



PRESS RELEASE

SAPIENS REPORTS STRONG Q3 2009 RESULTS

Q3/2009 NET INCOME OF \$1 MILLION OR \$0.05 PER SHARE

Cary, N.C. – November 12, 2009 - Sapiens International Corporation N.V. (NASDAQ and TASE: SPNS) (“Sapiens” or “Company”), a leading global provider of innovative insurance software solutions and enterprise platform that allow immediate response in rapidly-changing markets, and a member of the Formula (NASDAQ: FORTY and TASE: FORT) Group, today announced its results of operations for the third quarter of 2009.

Highlights for Q3 2009

- Revenues reached **\$12.9** million, an increase of 17% compared with \$11.0 million in Q3 2008.
- Operating profit reached **\$1.5 million**, reflecting growth of **114%** compared with \$0.7 million in Q3 2008
- Net Income reached **\$1.2 million** on a non GAAP basis, compared with \$0.8 million net income in Q3 2008.
- Twelve consecutive quarters of operational profit and fifth consecutive quarter of Net income.
- Total equity of **\$25.2** million, which represents 47% of balance sheet.
- Earnings per share for this quarter were **\$0.05** (fully diluted), a significant increase from \$0.02 (fully diluted) earnings per share reported in Q3 08.

Roni Al-Dor, President and CEO of Sapiens, commented, “In the third quarter of 2009, we continued to improve our results and leveraged the positive trends in the market. During the third quarter of 2009, we increased our operational profit to \$1.5 million and tripled our net income to \$1.0 million compared to net income of \$0.4 million in third quarter of 2008. Revenues in Q3 of 2009 reached \$12.9 million, an increase of 17% compared to Q3 of 2008. During the first nine months of 2009, the Company reached \$2.9 million net income which is a significant increase compared to the net loss of \$1.3 million in the comparable period in 2008.

Mr. Al-Dor continued, “We are very proud of our performance in the third quarter as our performance in all financial measures reached record levels for the year. As the industry shows initial signs of recovery, we continue to find more opportunities to support the organic and non-organic growth of our customers and prospects.

Looking forward, we will intend to continue to expand our market reach with growing focus on the insurance industry, and enhance our investment in INSIGHT - our Insurance Solutions suite. We are cautiously optimistic that the market trends will continue to generate new business opportunities in the future.”

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

<i>U.S GAAP basis</i>	<u>For the three months ended</u>		<u>For the nine months ended</u>	
	<u>09/30/2009</u>	<u>09/30/2008</u>	<u>09/30/2009</u>	<u>09/30/2008</u>
	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>
Revenues	<u>12,951</u>	<u>11,024</u>	<u>33,928</u>	<u>32,527</u>
Operating profit	<u>1,489</u>	<u>709</u>	<u>3,829</u>	<u>1,711</u>
Net income (loss)	<u>1,035</u>	<u>375</u>	<u>2,939</u>	<u>(1,351)</u>
Basic earning (loss) per share	<u>0.05</u>	<u>0.02</u>	<u>0.14</u>	<u>(0.06)</u>
Diluted earning (loss) per share	<u>0.05</u>	<u>0.02</u>	<u>0.14</u>	<u>(0.06)</u>
 <i>Non-GAAP</i>				
Revenues	<u>12,951</u>	<u>11,024</u>	<u>33,928</u>	<u>32,527</u>
Operating profit	<u>1,680</u>	<u>1,137</u>	<u>4,413</u>	<u>2,348</u>
Net income (loss)	<u>1,226</u>	<u>803</u>	<u>3,523</u>	<u>(714)</u>
Basic earning (loss) per share	<u>0.06</u>	<u>0.04</u>	<u>0.16</u>	<u>(0.03)</u>
Diluted earning (loss) per share	<u>0.06</u>	<u>0.04</u>	<u>0.16</u>	<u>(0.03)</u>

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

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.

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)

	<u>9/30/2009</u>	<u>12/31/2008</u>
	<u>(Unaudited)</u>	<u>(Audited)</u>
Assets		
Cash and cash equivalents	\$ 15,831	\$ 7,938
Trade receivables, net	7,274	6,860
Other current assets	2,838	2,565
Total current assets	<u>25,943</u>	<u>17,363</u>
Property and equipment, net	936	1,055
Other assets, net	26,416	26,759
Total assets	<u>\$ 53,295</u>	<u>\$ 45,177</u>
Liabilities and shareholders' equity		
Current maturities of long-term debt and convertible debentures	\$ 5,071	\$ 5,745
Trade payables	983	1,500
Other liabilities and accrued expenses	11,060	9,716
Deferred revenue	9,625	4,908
Total current liabilities	<u>26,739</u>	<u>21,869</u>
Long-term debt and other long-term liabilities	1,342	1,432
Shareholders' equity	25,214	21,876
Total liabilities and shareholders' equity	<u>\$ 53,295</u>	<u>\$ 45,177</u>

SAPIENS INTERNATIONAL CORPORATION N.V.

Condensed Consolidated Statements of Operations

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

	For the three months ended		For the nine months ended	
	09/30/2009	09/30/2008	09/30/2009	09/30/2008
	Unaudited	Unaudited	Unaudited	Unaudited
Revenues	\$ 12,951	\$ 11,024	\$ 33,928	\$ 32,527
Cost of revenues	\$ 7,576	\$ 6,649	\$ 18,762	\$ 19,447
Gross Profit	5,375	4,375	15,166	13,080
Operating expenses				
Research and development, net	\$ 758	\$ 885	\$ 2,206	\$ 2,532
Selling, marketing, general and administrative	\$ 3,128	\$ 2,781	\$ 9,131	\$ 8,837
Operating Profit	1,489	709	3,829	1,711
Financial expenses, net	\$ 385	\$ 299	\$ 748	\$ 2,762
Taxes on income	\$ 69	\$ 22	\$ 142	\$ 253
Net Income (Loss)	<u>\$ 1,035</u>	<u>\$ 388</u>	<u>\$ 2,939</u>	<u>\$ (1,304)</u>
Attributable to non-controlling interest	\$ -	\$ 13	\$ -	\$ 47
Net income (Loss) attributable to Sapiens	<u>\$ 1,035</u>	<u>\$ 375</u>	<u>\$ 2,939</u>	<u>\$ (1,351)</u>
Earning (loss) per share				
Basic	<u>\$ 0.05</u>	<u>\$ 0.02</u>	<u>\$ 0.14</u>	<u>\$ (0.06)</u>
Diluted	<u>\$ 0.05</u>	<u>\$ 0.02</u>	<u>\$ 0.14</u>	<u>\$ (0.06)</u>
Weighted average number of shares used to computation of earning (loss) per share				
Basic	<u>21,591</u>	<u>21,541</u>	<u>21,591</u>	<u>21,541</u>
Diluted	<u>21,591</u>	<u>21,545</u>	<u>21,591</u>	<u>21,541</u>

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		For the nine months ended	
	09/30/2009	09/30/2008	09/30/2009	09/30/2008
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
GAAP operating profit	1,489	709	3,829	1,711
Amortization of intangibles	1,203	1,233	3,271	3,235
Capitalization of software development	(1,067)	(855)	(2,841)	(2,713)
Stock-based compensation	55	50	154	115
Total adjustments to GAAP	191	428	584	637
Non-GAAP operating profit	1,680	1,137	4,413	2,348
GAAP net income (loss)	1,035	375	2,939	(1,351)
Total adjustments to GAAP as above	191	428	584	637
Non-GAAP net income (loss)	1,226	803	3,523	(714)
Non-GAAP basic earnings (loss) per share	0.06	0.04	0.16	(0.03)
Non-GAAP diluted earnings (loss) per share	0.06	0.04	0.16	(0.03)
Weighted average number of shares used to computation of earning (loss) per share				
Basic	21,591	21,541	21,591	21,541
Diluted	21,591	21,545	21,591	21,541