AMDOCS LTD
Form 6-K
February 08, 2010

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 6-K
REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16 OF
THE SECURITIES EXCHANGE ACT OF 1934
For the Quarter Ended December 31, 2009
Commission File Number 1-14840
AMDOCS LIMITED

Suite 5, Tower Hill House Le Bordage
St. Peter Port, Island of Guernsey, GY1 3QT Channel Islands
Amdocs, Inc.
1390 Timberlake Manor Parkway, Chesterfield, Missouri 63017
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

FORM 20-F þ FORM 40-F o

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): o

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): o

Indicate by check mark whether the registrant by furnishing the information contained in this form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934:

YES o NO þ

If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-

AMDOCS LIMITED
FORM 6-K
REPORT OF FOREIGN PRIVATE ISSUER
FOR THE QUARTER ENDED DECEMBER 31, 2009
INDEX

This report on Form 6-K shall be incorporated by reference into the Registration Statements on Form F-3 (File Nos. 333-114079 and 333-114344) and any other Registration Statement filed by the Registrant that by its terms automatically incorporates the Registrant s filings and submissions with the SEC under Sections 13(a), 13(c) or 15(d) of the Securities Exchange Act of 1934.

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PART I FINANCIAL INFORMATION

Item 1. Financial Statements

AMDOCS LIMITED
CONSOLIDATED BALANCE SHEETS
(dollar and share amounts in thousands, except per share data)

	As of	
	December 31, 2009 (Unaudited)	**September 30, 2009**
ASSETS		
Current assets:		
Cash and cash equivalents	$ 776,784	$ 728,762
Short-term interest-bearing investments	515,366	444,279
Accounts receivable, net	486,783	454,965
Deferred income taxes and taxes receivable	131,507	117,848
Prepaid expenses and other current assets	112,169	126,704
Total current assets	2,022,609	1,872,558
Equipment and leasehold improvements, net	266,224	279,659
Deferred income taxes	131,361	137,662
Goodwill	1,581,862	1,539,424
Intangible assets, net	238,885	227,337
Other noncurrent assets	285,155	271,777
Total assets	$ 4,526,096	$ 4,328,417
LIABILITIES AND SHAREHOLDERS EQUITY		
Current liabilities:		
Accounts payable	$ 99,403	$ 86,189
Accrued expenses and other current liabilities	169,107	174,341
Accrued personnel costs	170,245	154,841
Deferred revenue	214,091	186,158
Deferred income taxes and taxes payable	14,516	9,338
Total current liabilities	667,362	610,867
Convertible notes	1,020	1,020
Deferred income taxes and taxes payable	291,663	273,110
Noncurrent liabilities and other	255,516	230,367
Total liabilities	1,215,561	1,115,364
Shareholders equity:		
Preferred Shares Authorized 25,000 shares; £0.01 par value; 0 shares issued and outstanding		
Ordinary Shares Authorized 700,000 shares; £0.01 par value; 243,068 and 242,466 issued and 205,681and 205,079 outstanding, respectively	3,940	3,930
Additional paid-in capital	2,350,074	2,334,090

Treasury stock, at cost 37,387 Ordinary Shares	(919,874)	(919,874)
Accumulated other comprehensive income	1,478	8,343
Retained earnings	1,874,917	1,786,564
Total shareholders equity	3,310,535	3,213,053
Total liabilities and shareholders equity	$ 4,526,096	$ 4,328,417

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

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AMDOCS LIMITED
CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)
(dollar and share amounts in thousands, except per share data)

	Three months ended December 31,	
	2009	**2008**
Revenue:		
License	$ 24,150	$ 44,601
Service	700,661	709,238
	724,811	753,839
Operating expenses:		
Cost of license	442	991
Cost of service	462,215	484,051
Research and development	50,106	56,229
Selling, general and administrative	91,580	90,265
Amortization of purchased intangible assets	21,319	20,254
Restructuring charges and in-process research and development		20,780
	625,662	672,570
Operating income	99,149	81,269
Interest (expense) income and other, net	(715)	2,235
Income before income taxes	98,434	83,504
Income taxes	10,081	9,257
Net income	$ 88,353	$ 74,247
Basic earnings per share (1)	$ 0.43	$ 0.36
Diluted earnings per share (1)	$ 0.43	$ 0.35
Basic weighted average number of shares outstanding (1)	205,430	203,578
Diluted weighted average number of shares outstanding (1)	206,656	213,069

(1) The basic and diluted weighted average number of shares outstanding for the three months ended December 31, 2008 has been

retroactively adjusted to reflect the adoption of new earnings per share authoritative guidance requiring the inclusion of unvested share-based payment awards containing nonforfeiture rights to dividends or dividend equivalents in the calculation of basic weighted average number of shares outstanding. This adjustment reduced basic earnings per share by $0.01 for the three months ended December 31, 2008.

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

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AMDOCS LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY (UNAUDITED)
(dollar and share amounts in thousands)

	Ordinary Shares		Additional Paid-in Capital	Treasury Stock	Accumulated Other Comprehensive Income	Retained Earnings	Total Shareholders Equity
	Shares	Amount					
Balance as of September 30, 2009	205,079	$ 3,930	$ 2,334,090	$ (919,874)	$ 8,343	$ 1,786,564	$ 3,213,053
Comprehensive income:							
Net income						88,353	88,353
Unrealized loss on foreign currency hedging contracts, net of $(1,291) tax					(7,194)		(7,194)
Unrealized gain on short-term interest-bearing investments, net of $(52) tax					329		329
Comprehensive income							81,488
Employee stock options exercised	250	4	5,131				5,135
Issuance of restricted stock, net of forfeitures	352	6					6
Equity-based compensation expense related to employees			10,853				10,853
Balance as of December 31, 2009	205,681	$ 3,940	$ 2,350,074	$ (919,874)	$ 1,478	$ 1,874,917	$ 3,310,535

As of December 31, 2009 and September 30, 2009, accumulated other comprehensive income is comprised of unrealized gain on derivatives, net of tax, of $5,742 and $12,936, respectively, unrealized loss on cash equivalents and short-term interest-bearing investments, net of tax, of $(6,088) and $(6,417), respectively, and unrealized gain on defined benefit plan, net of tax, of $1,824.

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

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AMDOCS LIMITED
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(dollar amounts in thousands)

	Three months ended December 31, 2009	Three months ended December 31, 2008
Cash Flow from Operating Activities:		
Net income	$ 88,353	$ 74,247
Reconciliation of net income to net cash provided by operating activities:		
Depreciation and amortization	50,050	48,762
In-process research and development expenses		5,640
Equity-based compensation expense	10,853	13,417
Deferred income taxes	(8,501)	744
Gain on repurchase of convertible notes		(2,112)
Excess tax benefit from equity-based compensation	(17)	(1)
(Gain) loss from short-term interest-bearing investments	(329)	2,640
Net changes in operating assets and liabilities, net of amounts acquired:		
Accounts receivable, net	(22,161)	34,495
Prepaid expenses and other current assets	6,159	900
Other noncurrent assets	(14,409)	18,461
Accounts payable, accrued expenses and accrued personnel	28,258	24,885
Deferred revenue	47,599	(50,011)
Income taxes payable	4,534	(4,614)
Noncurrent liabilities and other	3,118	(24,969)
Net cash provided by operating activities	193,507	142,484
Cash Flow from Investing Activities:		
Proceeds from sale of equipment, vehicles and leasehold improvements	212	123
Payments for purchase of equipment and leasehold improvements	(23,801)	(30,235)
Proceeds from sale of short-term interest-bearing investments	278,183	112,372
Purchase of short-term interest-bearing investments	(348,662)	(248,538)
Net cash paid for acquisitions	(56,454)	(55,543)
Net cash used in investing activities	(150,522)	(221,821)
Cash Flow from Financing Activities:		
Borrowing under long-term financing arrangements		100,000
Repurchase of convertible notes		(97,888)
Repurchase of shares		(20,014)
(Payment) borrowing under short-term financing arrangements	(121)	540
Proceeds from employee stock options exercised	5,141	1,109
Excess tax benefit from equity-based compensation	17	1
Net cash provided by (used in) financing activities	5,037	(16,252)
Net increase (decrease) in cash and cash equivalents	48,022	(95,589)
Cash and cash equivalents at beginning of period	728,762	718,850

Cash and cash equivalents at end of period	$ 776,784	$ 623,261
Supplementary Cash Flow Information		
Cash paid for:		
Income taxes, net of refunds	$ 14,704	$ 9,730
Interest	51	267

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

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

1. Nature of Entity and Basis of Presentation

Amdocs Limited (Amdocs or the Company) is a leading provider of software and services for communications, media and entertainment industry service providers. The Company and its subsidiaries operate in one segment, providing integrated products and services. The Company designs, develops, markets, supports, implements and operates customer experience systems, including revenue management, customer management, service and resource management (OSS), personalized portal and value-added services, portfolio management, and consulting and managed services, primarily to leading wireless, wireline, cable and satellite service providers throughout the world. Amdocs also offers a full range of directory sales and publishing systems.

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

The unaudited consolidated financial statements of the Company have been prepared in accordance with U.S. generally accepted accounting principles, or U.S. 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 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, 2009, set forth in the Company s Annual Report on Form 20-F filed on December 7, 2009 with the U.S. Securities and Exchange Commission, or the SEC. Subsequent events were evaluated through February 8, 2010, the date these financial statements were issued.

Reclassification

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

2. Recent Accounting Standards

In January 2010, the Financial Accounting Standards Board, or FASB, issued guidance to amend the disclosure requirements of fair value measurements. The guidance requires new disclosures on the transfers of assets and liabilities between Level 1 and Level 2 of the fair value measurement hierarchy, including the reasons for the transfers, the reasons for any transfer in or out of Level 3 of the fair value measurement hierarchy and a roll forward of activities on purchases, sales, issuance, and settlements of recurring assets and liabilities measured at Level 3 of the fair value measurement hierarchy. In addition to these new disclosure requirements the new guidance also clarifies certain existing disclosure requirements. The guidance became effective for the Company beginning January 1, 2010, except for the disclosure on the roll forward activities for Level 3 fair value measurements, which will become effective for the Company beginning October 1, 2011. Other than requiring additional disclosures, adoption of this new guidance will not have a material impact on the Company s financial statements.

In June 2009, FASB issued authoritative guidance on the consolidation of variable interest entities, which is effective for the Company beginning October 1, 2010. The new guidance requires revised evaluations of whether entities represent variable interest entities, ongoing assessments of control over such entities, and additional disclosures for variable interests. Based on its current

operations the Company believes that the adoption of this new guidance will not have a material impact on its financial statements.

3. Adoption of New Accounting Standards

In October 2009, the FASB issued authoritative guidance for revenue recognition relating to arrangements containing both hardware and software elements. Under the new guidance, tangible products that have software components that are essential to the functionality of the tangible product will no longer be within the scope of the software revenue recognition guidance, and will now be subject to other relevant revenue recognition guidance. Additionally, the FASB updated its authoritative guidance for revenue arrangements with multiple deliverables that are outside the scope of the software revenue recognition guidance. The revised guidance eliminates the requirement that objective and reliable evidence of fair value exist for an undelivered item in order for a delivered item to be treated as a specific unit of accounting. In addition, the guidance modifies the methodology to allocate transaction consideration to each identified unit of accounting by allowing the use of management s best estimate of selling price for individual elements of an arrangement when vendor specific objective evidence, or VSOE, of fair value or third-party evidence of selling price is unavailable. This results in the elimination of the residual method of allocating revenue consideration. The Company elected to early adopt the pronouncements at the beginning of its first quarter of fiscal 2010 on a prospective basis for applicable transactions originating or materially modified after October 1, 2009. This guidance does not generally change the units of accounting in the Company s revenue arrangements or the methodology by which transaction consideration is allocated to the various units of accounting due to the fact that for the majority of the Company s multiple deliverables arrangements entered into prior to the first quarter of fiscal 2010, the Company allocated transaction consideration for purposes of revenue recognition to each identified unit of accounting based upon its relative fair value, determined using VSOE. The new accounting standards for revenue recognition if applied to the year ended September 30, 2009 would not have had a material impact on the Company s results of operations or financial position for that fiscal year. In addition, the adoption of the new guidance did not have a material impact on the Company s results of operations or financial position in the first quarter of fiscal 2010.

Effective October 1, 2009, the Company adopted the new earnings per share authoritative guidance that provides that unvested share-based payment awards that contain nonforfeitable rights to dividends or dividend equivalents are considered participating securities. As such, they should be included in the computation of basic earnings per share, or EPS, using the two-class method. Prior-period EPS data presented have been adjusted retroactively, and this adjustment reduced basic earnings per share by $0.01 for the three months ended December 31, 2008.

Effective October 1, 2009, the Company adopted the fair value measurements guidance for non-financial assets and non-financial liabilities, except those that are recognized or disclosed in the financial statements at fair value on a recurring basis (at least annually). The adoption of this guidance did not have a material impact on the Company s results of operations or financial position.

Effective October 1, 2009, the Company adopted the revised accounting guidance for business combinations. This guidance significantly changes the accounting for business combinations and establishes principles and requirements for how an acquirer recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed and any noncontrolling interest in the acquiree and recognizes and measures the goodwill acquired in the business combination or a gain from a bargain purchase. Among the more significant changes, acquired in-process research and development will be capitalized and upon completion amortized over its useful life; acquisition costs will be expensed as incurred; restructuring costs will generally be expensed in periods after the acquisition date; contingent consideration will be recognized at fair value at the acquisition date with subsequent changes recognized in earnings, and reductions in deferred tax valuation allowance relating to a business acquisition will be recognized in earnings. In April 2009, the FASB issued an amendment to the revised business combination guidance regarding the accounting for assets acquired and liabilities assumed in a business combination that arise from contingencies. The impact of this accounting guidance on the Company s results of operations or financial position will vary depending on each specific business combination. This guidance did not have a material impact on the Company s results of operations or financial position in the first quarter of fiscal 2010.

Effective October 1, 2009, the Company adopted the guidance that changes the accounting and reporting for noncontrolling (minority) interests in consolidated financial statements, including the requirement to classify noncontrolling interests as a component of consolidated stockholders equity, the elimination of minority interest accounting in results of operations and changes in the accounting for both increases and decreases in a parent s controlling ownership interest. The adoption of this guidance had no impact

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on the Company s consolidated results of operations or financial position.

4. Fair Value Measurement

The Company accounts for certain assets and liabilities at fair value. Fair value is the price that would be received from selling an asset or that would be paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required or permitted to be recorded at fair value, the Company considers the principal or most advantageous market in which it would transact and it considers assumptions that market participants would use when pricing the asset or liability.

The hierarchy below lists three levels of fair value based on the extent to which inputs used in measuring fair value are observable in the market. The Company categorizes each of its fair value measurements in one of these three levels based on the lowest level input that is significant to the fair value measurement in its entirety.

The three levels of inputs that may be used to measure fair value are as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities;

Level 2: Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets), or other inputs that are observable (model-derived valuations in which significant inputs are observable) or can be derived principally from, or corroborated by, observable market data; and

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The following tables presents the Company s assets and liabilities measured at fair value on a recurring basis as of December 31, 2009 and September 30, 2009:

	As of December 31, 2009		
	Level 1	**Level 2**	**Total**
Available-for-sale securities:			
Money market funds	$ 625,986	$	$ 625,986
U.S. government treasuries	272,581		272,581
U.S. agencies		69,682	69,682
Government guaranteed debt		90,163	90,163
Supranational and sovereign debt		24,398	24,398
Corporate bonds		25,009	25,009
Asset backed obligations		13,361	13,361
Mortgages (including agencies and corporate)		26,315	26,315
Other	8,000	14	8,014
Total available-for-sale securities	906,567	248,942	1,155,509
Derivative financial instruments, net		7,851	7,851
Total	$ 906,567	$ 256,793	$ 1,163,360

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	As of September 30, 2009		
	Level 1	Level 2	Total
Available-for-sale securities:			
Money market funds	$ 465,249	$	$ 465,249
U.S. government treasuries	272,405		272,405
U.S. agencies		93,211	93,211
Government guaranteed debt		83,949	83,949
Supranational and sovereign debt		15,751	15,751
Corporate bonds		32,130	32,130
Asset backed obligations		16,645	16,645
Mortgages (including agencies and corporate)		32,392	32,392
Other	8,000	14	8,014
Total available-for-sale securities	745,654	274,092	1,019,746
Derivative financial instruments, net		13,882	13,882
Total	$ 745,654	$ 287,974	$ 1,033,628

Available for sale securities that are classified as Level 2 assets are priced using observable data that may include quoted market prices for similar instruments, market dealer quotes, market spreads, non-binding market prices that are corroborated by observable market data and other observable market information and discounted cash flow techniques. The Company s derivative instruments are classified as Level 2 as they represent foreign currency forward and option contracts valued primarily based on observable inputs including forward rates and yield curves.

Fair Value of Financial Instruments

The financial instruments of the Company consist mainly of cash and cash equivalents, short-term interest-bearing investments, accounts receivable, accounts payable, foreign currency forward exchange contracts and options. The fair value of the financial instruments included in the accounts of the Company does not significantly vary from their carrying amount.

5. Available-For-Sale Securities

Available-for-sale securities consist of the following interest-bearing investments:

	As of December 31, 2009			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Money market funds	$ 625,986	$	$	$ 625,986
U.S. government treasuries	272,656	146	221	272,581
U.S. agencies	68,801	916	35	69,682
Government guaranteed debt	89,697	593	127	90,163
Supranational and sovereign debt	24,356	122	80	24,398
Corporate bonds	25,689	745	1,425	25,009
Asset backed obligations	15,752	91	2,482	13,361
Mortgages (including agencies and corporate)	30,768	421	4,874	26,315
Other	8,127		113	8,014

Total(1)	$ 1,161,832	$ 3,034	$ 9,357	$ 1,155,509

(1) Available-for-sale securities are classified as short term interest-bearing investments on the Company s balance sheet, except for $640,143 of securities with original maturities of 90 days or less which are included in cash and cash equivalents as of December 31, 2009.

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	As of September 30, 2009						
		Amortized Cost		Gross Unrealized Gains		Gross Unrealized Losses	Fair Value
Money market funds	$	465,249	$		$		$ 465,249
U.S. government treasuries		271,483		922			272,405
U.S. agencies		91,772		1,439			93,211
Government guaranteed debt		83,212		764		27	83,949
Supranational and sovereign debt		15,610		141			15,751
Corporate bonds		32,924		730		1,524	32,130
Asset backed obligations		19,630		179		3,164	16,645
Mortgages (including agencies and corporate)		38,339		552		6,499	32,392
Other		8,127				113	8,014
Total(1)	$	1,026,346	$	4,727	$	11,327	$ 1,019,746

& 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 18,604,310 shares
	9	SOLE DISPOSITIVE POWER 0
	10	SHARED DISPOSITIVE POWER See Row 8 above.

11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON £ See Row 8 above.
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES £
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 7.94 percent†
14	TYPE OF REPORTING PERSON OO, BD

* See Item 4.
† See Item 3 and Item 5.

CUSIP No. 447011107 **Page 8 of 16 Pages**

1	NAME OF REPORTING PERSON I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITIES ONLY) Citadel Holdings II LP		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)S (b)S*		
3	SEC USE ONLY		
4	SOURCE OF FUNDS AF		
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e) £		
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 18,604,310 shares
		9	SOLE DISPOSITIVE POWER 0
		10	SHARED DISPOSITIVE POWER See Row 8 above.
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON £ See Row 8 above.		
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES £		
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 7.94 percent†		
14	TYPE OF REPORTING PERSON PN, HC		

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* See Item 4.
† See Item 3 and Item 5.

CUSIP No. 447011107 **Page 9 of 16 Pages**

1	NAME OF REPORTING PERSON I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITIES ONLY) Citadel Advisors LLC		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)S (b)S*		
3	SEC USE ONLY		
4	SOURCE OF FUNDS AF		
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e) £		
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 18,604,310 shares
		9	SOLE DISPOSITIVE POWER 0
		10	SHARED DISPOSITIVE POWER See Row 8 above.
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON £ See Row 8 above.		
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES £		
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 7.94 percent†		
14	TYPE OF REPORTING PERSON OO, HC		

* See Item 4.
† See Item 3 and Item 5.

CUSIP No. 447011107 **Page 10 of 16 Pages**

1	NAME OF REPORTING PERSON I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITIES ONLY) Citadel Derivatives Trading Ltd.		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)S (b)S*		
3	SEC USE ONLY		
4	SOURCE OF FUNDS WC		
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e) £		
6	CITIZENSHIP OR PLACE OF ORGANIZATION Cayman Islands		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH		**7**	SOLE VOTING POWER 0
		8	SHARED VOTING POWER 18,604,310 shares
		9	SOLE DISPOSITIVE POWER 0
		10	SHARED DISPOSITIVE POWER See Row 8 above.
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON £ See Row 8 above.		
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES £		
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 7.94 percent†		
14	TYPE OF REPORTING PERSON CO		

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* See Item 4.
† See Item 3 and Item 5.

CUSIP No. 447011107 **Page 11 of 16 Pages**

1	NAME OF REPORTING PERSON I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITIES ONLY) Kenneth Griffin		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)S (b)S*		
3	SEC USE ONLY		
4	SOURCE OF FUNDS AF		
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e) £		
6	CITIZENSHIP OR PLACE OF ORGANIZATION United States		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH		**7**	SOLE VOTING POWER 0
		8	SHARED VOTING POWER 18,604,310 shares
		9	SOLE DISPOSITIVE POWER 0
		10	SHARED DISPOSITIVE POWER See Row 8 above.
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON £ See Row 8 above.		
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES £		
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 7.94 percent†		
14	TYPE OF REPORTING PERSON IN, HC		

* See Item 4.
† See Item 3 and Item 5.

ITEM 1. SECURITY AND ISSUER

This Amendment No. 3 amends the Schedule 13D filed on August 1, 2008 (such initial filing, the "Original Filing") by Citadel Investment Group, L.L.C. ("CIG"), Citadel Limited Partnership ("CLP"), Citadel Equity Fund Ltd. ("CEFL"), Citadel Investment Group II, L.L.C. ("CIG-II"), Citadel Holdings I LP ("CH-I"), Citadel Derivatives Group LLC ("CDG"), Citadel Holdings II LP ("CH-II"), Citadel Advisors LLC ("Citadel Advisors"), Citadel Derivatives Trading Ltd. ("CDT") and Kenneth Griffin ("Griffin" and, together with CIG, CLP, CEFL, CIG-II, CH-I, CDG, CH-II, Citadel Advisors and CDT, the "Reporting Persons") relating to the shares of common stock, $0.01 par value per share (the "Common Shares"), of Huntsman Corporation (the "Issuer"), as amended by Amendment No. 1 to Schedule 13D filed by the Reporting Persons on September 2, 2008 ("Amendment No. 1") and Amendment No. 2 to Schedule 13D filed by the Reporting Persons on September 10, 2008 ("Amendment No. 2" and, together with the Original Filing and Amendment No. 1, the "Prior Filing"). Capitalized terms not defined herein shall have the meaning given to them in the Prior Filing.

ITEM 4. PURPOSE OF TRANSACTION

Item 4 of the Prior Filing is amended by deleting the tenth paragraph thereof and adding in its place the following:

On October 26, 2008, the Backstop Payment Parties delivered a further letter (the "Amended Backstop Payment Commitment Letter") to the Issuer intended to facilitate the consummation of the Proposed Merger. In the Amended Backstop Payment Commitment Letter, the Backstop Payment Parties proposed to increase (from $230,226,116.00 to $446,537,466.98) certain backstop payments to the Issuer if the Proposed Merger is consummated on the terms provided in the current merger agreement on or prior to November 2, 2008. These cash payments would be added to the combined balance sheet of Huntsman and Hexion at the closing of the Proposed Merger with Hexion. A copy of the Amended Backstop Payment Commitment Letter is attached as Exhibit 99.9.

As required by the terms thereof, the Amended Backstop Payment Commitment Letter was accepted by the Issuer on October 26, 2008. The Backstop Payment Parties' several obligations in the Amended Backstop Payment Commitment Letter are also subject to the requirement that, at the closing of the merger, other stockholders of the Company fund the backstop commitments they previously made to Huntsman in an aggregate amount of at least $186,233,986.00, and no dividends or other distributions of value from Huntsman and its subsidiaries to its stockholders are made prior to or in connection with the consummation of the merger (other than payment of the merger consideration in accordance with the terms of the current merger agreement). The Backstop Payment Parties' several obligations under the Amended Backstop Payment Commitment Letter would also be subject to the requirement that Apollo Global Managers LLP or its applicable affiliates (collectively, "Apollo") contributes new equity to Hexion at or prior to the closing of the merger in an aggregate amount of $750 million or more, and that no fees are paid and no dividends or other distributions of value from Hexion to Apollo are made prior to or in connection with the consummation of the merger.

As a result of the potential arrangements described in the Proposal Letter, the Commitment Letter, the Backstop Payment Commitment Letter and the Amended Backstop Payment Commitment Letter, the Reporting Persons may be deemed to have formed a "group" with some or all of the Other Investors, the Other Backstop Payment Parties, and/or the Huntsman Participants for purposes of Rule 13d-5(b)(1) promulgated under the 1934 Act; however, the Reporting Persons disclaim membership in a group with the Other Investors, the Other Backstop Payment Parties, and the Huntsman Participants with regard to the Common Shares of the Issuer.

ITEM 5. INTEREST IN SECURITIES OF THE ISSUER

(a) Number of shares: 18,604,310 shares[1]
Percentage of shares: 7.94%[2]
(b) Sole power to vote or direct the vote: 0
Shared power to vote or direct the vote: 18,604,310 shares
Sole power to dispose or to direct the disposition: 0
Shared power to dispose or direct the disposition: 18,604,310 shares

(c) The table attached hereto as Exhibit 99.10 sets forth the transactions effected by the Reporting Persons in the Common Shares (and options to purchase or sell such Common Shares) since Amendment No. 2. Such transactions resulted from the exercise by third parties of listed option positions (designated as "option assignments" on Exhibit 99.10) and from the exercise by the Reporting Persons of such listed option positions (designated as "option exercises" on Exhibit 99.10); each such option was previously acquired in open market transactions.

(d) Not applicable.

(e) Not applicable.

I T E M 6. CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS WITH RESPECT TO SECURITIES OF THE ISSUER

Item 6 of the Prior Filing is amended by adding, after the fifth paragraph, the following:

As noted above in Item 4, on October 26, 2008, the Backstop Payment Parties made an amended offer to the Issuer with respect to certain backstop payments to be made to the Issuer in cash. The description of the terms of the Amended Backstop Payment Commitment Letter is a summary, does not purport to be complete and is qualified in its entirety by reference to the Amended Backstop Payment Commitment Letter referred to in Item 7 below as Exhibit 99.9, and which is incorporated herein by reference.

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[1] None of the data with respect to beneficial ownership of Common Shares by the Reporting Persons reported in this Amendment No. 3 includes any Common Shares beneficially owned by the Other Investors, by the Other Backstop Payment Parties or by the Huntsman Participants.

[2] According to the Issuer's Form 10-Q, filed with the Securities and Exchange Commission on August 7, 2008, there were 234,457,138 Common Shares issued and outstanding as of August 4, 2008.

ITEM 7. MATERIAL TO BE FILED AS EXHIBITS

The following documents are filed as appendices and exhibits (or incorporated by reference herein):

Exhibit 99.9:	Amended Backstop Payment Commitment Letter, dated October 26, 2008, from Citadel Limited Partnership, D.E. Shaw Valence Portfolios, L.L.C., D.E. Shaw Oculus Portfolios, L.L.C., MatlinPatterson Global Opportunities Partners, L.P., MatlinPatterson Global Opportunities Partners (Bermuda) L.P. to Huntsman Corporation
Exhibit 99.10:	Transactions required to be reported pursuant to Item 5(c)

Signature

After reasonable inquiry and to the best of its knowledge and belief, the undersigned certify that the information set forth in this statement is true, complete and correct.

Dated this 28th day of October, 2008

CITADEL INVESTMENT GROUP, L.L.C.

By: /s/ John C. Nagel
John C. Nagel, Authorized Signatory

CITADEL LIMITED PARTNERSHIP

By: Citadel Investment Group, L.L.C.,
its General Partner

By: /s/ John C. Nagel
John C. Nagel, Authorized Signatory

CITADEL EQUITY FUND LTD.

By: Citadel Limited Partnership,
its Portfolio Manager

By: Citadel Investment Group, L.L.C.,
its General Partner

By: /s/ John C. Nagel
John C. Nagel, Authorized Signatory

CITADEL INVESTMENT GROUP II, L.L.C.

By: /s/ John C. Nagel
John C. Nagel, Authorized Signatory

CITADEL HOLDINGS I LP

By: Citadel Investment Group II, L.L.C.,
its General Partner

By: /s/ John C. Nagel
John C. Nagel, Authorized Signatory

CITADEL DERIVATIVES GROUP LLC

By: Citadel Limited Partnership,
its Managing Member

By: Citadel Investment Group, L.L.C.,
its General Partner

By: /s/ John C. Nagel
John C. Nagel, Authorized Signatory

CITADEL HOLDINGS II LP

By: Citadel Investment Group II, L.L.C.,
its General Partner

By: /s/ John C. Nagel
John C. Nagel, Authorized Signatory

CITADEL ADVISORS LLC

By: Citadel Holdings II LP,
its Managing Member

By: Citadel Investment Group II, L.L.C.,
its General Partner

By: /s/ John C. Nagel
John C. Nagel, Authorized Signatory

CITADEL DERIVATIVES TRADING LTD.

By: Citadel Limited Partnership,
its Portfolio Manager

By: Citadel Investment Group, L.L.C.,
its General Partner

By: /s/ John C. Nagel
John C. Nagel, Authorized Signatory

KENNETH GRIFFIN

By: /s/ John C. Nagel
John C. Nagel, attorney-in-fact*

* John C. Nagel is signing on behalf of Kenneth Griffin as attorney-in-fact pursuant to a power of attorney previously filed with the Securities and Exchange Commission on February 24, 2006, and hereby incorporated by reference herein. The power of attorney was filed as an attachment to a filing by Citadel Limited Partnership on Schedule 13G for Morgans Hotel Group Co.