,365 Prepaid expenses and other current  
assets 14,879 (12,597) Other noncurrent assets (41,941) (18,795) Accounts payable and accrued expenses 32,947 20,436 Deferred revenue  
54,543 47,889 Income taxes payable 27,735 5,411 Noncurrent liabilities and other (6,442) 2,920 ----- Net cash provided by  
operating activities 257,667 284,017 ----- Cash Flow from Investing Activities: Proceeds from sale of equipment, vehicles and  
leasehold improvements 1,841 1,710 Payments for purchase of equipment, vehicles, leasehold improvements and other (33,532) (47,192)  
Proceeds from sale of short-term interest-bearing investments 863,304 631,845 Purchase of short-term interest-bearing investments (1,158,407)  
(637,148) (Cash paid for) reimbursement of cash in acquisition (10,567) 11,111 ----- Net cash used in investing activities  
(337,361) (39,674) ----- Cash Flow from Financing Activities: Proceeds from employee stock options exercised 11,364 2,024 Net  
proceeds from issue of long-term 0.50% convertible notes 441,736 -- Repurchase of ordinary shares (307,471) -- Redemption of 2% convertible  
notes (395,110) -- Repurchase of 2% convertible notes (4,987) -- Borrowings under financing arrangements 910 -- Principal payments under  
financing arrangements (1,651) -- Principal payments on capital lease obligations (20,251) (7,714) ----- Net cash used in financing  
activities (275,460) (5,690) ----- Net (decrease) increase in cash and cash equivalents (355,154) 238,653 Cash and cash  
equivalents at beginning of period 847,600 466,655 ----- Cash and cash equivalents at end of period \$ 492,446 \$ 705,308  
===== Supplementary Cash Flow Information Cash paid for: Income taxes, net of refunds \$ 22,734 \$ 25,611 Interest  
9,733 9,323 Non-Cash Investing and Financing Activities In the nine months ended June 30, 2004, the Company issued 561 ordinary shares in  
connection with the acquisition of XACCT (as defined below). See Note 10. The accompanying notes are an integral part of these consolidated  
financial statements. 63 AMDOCS LIMITED NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS (dollar and share  
amounts in thousands, except per share data) 1. Basis of Presentation 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 operating segment, providing integrated  
customer management systems and related services primarily for the communications industry. The Company designs, develops, markets,  
implements, supports and operates information systems solutions, including Managed Services, primarily for leading communications  
companies throughout the world. The unaudited consolidated financial statements of the Company have been prepared in accordance with  
accounting principles generally accepted in the United States ("GAAP"). In the opinion of the Company's management, all adjustments  
considered necessary for a fair presentation of the unaudited interim consolidated financial statements have been included herein and are of a  
normal recurring nature. The preparation of financial statements during interim periods requires management to make numerous estimates and

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assumptions that impact the reported amounts of assets, liabilities, revenue and expenses. Estimates and assumptions are reviewed periodically and the effect of revisions is reflected in the results of operations of the interim periods in which changes are determined to be necessary. The results of operations for the interim periods presented herein are not necessarily indicative of the results to be expected for the full fiscal year. These statements do not include all information and footnotes necessary for a complete presentation of financial position, results of operations and cash flows in conformity with GAAP. These statements should be read in conjunction with the Company's consolidated financial statements for the fiscal year ended September 30, 2003, set forth in the Company's Annual Report on Form 20-F filed on December 24, 2003 with the Securities and Exchange Commission. Reclassification Certain prior year amounts have been reclassified to conform to the current year presentation.

2. Significant Accounting Policy Accounting for Stock-Based Compensation The Company follows Accounting Principles Board ("APB") Opinion No. 25, "Accounting for Stock Issued to Employees" in accounting for its employee stock options. Pursuant to this accounting standard, the Company records deferred compensation for share options granted to employees at the date of grant based on the difference between the exercise price of the options and the market value of the underlying shares at that date. Deferred compensation is amortized to compensation expense over the vesting period of the underlying options. Employee stock-based compensation cost of \$354 and \$380 is reflected in net income for the three months and nine months ended June 30, 2004, respectively. No employee stock-based compensation cost was reflected in net income for the three months and nine months ended June 30, 2003. As presented below, the Company determined net income and earnings per share information as if the fair value method described in Statements of Financial Accounting Standards ("SFAS") No. 123, "Accounting for Stock-Based Compensation", as amended by SFAS No. 148, "Accounting for Stock-Based Compensation - Transition and Disclosure - an Amendment of Financial Accounting Standards Board Statement No. 123", had been applied to its employee stock-based compensation. The Company utilized the Black-Scholes option-pricing model to estimate fair value, which is one of several methods that can be used under SFAS No. 123. The Black-Scholes option valuation model was developed for use

64 AMDOCS LIMITED NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED (dollar and share amounts in thousands, except per share data)

in estimating the fair value of traded options that have no vesting restrictions and are fully transferable. Option valuation models require the input of highly subjective assumptions, including the expected share price volatility. The Company's options have characteristics significantly different from those of traded options, and changes in the subjective input assumptions can materially affect the fair value estimates. The fair value of options granted was estimated at the date of grant using the Black-Scholes pricing model with the following assumptions for the presented periods (all in weighted averages):

	Three months ended June 30, 2004	Three months ended June 30, 2003	Nine months ended June 30, 2004	Nine months ended June 30, 2003
Risk-free interest rate	3.10%	2.56%	2.14%	2.70%
Expected life of options	3.00	2.98	3.00	2.93
Expected annual volatility	44.1%	51.1%	44.3%	57.0%
Expected dividend yield	None	None	None	None

Fair value per option \$ 11.2 \$ 7.01 \$ 10.4 \$ 5.02

The following table sets forth the pro forma effect of applying SFAS No. 123 on net income and earnings per share for the three months and nine months ended June 30, 2004 and 2003:

	Three months ended June 30, 2004	Three months ended June 30, 2003	Nine months ended June 30, 2004	Nine months ended June 30, 2003
Net income, as reported	\$ 59,920	\$ 47,438	\$ 173,278	\$ 125,012
Add: Stock-based employee compensation expense included in net income, net of related tax effects	276	4	301	23
Less: Total stock-based employee compensation expense determined under fair value method for all awards, net of related tax effects	(7,131)	(17,182)	(26,335)	(47,189)
Pro forma net income	\$ 53,065	\$ 30,260	\$ 147,244	\$ 77,846
Basic earnings per share: As reported	\$ 0.29	\$ 0.22	\$ 0.82	\$ 0.58
Pro forma	\$ 0.26	\$ 0.14	\$ 0.70	\$ 0.36
Diluted earnings per share: As reported	\$ 0.28	\$ 0.21	\$ 0.80	\$ 0.57
Pro forma	\$ 0.25	\$ 0.14	\$ 0.68	\$ 0.36

The pro forma results for the three months and nine months ended June 30, 2003 have been revised due to a correction of the stock based employee compensation expense amounts for such periods. These corrections resulted in a decrease in pro forma net income of \$15,499 and \$32,552 in the three months and nine months ended June 30, 2003, respectively, and a decrease in pro forma diluted earnings per share of \$0.07 and \$0.15 in the three months and nine months ended June 30, 2003, respectively. The correction for fiscal 2003 resulted in a decrease in pro forma net income of \$33,732 and a decrease in pro forma diluted earnings per share of \$0.15. The Company has analyzed the impact of the correction only for the aforementioned periods.

65 AMDOCS LIMITED NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED (dollar and share amounts in thousands, except per share data)

3. New Accounting Standards Variable Interest Entities In January 2003, the Financial Accounting Standards Board ("FASB") issued Interpretation No. 46 ("FIN No. 46"), "Consolidation of Variable Interest Entities", which was further revised in December 2003. FIN No. 46 requires the consolidation of entities in which an enterprise absorbs a majority of the entity's expected losses, receives a majority of the entity's expected residual returns, or both, as a result of ownership, contractual or other financial interests in the entity. FIN No. 46 currently has no effect on the Company's consolidated financial position and results of operations.

4. Related Party Transactions The Company had licensed software and provided computer systems integration and related services to Certen Inc. ("Certen") prior to the acquisition of the remaining 90% of Certen by the Company on July 2, 2003 (see Note 10). As a result of the acquisition of the remaining 90% of Certen by the Company, commencing on the acquisition date, the fair market value of Certen's assets and liabilities has been included in the Company's consolidated balance sheet and the results of Certen's operations are included in the Company's consolidated statements of income. Certen is now a wholly owned subsidiary of the Company, and Certen ceased to be a related party as of July 2, 2003, according to SFAS No. 57, "Related Party Disclosures". The following related party revenue is included in the statements of income for the three months and nine months ended June 30, 2003:

	Three months ended June 30, 2003	Nine months ended June 30, 2003
Revenue: License	\$ 583	\$ 3,827
Service	32,374	84,122

The following related party expense is included in the statements of income for the three months and nine months ended June 30, 2003:

	Three months ended June 30, 2003	Nine months ended June 30, 2003
Interest income and other, net (1)	\$ 564	\$ 1,662

(1) Represents interest and exchange rate differences, net of hedging, on the convertible debentures of Certen. Absent hedging, these amounts would be \$4,733 and \$9,344 for the three and nine months ended June 30, 2003, respectively.

66 AMDOCS LIMITED NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED (dollar and share amounts in thousands, except per share data)

5. Accounts Receivable, Net Accounts receivable, net consists of the following: As of June 30,



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September 30, 2004 2003 ----- Accounts receivable -billed \$ 269,660 \$ 200,220 Accounts receivable -unbilled 16,086 16,072  
Less - allowances (15,186) (18,018) ----- Accounts receivable, net \$ 270,560 \$ 198,274 =====

6. Comprehensive Income Comprehensive income 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. The following table sets forth the reconciliation from net income to comprehensive income for the following periods:

Three months ended	Nine months ended	June 30, 2004	June 30, 2003	2004	2003	2004	2003
-----	-----	-----	-----	-----	-----	-----	-----
Net income	\$ 59,920	\$ 47,438	\$ 173,278	\$ 125,012		Other comprehensive income (loss):	Unrealized income
(loss) on foreign currency hedging contracts, net of tax	2,716	6,151	(2,846)	15,285		Unrealized loss on short-term interest-bearing investments, net of tax	(1,687) (882) (1,227) (1,931)
-----	-----	-----	-----	-----	-----	-----	-----
						Comprehensive income	\$ 60,949 \$ 52,707 \$ 169,205 \$ 138,366

===== 7. Income Taxes The provision for income taxes for the following periods consisted of: Three months ended Nine months ended June 30, June 30, ----- 2004 2003 2004 2003 -----  
Current \$ 32,755 \$ 10,571 \$ 56,966 \$ 31,115 Deferred (15,855) 5,242 (8,093) 10,556 -----  
----- \$ 16,900 \$ 15,813 \$ 48,873 \$ 41,671 =====

67 AMDOCS LIMITED NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED (dollar and share amounts in thousands, except per share data) The effective income tax rate varied from the statutory Guernsey tax rate as follows for the following periods: Three months ended Nine months ended June 30, June 30, ----- 2004 2003 2004 2003 -----

Three months ended	Nine months ended	June 30, 2004	June 30, 2003	2004	2003	2004	2003
-----	-----	-----	-----	-----	-----	-----	-----
Statutory Guernsey tax rate	20%	20%	20%	20%		Guernsey tax-exempt status	(20) (20) (20) (20)
Foreign taxes	22 25 22 25	-----	-----	Effective income tax rate	22% 25% 22% 25%	=====	=====

===== As a Guernsey corporation with tax-exempt status, the Company's overall effective tax rate is attributable solely to foreign taxes and for fiscal year 2004 is expected to approximate 22%. 8. Earnings Per Share The following table sets forth the computation of basic and diluted earnings per share: Three months ended Nine months ended June 30, June 30, -----

Three months ended	Nine months ended	June 30, 2004	June 30, 2003	2004	2003	2004	2003
-----	-----	-----	-----	-----	-----	-----	-----
Numerator: Net income	\$ 59,920	\$ 47,438	\$ 173,278	\$ 125,012		Denominator: Denominator for basic earnings per share- weighted	average number of shares outstanding (1) 206,093 215,938 210,409 215,786
-----	-----	-----	-----	-----	-----	Effect of dilutive stock options granted	5,708 4,854 5,777 3,167
-----	-----	-----	-----	-----	-----	Denominator for diluted earnings per share - adjusted weighted average shares and assumed conversions (1)	211,801 220,792 216,186 218,953
-----	-----	-----	-----	-----	-----	-----	-----
						Basic earnings per share	\$ 0.29 \$ 0.22 \$ 0.82 \$ 0.58
-----	-----	-----	-----	-----	-----	Diluted earnings per share	\$ 0.28 \$ 0.21 \$ 0.80 \$ 0.57

===== (1) The weighted average number of shares outstanding during the three months and nine months ended June 30, 2003 includes exchangeable shares held by shareholders of Amdocs Canada, Inc. (formerly Solect Technology Group Inc. ("Solect")) pursuant to the Company's acquisition of Solect in April 2000, which were exchangeable for the Company's ordinary shares on a one-for-one basis. As of August 2003, none of the exchangeable shares remained outstanding. The effect of the 2% Convertible Notes due June 1, 2008 issued by the Company in May 2001 (the "2% Notes") on diluted earnings per share was anti-dilutive for the three months and nine months ended June 30, 2004 and 2003, and, therefore, was not included in the above calculation. The effect of the 0.50% Convertible Senior Notes due 2024 (the "0.50% Notes") issued by the Company in March 2004 on diluted earnings per share was not included in the above calculation due to the conditions on their conversion (see Note 11). The weighted average effect of the repurchase of ordinary shares by the Company has been included in the calculation of basic earnings per share. 68 AMDOCS LIMITED NOTES TO UNAUDITED

CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED (dollar and share amounts in thousands, except per share data) 9. Repurchase of Securities Ordinary Shares On November 5, 2003, the Company announced that its board of directors had authorized a share repurchase program of up to 5,000 ordinary shares during fiscal 2004. The authorization permits the Company to purchase ordinary shares in the open market or in privately negotiated transactions and at prices the Company deems appropriate. The Company stated that one of the main purposes of the repurchase program was to offset the dilutive effect of any future share issuances, including issuances pursuant to employee equity plans or in connection with acquisitions. During the three months ended December 31, 2003 the Company repurchased 4,990 ordinary shares under this repurchase program, for an aggregate purchase price of \$123,993. No share repurchases under this program were made in the six months ended June 30, 2004. In connection with the Company's acquisition of XACCT Technologies Ltd. (see Note 10), the Company's board of directors approved the repurchase of ordinary shares to offset the dilutive effect of share issuances in the acquisition. The closing of the acquisition occurred in February 2004, and the Company repurchased 484 ordinary shares in February 2004 for an aggregate purchase price of \$13,417. In connection with the Company's issuance of the 0.50% Notes (see Note 11), the board of directors approved the repurchase of ordinary shares sold short by purchasers of the 0.50% Notes in negotiated transactions, concurrently with the sale of the notes, to offset the dilutive effect of the ordinary shares issuable upon conversion of the 0.50% Notes. The closing of the sale of the 0.50% Notes occurred in March 2004, and the Company repurchased 6,074 ordinary shares for an aggregate purchase price of \$170,061, out of the 10,436 ordinary shares issuable upon conversion of the 0.50% Notes, based on a conversion rate of 23.1911 shares per \$1,000 principal amount. On July 28, 2004 the Company announced that its board of directors had extended the Company's share repurchase program by authorizing the repurchase of up to \$100,000 of its outstanding ordinary shares. The authorization permits the Company to purchase its ordinary shares in open market or privately negotiated transactions at times and prices considered appropriate by the Company. As of August 10, 2004, the Company had repurchased 2,219 ordinary shares under this repurchase program, for an aggregate purchase price of \$46,811. Convertible Notes In July 2002, the board of directors authorized the Company to repurchase its outstanding 2% Notes, in such amounts, at such prices and at such times considered appropriate by the Company. During the three months ended December 31, 2003, the Company repurchased \$5,000 aggregate principal amount of the 2% Notes for an aggregate purchase price of \$4,987. During fiscal 2003 and 2002, the Company repurchased \$99,546 aggregate principal amount of the 2% Notes for an aggregate purchase price of \$93,087. On June 1, 2004, the Company completed a cash offer for the 2% Notes. Pursuant to the indenture for the 2% Notes, each holder of the 2% Notes had the right to require the Company to repurchase on June 1, 2004 all or any part of such holder's notes at a price equal to 100% of the principal amount plus accrued and unpaid interest. Under the terms of the 2% Notes, the Company had the option to pay for the 2% Notes with cash, ordinary shares, or a combination of cash and ordinary shares. The

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Company elected to pay for the notes solely with cash. The Company accepted for payment \$395,110 principal amount of 2% Notes surrendered for repurchase pursuant to the offer. The untendered \$344 principal amount of 2% Notes will remain as obligations of the Company, due June 1, 2008, in accordance with 69 AMDOCS LIMITED NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED (dollar and share amounts in thousands, except per share data) their terms, and are included in "Noncurrent liabilities and other" in the accompanying consolidated balance sheet as of June 30, 2004.

10. ACQUISITIONS CERTEN INC. On July 2, 2003, the Company acquired from Bell Canada ("Bell") its 90% ownership interest in Certen (renamed Amdocs Canada Managed Services, Inc.) for approximately \$66,000 in cash. In addition, the Company had related transaction costs of approximately \$3,000. The Company and Bell formed Certen in January 2001 to provide customer care and billing solutions to Bell and a number of Bell's affiliated companies. Prior to this acquisition, the Company owned 10% of Certen. As a result of the acquisition, Certen is now a wholly owned subsidiary of the Company. Since Certen's inception, the Company has provided customer care and billing software required by Certen, including related customization, installation, maintenance and other services. This acquisition expanded the Company's Managed Services offerings and positioned it as a major provider of Managed Services to the communications industry, and was its next logical step in the evolution of its relationship with Bell. In addition, as a result of this acquisition, the Company continued to develop an integrated billing platform to replace legacy systems built on a product-by-product basis. Following the acquisition, Certen continued to provide Managed Services to Bell as it did prior to the acquisition, and the wholly owned subsidiary contributes a positive cash flow to the Company. The acquisition did not affect the Company's liquidity position. The fair market value of Certen's assets and liabilities has been included in the Company's consolidated balance sheet and the results of Certen's operations have been included in the Company's consolidated statements of income, commencing on July 2, 2003. The following is the revised allocation of the purchase price and deferred tax liability: Purchase price \$ 65,887 Estimated transaction costs 2,925 ----- Total purchase price 68,812 Write-off of deferred revenue and allowance on Amdocs books, net of tax (33,666) ----- Net amount for purchase price allocation \$ 35,146 ===== Allocation of purchase price: 90% tangible assets acquired, net of capitalized Amdocs system on Certen's books \$ 80,929 90% liabilities assumed (241,460) ----- Net liabilities acquired (160,531) Customer arrangement 36,385 Adjustment to fair value of pension and other post-employment benefit liabilities (12,605) EITF 95-3 and other liabilities (2,857) Deferred taxes resulting from the difference between the assigned value of certain assets and liabilities and their respective tax bases 73,673 ----- Net fair value of liabilities acquired (65,935) Goodwill 101,081 =====

70 AMDOCS LIMITED NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED (dollar and share amounts in thousands, except per share data) The following table sets forth the unaudited pro forma revenue, operating income, net income and earnings per share figures for the three months and nine months ended June 30, 2003, as if Certen had been acquired as of October 1, 2001: THREE MONTHS NINE MONTHS ENDED ENDED ----- JUNE 30, 2003 ----- Revenue \$ 432,383 \$ 1,210,198 Operating income 51,727 129,381 Net income 40,883 104,107 Basic earnings per share 0.19 0.48 Diluted earnings per share 0.19 0.48

XACCT TECHNOLOGIES LIMITED On February 19, 2004, the Company acquired XACCT Technologies Ltd. ("XACCT"), a privately-held provider of mediation software to communications service providers. The Company acquired XACCT's outstanding shares for \$28,425, of which \$13,286 was paid in cash and the balance in 561 of the Company's ordinary shares. In addition, the Company had related transaction costs of approximately \$750. This acquisition further expands the scope of the Company's billing capabilities in the network mediation space, enabling the collection, formatting and distribution of network usage events. With this acquisition, the Company achieves the capability to support end-to-end event processing, from network mediation through billing, for voice, data, content and commerce prepaid and postpaid transactions. The Company repurchased 484 ordinary shares in February 2004 to offset the dilutive effect of shares issued in the acquisition. The fair market value of XACCT's assets and liabilities has been included in the Company's balance sheet and the results of XACCT's operations have been included in the Company's consolidated statements of income, commencing on February 19, 2004. The following is the revised preliminary allocation of the purchase price and deferred tax assets: Net assets acquired \$ 551 Technology 9,209 Customer arrangements 1,064 Deferred tax assets 8,164 Goodwill 10,187 ----- \$29,175 =====

Pro forma information on the Company's consolidated results of operations for the nine months and three months ended June 30, 2004 and 2003 to reflect the XACCT acquisition is not presented, as its results of operations during such periods are not material to the Company's consolidated results of operations.

71 AMDOCS LIMITED NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED (dollar and share amounts in thousands, except per share data) 11. 0.50% Convertible Senior Notes Due 2024 In March 2004, the Company issued \$450,000 aggregate principal amount of 0.50% Notes. 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 preceding 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. The Company may choose to pay the repurchase price in cash, ordinary shares or a combination of cash and ordinary shares.

12. Operational Efficiency and Cost Reduction Programs Fiscal Year Ended September 30, 2003 In the first quarter of fiscal 2003, the Company implemented a series of measures designed to reduce costs and improve productivity, with targeted quarterly savings of approximately \$8,000.

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As part of this plan, the Company reduced its workforce by approximately 400 employees, representing approximately 4% of the Company's worldwide workforce of 9,000 full-time employees, vacated facilities in different centers around the world and implemented other cost reduction measures, including travel cuts and reduction in other discretionary costs. The restructuring charge associated with these actions and recorded in the first quarter of fiscal 2003 was \$9,956. Approximately \$5,816 of the total charge was paid in cash as of June 30, 2004. The remainder of the charge, comprised of facility related costs, is expected to be paid out through June 2008. Details of \$9,956 Restructuring Charge: The Company recorded a charge of \$4,011 related to employee separation costs in connection with the termination of employment of software information technology specialists and administrative professionals from various locations around the world. The Company recorded a charge of \$4,022 related to facilities, representing rent obligations relating to vacated facilities in Raanana, Israel and St. Louis, 72 AMDOCS LIMITED NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED (dollar and share amounts in thousands, except per share data) Missouri. The Company also recorded a provision of \$1,829 for asset write-offs, principally for leasehold improvements in Raanana, Israel and St. Louis, Missouri that were abandoned. The first quarter of fiscal 2003 restructuring charge is comprised of the following as of June 30, 2004: EMPLOYEE SEPARATION ASSET COSTS FACILITIES WRITE-OFFS OTHER TOTAL -----

Balance as of October 1, 2002	\$ --	\$ --	\$ --	\$ --	Charges	4,011	4,022	1,829	94	9,956	Cash payments	(3,890)	(467)	--	(94)	(4,451)	Non cash	--	(1,829)	--	(1,829)	Adjustments	38	(453)	--	--	(415)	-----	Balance as of September 30, 2003	159	3,102	--	--	3,261	Cash payments	(167)	(1,198)	--	--	(1,365)	Adjustments	8	--	--	8	-----	Balance as of June 30, 2004	\$ --	\$ 1,904	\$ --	\$ 1,904
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===== The financial savings of these actions, of approximately \$8,000 quarterly commencing in the second quarter of 2003, is reflected as a reduction in operating expense. These cost savings may not be permanent as increased activity levels resulting from, among other factors, acquisitions, new Managed Services agreements and increased revenue, may require an increase in headcount and other increased spending. Fiscal Year Ended September 30, 2002 In the fourth quarter of fiscal 2002, the Company implemented a cost reduction program targeted to reduce costs by approximately \$30,000 quarterly in response to a decline of the forecasted revenue for the third and fourth quarters of fiscal 2002. The decline resulted from, among other factors, slowdowns in customer buying decisions in the third quarter of fiscal 2002, stemming from overall reductions in the capital investment budgets of many communications service providers, leading to fewer new contracts than expected, as well as from smaller than expected initial spending commitments and reduced discretionary spending under contracts with some customers. The restructuring charge associated with these actions and recorded in the fourth quarter of fiscal 2002 was \$20,919. Approximately \$16,957 of the total charge was paid in cash as of June 30, 2004. The remainder of the charge, comprised of facility related costs, is expected to be paid out through April 2012. Details of \$20,919 Restructuring Charge: The Company recorded a charge of \$11,353 related to employee separation costs in connection with the termination of employment of approximately 1,000 employees, representing approximately 10% of the Company's worldwide workforce of 9,900 full-time employees. The actual number of employees terminated approximated original estimates. There was not a single group of employees or business function that was solely impacted by these measures; instead it impacted information technology specialists and administration professionals across a broad range of functions according to the areas with reduced activities. The Company recorded a charge of \$7,880 related to facilities, representing rent obligations relating to vacated facilities in various locations in Canada, Israel and the United States. 73 AMDOCS LIMITED NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED (dollar and share amounts in thousands, except per share data) The Company also recorded a provision of \$1,584 for asset write-offs, principally for leasehold improvements in Canada, Israel and the United States that were abandoned. The fourth quarter of fiscal 2002 restructuring charge is comprised of the following as of June 30, 2004: Employee Separation Asset Costs Facilities Write-offs Other Total -----

Balance as of October 1, 2001	\$ -	\$ -	\$ -	\$ -	Charges	11,353	7,880	1,584	102	20,919	Cash payments	(8,053)	(456)	--	(57)	(8,566)	Non cash	--	(1,584)	--	(1,584)	-----	Balance as of September 30, 2002	3,300	7,424	-	45	10,769	Cash payments	(3,240)	(4,082)	--	(45)	(7,367)	Adjustments	22	(148)	--	--	(126)	-----	Balance as of September 30, 2003	82	3,194	--	--	3,276	Cash payments	--	(1,024)	--	--	(1,024)	Adjustments	(82)	43	--	--	(39)	-----	Balance as of June 30, 2004	\$ -	\$ 2,213	\$ -	\$ 2,213
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===== The financial savings of these actions of approximately \$30,000 quarterly commencing in the first quarter of fiscal 2003, is reflected as a reduction in operating expense. These cost savings may not be permanent as increased activity levels resulting from, among other factors, acquisitions, Managed Services agreements and increased revenue, may require an increase in headcount and other increased spending. In the first quarter of fiscal 2002, as part of a plan to achieve increased operational efficiency and to more closely monitor and reduce costs, the Company consolidated its Stamford, Connecticut data center into its Champaign, Illinois facility and closed the Stamford facility. The restructuring charge associated with this action and recorded in the first quarter of fiscal 2002 was \$13,311. Approximately \$6,789 of the total charge was paid in cash as of June 30, 2004. The remainder of the charge, comprised of facility related costs, is expected to be paid out through August 2008. Details of \$13,311 Restructuring charge: Approximately \$6,255 of the total restructuring charge related to facilities and represented rent obligations outstanding for the Stamford site. Approximately \$4,126 of the total restructuring charge related to the write-off of leasehold improvements at the Stamford site that were abandoned. The Company also recorded a provision of \$2,530 related to employee separation costs in connection with the termination of employment of 166 employees. 74 AMDOCS LIMITED NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED (dollar and share amounts in thousands, except per share data) The restructuring charge related to the consolidation of the Stamford and Champaign facilities is comprised of the following as of June 30, 2004: Employee Separation Asset Costs Facilities Write-offs Other Total -----

Balance as of October 1, 2001	\$ -	\$ -	\$ -	\$ -	Charges	2,530	6,255	4,126	400	13,311	Cash payments	(2,473)	(2,592)	--	(5)	(5,070)	Non cash	--	(4,126)	--	(4,126)	-----	Balance as of September 30, 2002	57	3,663	-	395	4,115	Cash payments	--	(785)	--	(141)	(926)	Adjustments	(57)	(168)	--	--	(254)	(479)	-----	Balance as of September 30, 2003	-	2,710	--	2,710	Cash payments	--	(793)	--	--	(793)	-----	Balance as of June 30, 2004	\$ -	\$ 1,917	\$ -	\$ 1,917
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===== The operating costs related to the Stamford site that were eliminated were approximately \$8,500 in its last quarter of activity. 13. Employee Benefits FASB Statement No. 132 (revised 2003), "Employers' Disclosures about Pensions and Other Postretirement Benefits", requires additional disclosures about assets, obligations, cash flows, and net periodic benefit cost of defined benefit pension plans and other post-retirement benefit plans. As a result of the Company's



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services or otherwise enhance our market position or strategic strengths. We derive our revenue principally from: - the initial sales of our products and related services, including license fees and 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. As a result, we generally recognize combined license and service revenue over the course of these long-term projects, using the percentage of 78 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 level or number of users 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. In Managed Services contracts, we typically recognize revenue from the operation of a customer's system either ratably over the service period or as services are performed. Revenue from ongoing support services is recognized as work is performed. Revenue from third-party hardware and software sales is recognized upon installation and delivery, respectively. Maintenance revenue is recognized ratably over the term of the maintenance agreement. As a result of a significant portion of our revenue being subject to the percentage of completion accounting method, the size and timing of customer projects and our progress in completing such projects may significantly affect our annual and quarterly operating results. Our business is subject to the effects of general global economic conditions and, in particular, market conditions in the communications industry. As a result of the slowdown in the communications industry during the last two years, the market value, financial results and prospects, and capital spending levels of communications companies declined or degraded. The challenging environment in the communications industry significantly impacted our business. During the last two years, delays in customer buying decisions stemming from rigorous management of operating expenses and overall reductions in the capital investment budgets of many communications service providers led to fewer new contracts, as well as smaller initial spending commitments and reduced discretionary spending under contracts with some of our customers. As a result of the market conditions during fiscal 2002 mentioned above, our revenue in the fiscal 2002 third quarter decreased by more than \$75 million from the previous quarter. Revenue continued to decline in the fourth quarter of fiscal 2002 and the first quarter of fiscal 2003. During calendar 2003, the market began to stabilize. As a result, we resumed sequential revenue growth in the second quarter of fiscal 2003. During the nine months ended June 30, 2004, communications service providers demonstrated a greater readiness to commit to new projects, although the market has not grown at the rate expected. While difficulties remain in the communications industry, we believe that, with the overall improvement of market conditions, we should achieve very modest sequential growth in the coming quarters. Our quarterly revenue for the last eleven quarters is summarized below (in millions):

Q1	Q2	Q3	Q4	Fiscal 2004	Fiscal 2003	Fiscal 2002
\$ 428.3	\$ 442.8	\$ 450.2	NA	\$ 428.3	\$ 339.4	\$ 355.0
\$ 377.2	\$ 411.7	\$ 422.6	\$ 455.3	\$ 380.2	\$ 355.5	

Due to our heavy dependence on the communications industry and a limited number of significant customers, we can be adversely affected by consolidations of service providers and by bankruptcies or other business failures in that industry. The potential loss of a customer due to consolidation or failures in the communications industry could harm our business and might have a material adverse effect on our consolidated operating results and financial condition. We believe that we are a leading global provider of CC&B Systems. We provide a broad set of billing and CRM products, with proven functionality and scalability, accompanied by a comprehensive range of support services. We believe that demand for our CC&B Systems is driven by, among other key factors: - the global penetration of communications service providers, - the emergence of new communications products and services, especially IP, data and content services, - technological changes, such as the introduction of wireless Internet services via GPRS (General Packet Radio Services) and UMTS (Universal Mobile Telecommunications System) technology, - the ongoing consolidation within the communications industry, - the business needs of communications service providers to reduce costs and retain high value customers, and - a shift from in-house management to vendor solutions. We also believe that additional drivers of demand are the continuing trend for communications service providers to offer their subscribers multiple service packages, commonly referred to as bundled or convergent services (combinations of voice, broadband, electronic and mobile commerce and IP services), and the ability of our CC&B Systems to improve productivity. License and service revenue from the sale of CC&B Systems and Directory Systems includes revenue from Managed Services arrangements. Managed Services projects are a significant part of our business, and generate 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 benefit from the operational efficiencies provided by system modernization and consolidation. We expect that our Managed Services relationships will generate margins comparable to sales of our other products and related license and services over the entire relationships. Revenue related to Managed Services agreements in the three months and nine months ended June 30, 2004 was approximately 40% of total revenue for such periods. Results of Operations The following table sets forth for the nine months and three months ended June 30, 2004 and 2003 certain items in our consolidated statements of income reflected as a percentage of total revenue:

	2004	2003	2004	2003	2004	2003
Revenue: License	3.8%	3.0%	3.9%	4.8%	100.0	100.0
Service	96.2	97.0	96.1	95.2	100.0	100.0
Operating expenses: Cost of license	0.3	0.4	0.3	0.4	62.9	61.1
Cost of service	62.9	61.1	63.1	60.4		
Research and development	7.0	7.9	7.0	8.3		
Selling, general and administrative	11.7	13.5	12.0	14.3		
Amortization of purchased intangible assets	1.0	1.2				
Restructuring charges	0.9		82.9	84.1	83.4	85.6
Operating income	17.1	15.9	16.6	14.4		
Interest income and other, net	0.0	0.9	0.2	1.2		
Income before income taxes	17.1	16.8	16.8			
Income taxes	3.8	4.2	3.7	3.9		
Net income	13.3%	12.6%	13.1%	11.7%		

===== 80 NINE MONTHS ENDED JUNE 30, 2004 AND 2003 The following is a tabular presentation of our results of

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operations for the nine months ended June 30, 2004 compared to the nine months ended June 30, 2003. Following the table is a discussion and analysis of our business and results of operations for such periods. NINE MONTHS ENDED JUNE 30, INCREASE (DECREASE)

	2004	2003	AMOUNT	%						
(in thousands)										
Revenue: License .....	\$ 52,026	\$ 51,176	\$ 850	1.7%	Service .....	1,269,251	1,020,392	248,859	24.4	
1,321,277	1,071,568	249,709	23.3	Operating expenses: Cost of license .....	3,807	4,137	(330)	(8.0)	Cost of service .....	
833,470	646,389	187,081	28.9	Research and development ..	92,247	88,888	3,359	3.8	Selling, general and administrative .....	
153,644	5,434	3.5	Amortization of purchased intangible assets .....	13,423	14,303	(880)	(6.2)	Restructuring charges .....	-- 9,956 (9,956) (100.0)	
1,102,025	917,317	184,708	20.1	Operating income .....	219,252	154,251	65,001	42.1		
Interest income and other, net	2,899	12,432	(9,533)	(76.7)	Income before income taxes ...	222,151	166,683	55,468		
33.3	Income taxes .....	48,873	41,671	7,202	17.3	Net income .....	\$ 173,278	\$ 125,012	\$ 48,266	38.6%

===== REVENUE. The increase in total revenue in the nine months ended June 30, 2004 is due to an increase in service revenue as a result of the Managed Services agreements signed during fiscal 2003 and additional revenue resulting from our acquisition of Certen in the fourth quarter of fiscal 2003. Revenue related to Managed Services agreements in the nine months ended June 30, 2004 was approximately 40% of total revenue. The net revenue impact of the Managed Services agreements entered into during fiscal 2003, including the effect of the Certen acquisition, was approximately \$208 million in the nine months ended June 30, 2004. Managed Services arrangements accounted for the majority part of the increase in revenue during the nine months ended June 30, 2004 and include only a small license revenue component, therefore, in the nine months ended June 30, 2004, such arrangements had the effect of decreasing license revenue, as a percentage of revenue, by 0.9% compared to the nine months ended June 30, 2003. License and service revenue from the sale of CC&B Systems was \$1,144.7 million for the nine months ended June 30, 2004, an increase of \$218.1 million, or 23.5%, over the nine months ended June 30, 2003. Approximately two-thirds of the increase is attributable to our acquisition of Certen in the fourth quarter of fiscal 2003, and the remainder is attributable to additional revenue from existing and new customers. License and service revenue from the sale of CC&B Systems represented 86.6% and 86.5% of our total revenue in the nine months ended June 30, 2004 and 2003, respectively. The demand for our CC&B Systems is primarily driven by the need for communications companies to continue to integrate their billing, CRM and order management systems into Integrated Customer Management products and services. In fiscal 2003, many communications companies reduced or delayed expenditures on system upgrades as a result of the slowdown in the communications industry. Recently, however, there has been an improvement in market conditions contributing to the increase in revenue in the nine months ended June 30, 2004. License and service revenue from the sale of Directory Systems was \$176.6 million for the nine months ended June 30, 2004, an increase of \$31.6 million, or 21.8%, over the nine months ended June 30, 2003. Approximately \$59 million of the increase in Directory Systems revenue in the nine months ended June 30, 2004 was attributable to the Managed Services agreements. This revenue was partially offset by the completion of certain implementation projects that accounted for \$27 million of revenue in the comparable period of fiscal 2003. License and service revenue from the sale of Directory Systems represented 13.4% and 13.5% of our total revenue in the nine months ended June 30, 2004 and 2003, respectively. We believe that we are a leading provider of Directory Systems in most of the markets we serve. We expect that our revenue from Directory Systems will remain relatively stable in fiscal 2004. In the nine months ended June 30, 2004, revenue from customers in North America, Europe and the rest of the world accounted for 66.8%, 26.4% and 6.8%, respectively, of total revenue compared to 61.1%, 30.2% and 8.7%, respectively, for the nine months ended June 30, 2003. Approximately 90.0% of the increase in revenue from customers in North America is attributable to Managed Services agreements, including the acquisition of Certen, which expanded our activity and revenue from customers in North America, and approximately 10.0% is attributable to the expansion of relationships with existing customers in North America. The decreased contribution to revenue from customers in Europe relative to customers in North America, as a percentage of revenue, resulted from the relatively greater growth in activity from customers in North America than in Europe during the nine months ended June 30, 2004. Revenue from customers in the rest of the world in absolute amount was relatively stable in the nine months ended June 30, 2004 compared to the nine months ended June 30, 2003. 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 the nine months ended June 30, 2004, cost of license, as a percentage of license revenue, was 7.3% compared to 8.1% in the nine months ended June 30, 2003. Cost of Service. The increase in cost of service in the nine months ended June 30, 2004 was 28.9%, which was higher than 23.3%, the increase in our total revenue in the nine months ended June 30, 2004, and resulted in a 2.6% decrease in our gross margin. Our gross margin was affected by the Managed Services agreements signed during fiscal 2003, which we expect to be less profitable in their initial period, and to a lesser extent, by the decrease, as a percentage of revenue, in our license revenue. Research and Development. Research and development expense was primarily comprised of compensation expense attributed to research and development activities, which involve the development of new software modules and product offerings, either in conjunction with customer projects or as part of our internal product development program. We are currently focusing significant development efforts on the integration between our products in order to provide Integrated Customer Management to our customers, while continuing to upgrade our existing systems. The majority of our research and development expenditures are directed to our billing and CRM systems, and the remainder to directory, content, mediation, order management solutions and other activities. The increase in research and development expense was proportionally less than the increase in our total revenue. Although we intend to continue to devote resources to research and development, our research and development budget, like all of our costs, is sensitive to our overall financial condition. 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. Selling, General and Administrative. Selling, general and administrative expense is primarily comprised of compensation expense. The increase in selling, general and administrative expense in the nine months ended June 30, 2004 was attributable to the overall increase in our operations, as well as to the increase in our selling and marketing efforts. The increase in selling, general and administrative expense in the nine months ended June 30, 2004 was 3.5%, which was proportionally less than the 23.3% increase in our total revenue. 82 Restructuring Charges. The restructuring charge in the nine months ended June 30, 2003

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consisted of the cost reduction program we implemented during the first quarter of fiscal 2003. Operating Income. The increase in operating income in the nine months ended June 30, 2004 resulted from the 23.3% increase in our total revenue, which was partially offset by the 2.6% decrease in our gross margin attributable to the relative low gross margin of our Managed Services projects in their early stages of implementation, and to the effect of the \$10.0 million restructuring charge in the nine months ended June 30, 2003. Interest Income and Other, Net. The decrease in interest income and other, net, in the nine months ended June 30, 2004 is primarily attributable to the decline in interest rates on our short-term interest-bearing investments, which resulted from our decision to shorten the duration of our investments due to volatility in the interest rate environment, and was also affected by the decrease of interest income on debentures issued by Certen to us that was eliminated as a result of the Certen acquisition. Income Taxes. Our effective tax rate in the nine months ended June 30, 2004 was 22% compared to 25% in the nine months ended June 30, 2003. Our effective tax rate for fiscal year 2004 is expected to be approximately 22% due to the corporate income tax rates in the various countries in which we operate and the relative magnitude of our business in those countries. The reduction in our effective tax rate is due to our continued expansion into countries with lower effective tax rates. Net Income. The increase in net income in the nine months ended June 30, 2004 is attributable to the 23.3% increase in our total revenue and to the effect of the \$10.0 million restructuring charge in the nine months ended June 30, 2003. The increase was partially offset by the 2.6% decrease in our gross margin attributable to the relative low gross margin of our Managed Services projects in their early stages of implementation. Diluted Earnings Per Share. Diluted earnings per share were \$0.80 for the nine months ended June 30, 2004, compared to \$0.57 in the nine months ended June 30, 2003. 83 THREE MONTHS ENDED JUNE 30, 2004 AND 2003 The following is a tabular presentation of our results of operations for the three months ended June 30, 2004 compared to the three months ended June 30, 2003. Following the table is a discussion and analysis of our business and results of operations for such periods. THREE MONTHS ENDED JUNE 30, INCREASE (DECREASE) -----

2004	2003	AMOUNT	%	(in thousands)		Revenue: License	
11,491	\$ 5,807	50.5%					\$ 17,298
				432,926	365,677	67,249	18.4
				450,224	377,168	73,056	19.4
				1,448	1,455	(7)	(0.5)
				283,109	230,323	52,786	22.9
				31,665	29,941	1,724	5.8
				52,745	50,943	1,802	3.5
				4,558	4,524	34	0.8
				373,525	317,186	56,339	17.8
				76,699	59,982	16,717	27.9
				121	3,269	(3,148)	(96.3)
				76,820	63,251	13,569	21.5
				16,900	15,813	1,087	6.9
				\$ 59,920	\$ 47,438	\$ 12,482	26.3%

REVENUE. The increase in total revenue in the three months ended June 30, 2004 is due primarily to an increase in service revenue as a result of Managed Services agreements signed during fiscal 2003 and additional revenue resulting from our acquisition of Certen in the fourth quarter of fiscal 2003. Revenue related to Managed Services agreements in the three months ended June 30, 2004 was approximately 40% of total revenue. The net revenue impact of the Managed Services agreements entered into during fiscal 2003, including the effect of the Certen acquisition, was approximately \$58 million in the three months ended June 30, 2004. License revenue in the three months ended June 30, 2004 increased compared to the three months ended June 30, 2003, as a result of new contracts that we obtained from new and existing customers during fiscal 2004. License and service revenue from the sale of CC&B Systems was \$388.0 million for the three months ended June 30, 2004, an increase of \$65.9 million, or 20.4%, over the three months ended June 30, 2003. Approximately two-thirds of the increase is attributable to our acquisition of Certen in the fourth quarter of fiscal 2003, and the remainder is attributable to additional revenue from existing and new customers. License and service revenue from the sale of CC&B Systems represented 86.2% and 85.4% of our total revenue in the three months ended June 30, 2004 and 2003, respectively. The demand for our CC&B Systems is primarily driven by the need for communications companies to continue to integrate their billing, CRM and order management systems into Integrated Customer Management products and services. In fiscal 2003, many communications companies reduced or delayed expenditures on system upgrades as a result of the slowdown in the communications industry. Recently, however, there has been an improvement in market conditions contributing for the increase in revenue in the third quarter of fiscal 2004. License and service revenue from the sale of Directory Systems was \$62.2 million for the three months ended June 30, 2004, an increase of \$7.2 million, or 13.1%, over the three months ended June 30, 2003. Approximately \$15 million of the increase in Directory Systems revenue in the three months ended June 30, 2004 was attributable to the Managed Services agreements. This revenue was partially offset by the completion of certain implementation projects that accounted for \$8 million of revenue in the comparable period of fiscal 2003. License and service revenue from the sale of Directory Systems represented 13.8% and 14.6% of our total revenue in the three months ended June 30, 2004 and 2003, respectively. We believe that we are a leading provider of Directory Systems in most of the markets we serve. We expect that our revenue from Directory Systems will remain relatively stable in fiscal 2004. In the three months ended June 30, 2004, revenue from customers in North America, Europe and the rest of the world accounted for 65.9%, 26.1% and 8.0%, respectively, of total revenue compared to 62.9%, 28.1% and 9.0%, respectively, for the three months ended June 30, 2003. Approximately 95.0% of the increase in revenue from customers in North America is attributable to Managed Services agreements, including the acquisition of Certen, which expanded our activity and revenue from customers in North America, and approximately 5.0% to the expansion of relationships with existing customers in North America. The decreased contribution to revenue from customers in Europe relative to customers in North America, as a percentage of revenue, resulted from the relatively greater growth in activity from customers in North America than in Europe during the three months ended June 30, 2004. Revenue from customers in the rest of the world in absolute amount was relatively stable in the three months ended June 30, 2004 compared to the three months ended June 30, 2003. 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 the three months ended June 30, 2004, cost of license, as a percentage of license revenue, was 8.4%, compared to 12.7% in the three months ended June 30, 2003. Cost of Service. The increase in cost of service in the three months ended June 30, 2004 was 22.9%, which was higher than 19.4%, the increase in our total revenue in the three months ended June 30, 2004, and resulted in a 1.7% decrease in our gross margin. Our gross margin was affected by the Managed Services agreements signed during fiscal 2003, which we expect to be less profitable in their initial period. Research and Development. Research and development expense was primarily comprised of compensation expense attributed to research and development activities, which involve

the development of new software modules and product offerings, either in conjunction with customer projects or as part of our internal product development program. We are currently focusing significant development efforts on the integration between our products in order to provide Integrated Customer Management to our customers, while continuing to upgrade our existing systems. The majority of our research and development expenditures are directed to our billing and CRM systems, and the remainder to directory, content, mediation and order management solutions. The increase in research and development expense was proportionally less than the increase in our total revenue. Although we intend to continue to devote resources to research and development, our research and development budget, like all of our costs, is sensitive to our overall financial condition. 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.

Selling, General and Administrative. Selling, general and administrative expense is primarily comprised of compensation expense. The increase in selling, general and administrative expense in the three months ended June 30, 2004 was attributable to overall increase in our operations, as well as to the increase in our selling and marketing efforts. The increase in selling, general and administrative expense in the three months ended June 30, 2004 was 3.5%, which was proportionally less than the 19.4% increase in our total revenue.

Operating Income. The increase in operating income in the three months ended June 30, 2004 resulted from the 19.4% increase in our total revenue, partially offset by the 1.7% decrease in our gross margin attributable to the relative low gross margin of our Managed Services projects in their early stages of implementation.

85 PART II INFORMATION NOT REQUIRED IN PROSPECTUS ITEM 8. INDEMNIFICATION OF DIRECTORS AND OFFICERS. Guernsey law permits a company's articles of association to provide for the indemnification of officers and directors except to the extent that such a provision may be held by the courts of Guernsey to be contrary to public policy (for instance, for purporting to provide indemnification against the consequences of committing a crime) and except to the extent that Guernsey law prohibits the indemnification of any director against any specific provisions of Guernsey Company law under which personal liability may be imposed or incurred. Under our Articles of Association, we are obligated to indemnify any person who is made or threatened to be made a party to a legal or administrative proceeding by virtue of being a director, officer or agent of Amdocs, provided that we have no such obligation to indemnify any such persons for any claims they incur or sustain by or through their own willful act or default. We have entered into an indemnity agreement with our directors and some of our officers, under which we have agreed to pay the indemnified party the amount of Loss (as defined therein) suffered by that party due to claims made against that party for a Wrongful Act (as defined therein).

ITEM 9. EXHIBITS EXHIBIT NUMBER DESCRIPTION ----- 4.1 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) 4.2 Specimen Certificate for the ordinary shares of Amdocs Limited (incorporated by reference to Exhibit 4.1 to Amdocs' Registration Statement on Form F-1 dated June 19, 1998; Registration No. 333-8826) 4.3 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' Report on Form 6-K, filed March 5, 2004) 4.4 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' Report on Form 6-K, filed March 5, 2004) 5.1\* Opinion of Carey Olsen. 5.2\* Opinion of Wilmer Cutler Pickering Hale and Dorr LLP. 12.1\* Computation of Ratio of Earnings to Fixed Charges. 23.1 Consent of Ernst & Young LLP. 23.2 Consent of Deloitte & Touche, LLP. 23.3\* Consent of Carey Olsen (included in Exhibit 5.1). 23.4\* Consent of Wilmer Cutler Pickering Hale and Dorr LLP (included in Exhibit 5.2). 24.1\* Power of Attorney. 25.1\* Form T-1, Statement of Eligibility under the Trust Indenture Act of The Bank of New York. 99.1\* Share Purchase Agreement dated as of May 28, 2003 between Amdocs Holdings ULC and Bell Canada. 99.2\*+ Software Master Agreement between Amdocs Software Systems Limited and SBC Services, Inc., effective December 10, 2003. 99.3\*+ Agreement between Amdocs Inc. and SBC Services, Inc. for Software and Professional Services, effective August 7, 2003. ----- \* Previously filed. + Confidential treatment requested as to certain portions, which portions have been filed separately with the Securities and Exchange Commission.

II-1 ITEM 10. UNDERTAKINGS. Item 512(a) of Regulation S-K. The undersigned Registrant hereby undertakes: (1) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement: (i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933, as amended (the "Securities Act"); (ii) To reflect in the prospectus any facts or events arising after the effective date of this Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in this Registration Statement. Notwithstanding the foregoing, any increase or decrease in the volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective Registration Statement; and (iii) To include any material information with respect to the plan of distribution not previously disclosed in this Registration Statement or any material change to such information in this Registration Statement; provided, however, that paragraphs (1)(i) and (1)(ii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the Commission by the Registrant pursuant to Section 13 or Section 15(d) of the Exchange Act that are incorporated by reference in this Registration Statement. (2) That, for the purposes of determining any liability under the Securities Act, each post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at the time shall be deemed to be the initial bona fide offering thereof. (3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering. Item 512(b) of Regulation S-K. The Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of the Registrant's annual report pursuant to Section 13(a) or 15(d) of the Exchange Act (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Exchange Act) that is incorporated by reference in this Registration Statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof. Item 512(h) of Regulation S-K. Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the indemnification provisions described herein, or otherwise, the Registrant has



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been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as II-2 expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue. II-3 SIGNATURES Pursuant to the requirements of the Securities Act of 1933, as amended, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form F-3 and has duly caused this Post-Effective Amendment No. 3 to Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of New York, State of New York, on this 17th day of November, 2004. AMDOCS LIMITED By: /s/ Thomas G. O'Brien

----- Thomas G. O'Brien Treasurer and Secretary Authorized U.S. Representative POWER OF ATTORNEY Pursuant to the requirements of the Securities Act of 1933, as amended, this Post-Effective Amendment No. 3 to Registration Statement has been signed below by the following persons in the capacities and on the dates indicated. Signature Title Date ----- \* Chairman of the Board November 17, 2004 ----- Bruce K. Anderson /s/ Dov Baharav Director and Principal Executive Officer November 17, 2004 ----- Dov Baharav II-4 /s/ Ron Moskovitz Principal Accounting Officer November 17, 2004 ----- Ron Moskovitz \* Director November 17, 2004 ----- Robert A. Minicucci \* Director November 17, 2004 ----- Adrian Gardner \* Director November 17, 2004 ----- Julian A. Brodsky \* Director November 17, 2004 ----- Charles E. Foster \* Director November 17, 2004 ----- Eli Gelman \* Director November 17, 2004 ----- James S. Kahan \* Director November 17, 2004 ----- Nehmeia Lemelbaum \* Director November 17, 2004 ----- John T. McLennan \* Director November 17, 2004 ----- Mario Segal \* By: /s/ Thomas G. O'Brien ----- Thomas G. O'Brien Attorney-in-Fact II-5 Exhibit

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