

SAPIENS INTERNATIONAL CORP N V  
Form 6-K  
May 10, 2006

**SECURITIES AND EXCHANGE COMMISSION**

Washington D.C. 20549

**FORM 6-K**

**Report of Foreign Issuer**

**Pursuant to Rule 13a-16 or 15d-16 of  
the Securities Exchange Act of 1934**

**For the month of May 2006**

**Commission File Number 000-20181**

**Sapiens International Corporation N.V.**  
(translation of registrant's name into English)

**c/o Landhuis Joonchi**

**Kaya Richard J. Beaujon z/n**  
**P.O. Box 837**

**Willemstad**  
**Curaçao, Netherlands Antilles**  
**(599) (9) 7366277**  
(address of principal executive offices)

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

Form 20-F  Form 40-F

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):

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):

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  No

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

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SAPIENS ANNOUNCES Q1 2006 RESULTS

*Company Increases Revenue*

**Research Triangle Park, N.C. May 10, 2006** - Sapiens International Corporation N.V. (NASDAQ and TASE: SPNS) today announced its unaudited financial results for the first quarter of 2006, ended March 31, 2006.

For the first quarter, the Company recorded revenues of \$10.5 million, an increase from \$9.8 million in the fourth quarter of 2005.

Operating loss for the quarter was reduced to \$0.72 million, compared with \$0.96 million in the previous quarter. In the first quarter, the Company recorded a restructuring expense of \$0.64 million, related to the downsizing in workforce, as previously reported by the Company. Without the restructuring costs, operating loss for the quarter would have been \$0.08 million.

Net loss for the fourth quarter was reduced to \$1.3 million, compared with a net loss of \$3.1 million in the fourth quarter of 2005. Without the above restructuring costs, net loss for the quarter would have been \$0.7 million.

Roni Al-Dor, President and CEO, commented "We are glad to report an increase in revenue and a reduction in our losses."

"We are beginning to see the initial results of our turnaround plan and we hope that we will continue this positive trend."

The Company recently announced a \$5 million deal with one of the largest insurance companies in Central and Eastern Europe regarding its INSIGHT™ for Property & Casualty solution.

[Tables Follow]

**FOR ADDITIONAL INFORMATION:**

Elior Brin

Roni Al-Dor

Chief Financial Officer

Chief Executive Officer

Sapiens International

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## **About Sapiens International**

Sapiens International Corporation N.V. (Nasdaq and TASE: SPNS), a member of Formula Group (Nasdaq: FORTY) and (TASE: FORT), is a leading global provider of proven IT solutions that modernize business processes and enable insurance organizations to adapt quickly to change. Sapiens' innovative solutions are widely recognized for their ability to cost-effectively align IT with the business demands for speed, flexibility and efficiency. Sapiens operates through its subsidiaries in North America, the United Kingdom, EMEA and Asia Pacific, and has partnerships with market leaders such as IBM and EDS. Sapiens' clients include AXA, Liverpool Victoria, Norwich Union, OneBeacon, Principal Financial Group, Prudential, Abbey National, ING, and Occidental Fire & Casualty among others. For more information, please visit <http://www.sapiens.com>.

Except for historical information contained herein, the matters set forth in this release are forward-looking statements that are dependent on certain risks and uncertainties, including such factors, among others, as market acceptance, market demand, pricing, changing regulatory environment, changing economic conditions, risks in new product and service development, the effect of the Company's accounting policies, specific system configurations and software needs of individual customers and other risk factors detailed in the Company's SEC filings.

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**SAPIENS INTERNATIONAL CORPORATION N.V.**

## Condensed Consolidated Balance Sheets

(U.S. Dollars in thousands)

	3/31/2006 (Unaudited)	12/31/2005 (Unaudited)
<b>Assets</b>		
Cash and cash equivalents	\$ 6,016	\$ 6,699
Short-term investments	5,110	5,337
Trade receivables, net	10,878	8,339
Other current assets	2,107	1,621
<b>Total current assets</b>	<b>24,111</b>	<b>21,996</b>
Property and equipment, net	1,631	1,716
Other assets, net	28,027	28,154
<b>Total assets</b>	<b>\$ 53,769</b>	<b>\$ 51,866</b>
<b>Liabilities and shareholders' equity</b>		
Short-term bank credit and current maturities		
of long-term debt and convertible debentures	\$ 20,551	\$ 19,112
Trade payables	2,780	1,910
Other liabilities and accrued expenses	8,104	6,742
Deferred revenue	4,467	4,867
<b>Total current liabilities</b>	<b>35,902</b>	<b>32,631</b>
Long-term debt and other long-term liabilities	1,630	1,584
Convertible debentures and warrants	14,087	14,019
Shareholders' equity	2,150	3,632
<b>Total liabilities and shareholders' equity</b>	<b>\$ 53,769</b>	<b>\$ 51,866</b>

Note: Certain prior year's amounts have been reclassified to conform with current year presentation

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**SAPIENS INTERNATIONAL CORPORATION N.V.**

## Condensed Consolidated Statements of Income

(U.S. Dollars in thousands, except per share amounts)

	For the three months ended	
	03/31/2006	03/31/2005
	(Unaudited)	(Unaudited)
<b>Revenues</b>		
Products	\$ 4,400	\$ 3,015
Consulting and other services	6,077	7,087
Total revenues	10,477	10,102
<b>Cost of revenues</b>		
Products	3,463	2,786
Consulting and other services	3,067	3,841
Total cost of revenues	6,530	6,627
<b>Gross Profit</b>	3,947	3,475
<b>Operating expenses</b>		
Research and development, net	726	628
Selling, marketing, general and administrative	3,305	4,379
Restructuring expenses	635	758
<b>Operating Loss</b>	719	2,290
Financial expenses, net	575	371
Other expenses (income), net (b)	53	(43)
<b>Net Loss</b>	\$ 1,347	\$ 2,618
Basic and diluted loss per share (c)	\$ 0.11	\$ 0.23
Weighted average shares used to compute -		
basic and diluted loss per share (c)	12,510	11,449

Note a: Certain prior year's amounts have been reclassified to conform with current year presentation



b: Includes taxes and minority interest

c: Due to the net loss in 2005 and 2006 the inclusion of dilutive securities would be antilutitive.

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**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**Sapiens International Corporation N.V.**

(Registrant)

Date: May 10, 2006

By:

/s/ Andrew Treitel

Andrew Treitel

General Counsel and Corporate Secretary