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SAPIENS INTERNATIONAL CORP N V

Form 6-K

November 06, 2003

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 NOVEMBER 2003

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  
CURACAO, 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 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   
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[SAPIENS LOGO]

SAPIENS INTERNATIONAL ANNOUNCES Q3 RESULTS

BACK TO PROFITABILITY. IMPROVED RESULTS OVER SECOND QUARTER OF 2003.  
EXPECT TO SEE CONTINUED IMPROVEMENT.

Research Triangle Park, N.C.--November 3, 2003 --Sapiens International  
Corporation N.V. (NASDAQ and TASE: SPNS) today announced its unaudited results  
of operations for the third quarter and nine months ended September 30, 2003.

Compared to the previous quarter of 2003, the Company reported a small overall  
improvement in the third quarter of 2003. Revenues remained at \$13.4 million  
while gross profit increased 6.7% from \$6.0 million to \$6.4 million and the  
gross profit margin improved 6.7% from 44.7% to 47.7%. The Company reported  
operating income of \$0.3 in the third quarter of 2003 compared with operating  
loss of \$0.2 million in the previous quarter, and net income of \$0.04 million  
compared with a net loss of \$0.4 in the previous quarter.

Compared to the third quarter last year, revenues in the third quarter of 2003  
decreased from \$16.6 million to \$13.4 million. Gross profit was \$6.4 million in  
the third quarter compared with \$7.4 million in the same period last year, while  
gross profit margin increased to 47.7% compared to 44.6% in the same period last

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year. Operating income amounted to \$0.3 million compared with operating loss of \$0.2 million in the same period of last year. The Company recorded net income of \$0.04 million compared with a net loss of \$0.6 million in the same period of last year.

Revenues for the nine months ended September 30, 2003 decreased to \$38.8 million from \$48.9 million in the same period in 2002. Gross profit in the first nine months of 2003 was \$17.0 million compared with \$21.9 million in the first nine months of 2002. Gross profit margin was 43.8% compared with 44.8% in the same period last year. The Company's operating loss in the first nine months of 2003 was \$2 million compared with operating income of \$0.8 million in the same period last year. Net loss in the first nine months of 2003 was \$2.3 million compared with net loss of \$0.3 million in the same period last year.

Commenting on the results, Mr. Itzick Sharir, President and Chief Executive Officer, said: "I am proud that the Company has been able to regain profitability on the strength of continued quarterly improvement in results. We expect to demonstrate continued improvement in revenues and profitability in the fourth quarter of this year. At the same time, we are starting to see the fruits of our long-term strategy. Our new offering to the insurance industry - Sapiens INSIGHT(TM) Solutions suite - is generating a high degree of interest on the part of insurance companies that need to control costs and modernize their systems. We are gaining market awareness and recognition, expanding our offering and beginning to see new customers joining our established customer base."

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### Q3 2003 CONFERENCE CALL:

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Sapiens International will hold a CONFERENCE CALL to discuss the results on MONDAY, NOVEMBER 3, 2003, AT 09:00AM (EST)

To participate, please call:  
From the US and Canada: 1-866-485 2399  
From the UK: 0-800-917 4613  
International callers: + 972-3-9180610  
10 minutes prior to start time

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### FOR ADDITIONAL INFORMATION:

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Chief Executive Officer  
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### ABOUT SAPIENS

Sapiens International Corporation (NASDAQ and TASE: SPNS), a member of the Formula Group of companies, 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, United Kingdom, EMEA and Asia Pacific and has partnerships with market leaders such as IBM and EDS. Sapiens' clients include Allianz Group, AXA, Liverpool Victoria, Menora, Norwich Union, OneBeacon, Principal Financial,

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Prudential, Abbey National, ING, 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 and other risk factors detailed in the Company's SEC filings.

# # #

SAPIENS INTERNATIONAL CORPORATION N.V.  
Condensed Consolidated Statements of Income  
(U.S. Dollars in thousands, except per share amounts)

|  | For the            |             | n        |
|--|--------------------|-------------|----------|
|  | three months ended |             |          |
|  | 9/30/2003          | 9/30/2002   | 9/30     |
|  | -----              | -----       | -----    |
|  | (Unaudited)        | (Unaudited) | (Unau    |
| <b>REVENUES</b>                                |                    |             |          |
| Products                                       | \$ 8,946           | \$ 11,071   | \$ 23    |
| Consulting and other services                  | 4,461              | 5,500       | 15       |
|  | -----              | -----       | -----    |
| Total revenues                                 | 13,407             | 16,571      | 38       |
|  | -----              | -----       | -----    |
| <b>COST OF REVENUES</b>                        |                    |             |          |
| Products                                       | 4,598              | 6,334       | 13       |
| Consulting and other services                  | 2,416              | 2,847       | 8        |
|  | -----              | -----       | -----    |
| Total cost of revenues                         | 7,014              | 9,181       | 21       |
|  | -----              | -----       | -----    |
| <b>GROSS PROFIT</b>                            | 6,393              | 7,390       | 17       |
| <b>EXPENSES</b>                                |                    |             |          |
| Research and development, net                  | 508                | 1,592       | 2        |
| Selling, marketing, general and administrative | 5,558              | 5,973       | 16       |
|  | -----              | -----       | -----    |
| <b>OPERATING INCOME/(LOSS)</b>                 | 327                | (175)       | (2)      |
| Financial expenses, net                        | 291                | 378         |          |
| Other expenses/(income), net (a)               | (6)                | 26          |          |
|  | -----              | -----       | -----    |
| <b>NET INCOME/(LOSS)</b>                       | \$ 42              | \$ (579)    | # \$ (2) |

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|   |         |           |       |
|---|---------|-----------|-------|
|   | =====   | =====     | ===== |
| Basic and diluted earnings/(loss) per share (b) | \$ 0.00 | \$ (0.08) | \$ (  |
|   | =====   | =====     | ===== |
| Weighted average shares used to compute         |         |           |       |
| Basic earnings/(loss) per share                 | 10,694  | 7,292     | 10    |
| Diluted earnings/(loss) per share (b)           | 12,856  | 7,292     | 10    |

Note (a): Includes taxes and minority interest  
(b): Due to the net loss in 2003 and 2002 the inclusion of dilutive securities would be antidilutive.

SAPIENS INTERNATIONAL CORPORATION N.V.

Condensed Consolidated Balance Sheets  
(U.S. Dollars in thousands)

|  | 9/30/2003   | 12/31/2002 |
|--|-------------|------------|
|  | -----       | -----      |
|  | (Unaudited) | (Audited)  |
| ASSETS   |             |            |
| Cash   | \$18,026    | \$22,001   |
| Short-term investments                                       | 2,159       | 1,652      |
|  | -----       | -----      |
|  | 20,185      | 23,653     |
| Trade receivables  | 9,975       | 10,405     |
| Other current assets   | 7,065       | 5,842      |
|  | -----       | -----      |
| TOTAL CURRENT ASSETS   | 37,225      | 39,900     |
|  | -----       | -----      |
| Property and equipment, net                                  | 3,112       | 3,426      |
| Other assets   | 23,394      | 21,826     |
|  | -----       | -----      |
| TOTAL ASSETS   | \$63,731    | \$65,152   |
|  | =====       | =====      |
| LIABILITIES AND SHAREHOLDERS' EQUITY                         |             |            |
| Short-term loans and current maturities<br>of long-term debt | \$10,944    | \$ 9,483   |
| Trade payables   | 2,240       | 2,578      |
| Other liabilities and accrued expenses                       | 14,059      | 14,541     |
| Deferred revenue   | 4,061       | 3,683      |
|  | -----       | -----      |
| TOTAL CURRENT LIABILITIES                                    | 31,304      | 30,285     |
|  | -----       | -----      |
| Long-term debt and other liabilities                         | 7,601       | 7,787      |
| Redeemable shares in a subsidiary                            | 11,424      | 11,185     |
| Shareholders' equity   | 13,402      | 15,895     |
|  | -----       | -----      |

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|  |          |          |
|--|----------|----------|
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | \$63,731 | \$65,152 |
|  | =====    | =====    |

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SIGNATURES

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: November 5th, 2003

By: \_\_\_\_\_  
Norman Kotler  
General Counsel and  
Corporate Secretary