

SAPIENS INTERNATIONAL CORP N V  
Form 6-K  
May 20, 2008

**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 2008**

**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 2008 RESULTS

*Company Continues to Improve Performance for the Sixth Consecutive Quarter*

**Cary, N.C. May 20, 2008** - Sapiens International Corporation N.V. (NASDAQ and TASE: SPNS), a member of the Emblaze/Formula Group (LSE:BLZ.L) (NASDAQ: FORTY and TASE: FORT), announces today its results of operations for the first quarter of 2008.

*Highlights for Q1 2008*

- \$423,000 Operating Profit, a significant increase of 41% from the fourth quarter of 2007
- Sixth consecutive quarter of Operating Profit
- Approximately \$400,000 Cash Flow from Operations, following upon the positive Cash Flow from Operations in 2007
- Revenue of \$10.5 million, a 3.1% increase from the fourth quarter of 2007
- Signed a major agreement, for \$1 million, in Japan
- Increased pipeline of potential deals with major customers
- Repurchase of Debentures in Q1 2008 of \$2.1 million

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The increase in Financial Expenses is due to the devaluation of the US Dollar vs. the New Israeli Shekel

U.S. GAAP

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Operating Profit of \$423,000, a 184% increase from the first quarter of 2007 and a significant increase of 41% from the fourth quarter of 2007

Non-GAAP

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Operating Profit of \$522,000, a turn around from the Operating Loss of \$2,000 in the First Quarter of 2007, and a significant increase of 35% from \$386,000 in the Fourth Quarter of 2007

U.S. GAAP results include amortization of capitalized software developments, capitalization of software development costs, and stock-based compensation expenses.

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Reconciliation between U.S. GAAP and Non-GAAP results is summarized in the following table. For a complete reconciliation, please refer to the tables at the end of this release.

*U.S. Dollars in thousands, except per share amounts*

|                                  | For the three months ended |                           |
|----------------------------------|----------------------------|---------------------------|
|                                  | 03/31/2008<br>(Unaudited)  | 03/31/2007<br>(Unaudited) |
| <b><i>U.S. GAAP</i></b>          |                            |                           |
| Revenues                         | 10,491                     | 11,007                    |
| Operating profit                 | 423                        | 149                       |
| Net loss                         | (1,200)                    | (405)                     |
| Basic and diluted loss per share | (0.06)                     | (0.03)                    |
| <b><i>Non-GAAP</i></b>           |                            |                           |
| Revenues                         | 10,491                     | 11,007                    |
| Operating profit (loss)          | 522                        | (2)                       |
| Net loss                         | (1,101)                    | (556)                     |
| Basic and diluted loss per share | (0.05)                     | (0.04)                    |

Roni Al-Dor, President and CEO, commented "We report our sixth consecutive quarter of operating profit. We also report approximately \$400,000 positive cash flow from operations for the first quarter of 2008. We are now benefitting from our past activities to increase efficiencies at each of our subsidiaries. We have stabilized our ship and are sailing forward. We have increased our lead generation and face several promising opportunities that we expect will become signed agreement in 2008. Due to the devaluation of the US Dollar against the New Israeli Shekel, we had an increase in finance expenses which created an increase in our Net Loss."

Mr. Al-Dor added, "We thank our customers, our investors and our employees for the good news we report today. We believe that our positive trend will continue and that we will have more good news to report to you in the future."

#### ***Comment Regarding Non-GAAP***

Sapiens' management believes that the presentation of non-GAAP measures can enhance the understanding of the company's ongoing economic performance, and provides useful information to investors regarding financial and business trends relating to the company's financial condition and results of operations. Sapiens therefore uses internally the non-GAAP information to evaluate and manage the Company's operations.

This non-GAAP financial measures are not in accordance with, or an alternative for, generally accepted accounting principles and may be different from non-GAAP financial measures used by other companies. In addition, these non-GAAP financial measures are not based on any comprehensive set of accounting rules or principles. Sapiens believes that non-GAAP financial measures have limitations in that they do not reflect all of the amounts associated with Sapiens' results of operations as determined in accordance with GAAP and that these measures should only be used to evaluate Sapiens' results of operations in conjunction with the corresponding GAAP measures.

Please refer to the Reconciliation of GAAP to Non-GAAP Results at the end of this release.

**FOR ADDITIONAL INFORMATION:**

Roni Giladi

Roni Al-Dor

Chief Financial Officer

Chief Executive Officer

Sapiens International

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), which is a member of the Emblaze Group (LSE: BLZ.L) 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, ING, Liverpool Victoria, Menora Mivtachim, Norwich Union, Occidental Fire & Casualty, OneBeacon, Principal Financial Group, Santam and Texas Farm Bureau 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)

|   | 03/31/2008<br>(Unaudited) | 12/31/2007<br>(Unaudited) |
|---|---------------------------|---------------------------|
| <b>Assets</b>   |                           |                           |
| Cash and cash equivalents   | \$10,523                  | \$13,125                  |
| Trade receivables, net  | 8,722                     | 7,549                     |
| Other current assets  | 1,810                     | 1,835                     |
| <b>Total current assets</b>   | <b>21,055</b>             | <b>22,509</b>             |
| Property and equipment, net   | 1,158                     | 1,219                     |
| Other assets, net   | 29,731                    | 28,804                    |
| <b>Total assets</b>   | <b>\$ 51,944</b>          | <b>\$ 52,532</b>          |
| <b>Liabilities and shareholders' equity</b>   |                           |                           |
| Short-term bank credit and current maturities<br>of long-term debt and convertible debentures | \$8,184                   | \$9,456                   |
| Trade payables  | 1,481                     | 1,088                     |
| Other liabilities and accrued expenses  | 9,292                     | 8,375                     |
| Deferred revenue  | 4,322                     | 4,203                     |
| <b>Total current liabilities</b>  | <b>23,279</b>             | <b>23,122</b>             |
| Long-term debt and other long-term liabilities  | 1,450                     | 1,132                     |
| Convertible debentures  | 5,440                     | 6,428                     |
| Shareholders' equity  | 21,775                    | 21,850                    |
| <b>Total liabilities and shareholders' equity</b>   | <b>\$ 51,944</b>          | <b>\$ 52,532</b>          |

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**SAPIENS INTERNATIONAL CORPORATION N.V.**

Condensed Consolidated Statements of Operations  
(U.S. Dollars in thousands, except per share amounts)

|  | For the three months ended |             |
|--|----------------------------|-------------|
|  | 03/31/2008                 | 03/31/2007  |
|  | (Unaudited)                | (Unaudited) |
| <b>Revenues</b>                                    | \$ 10,491                  | \$ 11,007   |
| <b>Cost of revenues</b>                            | \$ 6,256                   | \$ 7,076    |
| <b>Gross Profit</b>                                | 4,235                      | 3,931       |
| <b>Operating expenses</b>                          |                            |             |
| Research and development, net                      | \$ 790                     | \$ 490      |
| Selling, marketing, general and administrative (a) | \$ 3,022                   | \$ 3,292    |
| <b>Operating Profit</b>                            | 423                        | 149         |
| Financial expenses, net                            | \$ 1,183                   | \$ 424      |
| Other expenses, net (b)                            | \$ 440                     | \$ 130      |
| <b>Net Loss</b>                                    | \$ 1,200                   | \$ 405      |
| Basic and diluted loss per share (c)               | \$ 0.06                    | \$ 0.03     |
| Weighted average shares used to compute -          |                            |             |
| basic and diluted loss per share (c)               | 21,550                     | 14,854      |

Note

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

b: Includes taxes, equity losses, minority interest and capital losses due to repurchase of debentures.

c: Due to the net loss in the three month period ended March 31, 2007 and 2008 the inclusion of dilutive securities would be antidilutive.

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**SAPIENS INTERNATIONAL CORPORATION N.V.****Reconciliation of GAAP to Non-GAAP results**

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

|  | For the three months ended |             |
|--|----------------------------|-------------|
|  | 03/31/2008                 | 03/31/2007  |
|  | (Unaudited)                | (Unaudited) |
| GAAP operating profit  | 423                        | 149         |
| Amortization of intangibles  | 960                        | 1,183       |
| Capitalization of software development   | (876)                      | (1,341)     |
| Stock-based compensation   | 15                         | 7           |
| Total adjustments to GAAP  | 99                         | (151)       |
| Non-GAAP operating profit (loss)   | 522                        | (2)         |
| <br>   |                            |             |
| GAAP net loss  | (1,200)                    | (405)       |
| Total adjustments to GAAP as above   | 99                         | (151)       |
| Non-GAAP net loss  | (1,101)                    | (556)       |
| <br>   |                            |             |
| Non-GAAP basic loss per share  | (0.05)                     | (0.04)      |
| Weighted average number of ordinary shares used in computing basic net loss per ordinary share | 21,550                     | 14,854      |

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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 20, 2008

By:

/s/ Andrew Treitel

Andrew Treitel

General Counsel and Corporate Secretary