

SAPIENS INTERNATIONAL CORP N V  
Form 6-K  
March 01, 2007

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**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 March 2007**

**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  
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 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 Q4 2006 AND YEAR-END RESULTS

*Reports Initial Success of its Turnaround Program as the  
Company Returns to Operational Profit in Fourth Quarter*

**Cary, N.C. March 1, 2007** Sapiens International Corporation N.V. (NASDAQ and TASE: SPNS), a member of the Formula Group (NASDAQ: FORTY and TASE: FORT) that was recently acquired by Emblaze Ltd (LSE: BLZ.L) announces today its results of operations for the year ended December 31, 2006 and for the fourth quarter of 2006.

Financial Highlights

Annual Revenues increased 12.4% to \$44.3 million for 2006, up from \$39.4 million for 2005

Q4 Revenues increased 14.3% to \$11.2 million, up from \$9.8 million in Q4 2005

Operating Loss for the year significantly declined by 76.4% to \$1.3 million, down from \$5.5 million in 2005

The Company achieved an Operational Profit of \$0.08 million in Q4 2006, compared with an Operational Loss of \$0.96 million in Q4 2005

Significant reduction in Annual Net Loss by 58.2% to \$3.8 million, down from \$9.1 million in 2005

Significant reduction in Q4 Net Loss by 75.2% to \$0.77 million, down from \$3.1 million in Q4 2005

Operational Highlights

The Company sees the initial success of its turnaround plan

Return to operational profit

Continued focus on solutions for the global insurance industry

Further enhancements of Sapiens' core technology, eMerge, to maintain the Company's competitive edge in the insurance IT management systems market

Sapiens continues to pursue its long term vision of becoming the de-facto industry standard

Roni Al-Dor, President and CEO, commented "Sapiens today is a real global player with major corporate customers in many countries. We still have a long way to go for full recovery but I continue to be encouraged about our progress and improvements. We will maintain focus on increasing revenue and profitability while controlling our costs and improving our sales and marketing efforts. I am certain our employees and management will continue to deliver results and will successfully complete the turnaround plan over the next two years."

[Tables Follow]

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**FOR ADDITIONAL INFORMATION:**

|                                |                                |
|--------------------------------|--------------------------------|
| Elior Brin                     | Roni Al-Dor                    |
| Chief Financial Officer        | Chief Executive Officer        |
| Sapiens International          | Sapiens International          |
| Tel: +972-8-938-2721           | Tel: +972-8-938-2721           |
| E-mail: IR.Sapiens@sapiens.com | E-mail: IR.Sapiens@sapiens.com |

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, ING, Menora 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        | 6/30/2006        | 9/30/2006        | 12/31/2006       | 31/12/2005       |
|---|------------------|------------------|------------------|------------------|------------------|
|   | (Corrected)      |                  |                  |                  |                  |
|   | Unaudited (*)    | Unaudited        | Unaudited        | Unaudited        | Audited          |
| <b>Assets</b>   |                  |                  |                  |                  |                  |
| Cash and cash equivalents   | \$ 6,016         | \$ 4,332         | \$ 4,783         | \$ 3,108         | \$ 6,699         |
| Short-term investments  | 5,110            | 4,304            | 499              | 32               | 5,337            |
| Trade receivables, net  | 10,428           | 13,283           | 11,983           | 11,010           | 8,339            |
| Other current assets  | 2,107            | 2,198            | 2,044            | 1,857            | 1,520            |
| <b>Total current assets</b>   | <b>23,661</b>    | <b>24,117</b>    | <b>19,309</b>    | <b>16,007</b>    | <b>21,895</b>    |
| Property and equipment, net   | 1,631            | 1,666            | 1,562            | 1,495            | 1,716            |
| Other assets, net   | 28,027           | 28,495           | 28,710           | 28,117           | 28,255           |
| <b>Total assets</b>   | <b>\$ 53,319</b> | <b>\$ 54,278</b> | <b>\$ 49,581</b> | <b>\$ 45,619</b> | <b>\$ 51,866</b> |
| <b>Liabilities and shareholders' equity</b>   |                  |                  |                  |                  |                  |
| Short-term bank credit and current maturities<br>of long-term debt and convertible debentures | \$ 20,551        | \$ 19,077        | \$ 11,666        | \$ 15,603        | \$ 19,112        |
| Trade payables  | 2,780            | 3,105            | 2,305            | 2,019            | 1,910            |
| Other liabilities and accrued expenses  | 8,085            | 8,286            | 8,608            | 7,370            | 6,742            |
| Deferred revenue  | 4,467            | 5,197            | 4,464            | 3,463            | 4,867            |
| <b>Total current liabilities</b>  | <b>35,883</b>    | <b>35,665</b>    | <b>27,043</b>    | <b>28,455</b>    | <b>32,631</b>    |
| Long-term debt and other long-term liabilities  | 1,630            | 2,796            | 1,874            | 1,439            | 1,584            |
| Convertible debentures and warrants   | 14,087           | 14,167           | 16,345           | 11,796           | 14,019           |
| Shareholders' equity  | 1,719            | 1,650            | 4,319            | 3,929            | 3,632            |
| <b>Total liabilities and shareholders' equity</b>   | <b>\$ 53,319</b> | <b>\$ 54,278</b> | <b>\$ 49,581</b> | <b>\$ 45,619</b> | <b>\$ 51,866</b> |

Note: Certain prior quarter/year amounts have been reclassified to conform with the current year presentation.

(\*) See Note (d) to the Condensed Consolidated Statements of Income.

**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 year ended |                   |
|---|----------------------------|-----------------|-----------------|-----------------|-------------------|--------------------|-------------------|
|   | 3/31/2006                  | 6/30/2006       | 9/30/2006       | 12/31/2006      | 12/31/2005        | 12/31/2006         | 12/31/2005        |
| (Corrected)(d)  |                            |                 |                 |                 |                   |                    |                   |
|   | Unaudited                  | Unaudited       | Unaudited       | Unaudited       | Unaudited         | Unaudited          | Audited           |
| <b>Revenues (a)</b>   |                            |                 |                 |                 |                   |                    |                   |
| Products  | \$ 2,723                   | \$ 3,128        | \$ 2,179        | \$ 2,393        | \$ 3,547          | \$ 10,423          | \$ 13,295         |
| Consulting and other services   | 7,409                      | 8,536           | 9,123           | 8,820           | 6,224             | 33,888             | 26,109            |
| <b>Total revenues</b>   | <b>10,132</b>              | <b>11,664</b>   | <b>11,302</b>   | <b>11,213</b>   | <b>9,771</b>      | <b>44,311</b>      | <b>39,404</b>     |
| <b>Cost of revenues (a)</b>   |                            |                 |                 |                 |                   |                    |                   |
| Products  | 2,613                      | 2,541           | 2,417           | 2,223           | 3,041             | 9,794              | 11,306            |
| Consulting and other services   | 3,917                      | 5,141           | 4,853           | 5,096           | 3,226             | 19,007             | 13,540            |
| <b>Total cost of revenues</b>   | <b>6,530</b>               | <b>7,682</b>    | <b>7,270</b>    | <b>7,319</b>    | <b>6,267</b>      | <b>28,801</b>      | <b>24,846</b>     |
| <b>Gross Profit</b>   | <b>3,602</b>               | <b>3,982</b>    | <b>4,032</b>    | <b>3,894</b>    | <b>3,504</b>      | <b>15,510</b>      | <b>14,558</b>     |
| <b>Operating expenses</b>   |                            |                 |                 |                 |                   |                    |                   |
| Research and development, net   | 726                        | 560             | 682             | 483             | 480               | 2,451              | 2,723             |
| Selling, marketing, general and administrative                                    | 3,391                      | 3,378           | 3,535           | 3,254           | 3,987             | 13,558             | 16,245            |
| Restructuring expenses  | 635                        | 21              | 25              | 77              | -                 | 758                | 1,113             |
| <b>Operating Income (Loss)</b>  | <b>(1,150)</b>             | <b>23</b>       | <b>(210)</b>    | <b>80</b>       | <b>(963)</b>      | <b>(1,257)</b>     | <b>(5,523)</b>    |
| Financial expenses, net   | 575                        | 639             | 372             | 644             | 407               | 2,230              | 1,788             |
| Other expenses, net (b)   | 53                         | 41              | 41              | 203             | 1,747             | 338                | 1,788             |
| <b>Net Loss</b>   | <b>\$ (1,778)</b>          | <b>\$ (657)</b> | <b>\$ (623)</b> | <b>\$ (767)</b> | <b>\$ (3,117)</b> | <b>\$ (3,825)</b>  | <b>\$ (9,099)</b> |
| Basic and diluted loss per share (c)  | \$ 0.12                    | \$ 0.05         | \$ 0.05         | \$ 0.05         | \$ 0.25           | \$ 0.29            | \$ 0.76           |
| Weighted average shares used to compute -<br>basic and diluted loss per share (c) | 14,854                     | 12,510          | 13,707          | 14,854          | 12,492            | 13,395             | 11,982            |

Notes: a: Certain prior quarter/year amounts have been reclassified to conform with the 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 antidilutive.

d: The Company corrected its results for the first quarter of 2006, by (i) reducing revenues for the quarter by \$345 thousand, as a result of the reversal of revenues recognized, (ii) increasing general and administrative expenses for the quarter by \$86 thousand, related to bad debt from one of the Company's customers, thereby increasing the operating loss and net loss for the first quarter by \$431 thousand. In parallel, the Company reduced its trade receivables for the first quarter by \$450 thousand.



**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: March 1, 2007

By: /s/ Andrew Treitel

Andrew Treitel  
General Counsel and Corporate Secretary

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