

SAPIENS INTERNATIONAL CORP N V  
Form 6-K  
November 10, 2004

**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 2004**

**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  
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(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 ANNOUNCES Q3 2004 RESULTS**

*The Company reports marginally reduced net loss for the quarter*

Research Triangle Park, N.C. November 9, 2004 Sapiens International Corporation N.V. (NASDAQ and TASE: SPNS) today announced its unaudited results of operations for the third quarter ended September 30, 2004.

Third quarter revenues were \$11.4 million, compared with \$11.8 million in the second quarter of 2004. Gross profit was \$4.8 million, compared with \$5.2 million in the second quarter, and gross profit margin was 42.3%, compared with 44.0% in the second quarter. The Company reported an operating loss of \$0.2 million and a net loss of \$0.95 million in the third quarter of 2004, a minor improvement over an operating loss of \$0.3 million and a net loss of \$1.1 million in the previous quarter.

Third quarter revenues were \$11.4 million, compared with \$13.4 million in the third quarter of 2003. Gross profit was \$4.8 million compared with \$6.4 in the third quarter of 2003. Gross profit margin was 42.3%, compared with 47.7% in the third quarter of 2003. The Company reported an operating loss of \$0.2 million, compared with an operating income of \$0.3 million in Q3 2003. Net loss for the quarter was \$0.95 million, compared with a net income of \$0.04 million in the third quarter of 2003.

Itzick Sharir, President and Chief Executive Officer of Sapiens, commented:

"The results of the third quarter do not yet show a positive trend in revenue and we face further delays in penetrating the insurance industry, mainly due to a seasonal summer quarter. However, we have effectively succeeded in reducing costs and thus slightly improved our bottom line results. We expect to achieve further improvements in the fourth quarter of 2004 and continue to believe that we can return to profitability as a result of growing revenues and further cost cutting. Our pipeline for insurance applications continues to develop, in both the life & pension and property & casualty sectors, while we continue to service our customers in all sectors of industry.

[more]

**Q3 04 CONFERENCE CALL:**

Sapiens International will hold a **Conference Call** to discuss the results on **Tuesday, November 9th, 2004, at 08:45AM (EST)**

To participate, please call:

From the US and Canada: 1-866-860-9642

From the UK: 0-800-917 5108

International callers: + 972-3-918-0600

10 minutes prior to start time

**FOR ADDITIONAL INFORMATION:**

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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, Prudential, Abbey National, ING and Occidental Fire & Casualty, among others.

For more information, please visit <http://www.sapiens.com>.

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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.

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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

For the nine months ended

9/30/2004

9/30/2003

9/30/2004

9/30/2003

(Unaudited)

(Unaudited)

(Unaudited)

(Unaudited)

**Revenues**

Products

\$ 6,040

\$ 8,946

\$ 20,065

\$ 23,591

Consulting and other services

5,323

4,461

15,710

15,253

Total revenues

11,363

13,407

35,775



38,844

**Cost of revenues**

Products

4,077

4,598

12,733

13,100

Consulting and other services

2,480

2,416

7,282

8,715

Total cost of revenues

6,557

7,014

20,015

21,815

**Gross Profit**

4,806

6,393

15,760

17,029

**Expenses**

Research and development, net

766

508

1,951

2,929

Selling, marketing, general and administrative

4,230

5,558

14,636

16,125

**Operating Income/(Loss)**

(190)

327

(827)

(2,025)

Financial income/(expenses), net

(588)

(291)

(1,684)

(601)

Other income/(expenses), net (a)

(176)

(633)

294

**Net Income/(Loss)**

\$ (954)

\$ 42

\$ (3,144)

\$ (2,332)

Settlement of redeemable shares in a subsidiary

-

-

(299)

-

**Net income/(loss) to common shareholders**

\$ (954)

\$ 42

\$ (3,443)

\$ (2,332)

Basic and diluted earnings/(loss) per share (b)

\$ (0.08)

\$ 0.00

\$ (0.31)

\$ (0.22)

Weighted average shares used to compute

Basic earnings/(loss) per share

11,449

10,694

11,215

10,693

Diluted earnings/(loss) per share (b)

11,449

12,856

11,215

10,693

Note

a: Includes taxes and minority interest

b: Due to the net loss in 2003 and 2004 the inclusion of dilutive securities would be antidilutive.

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**SAPIENS INTERNATIONAL CORPORATION N.V.**

## Condensed Consolidated Balance Sheets

(U.S. Dollars in thousands)

	9/30/2004 (Unaudited)	12/31/2003 (Audited)
<b>Assets</b>		
Cash and cash equivalents	\$ 11,577	\$ 31,775
Short-term investments	9,661	1,039
	21,238	32,814
Trade receivables, net	8,854	9,133
Other current assets	4,960	5,647
<b>Total current assets</b>	<b>35,052</b>	<b>47,594</b>
Property and equipment, net	2,456	3,060
Other assets, net	29,574	26,069
<b>Total assets</b>	<b>\$ 67,082</b>	<b>\$ 76,723</b>
<b>Liabilities and shareholders' equity</b>		
Short-term loans and current maturities of long-term debt	\$ 18,816	\$ 9,579
Trade payables	2,075	2,619
Other liabilities and accrued expenses	8,307	11,054
Deferred revenue	3,916	3,254
<b>Total current liabilities</b>	<b>33,114</b>	<b>26,506</b>
Long-term debt and other liabilities	3,037	8,111
Convertible debentures	18,141	16,672

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Redeemable shares in a subsidiary	-	11,505
Shareholders' equity	12,790	13,929
<b>Total liabilities and shareholders' equity</b>	<b>\$ 67,082</b>	<b>\$ 76,723</b>

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

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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: November 10, 2004

By:

/s/ Andrew Treitel

Andrew Treitel

General Counsel and

Corporate Secretary