



PRESS RELEASE

SAPIENS REPORTS STRONG Q1 2009 RESULTS

Q1/2009 NET INCOME OF \$1 MILLION OR \$0.05 PER SHARE

Cary, N.C. – May 18, 2009 - Sapiens International Corporation N.V. (NASDAQ and TASE: SPNS) (“Sapiens” or “Company”), a leading global provider of innovative business solutions that modernize business processes and enable insurance organizations to adapt quickly to change, and a member of the Formula (NASDAQ: FORTY and TASE: FORT) Group, today announced its results of operations for the first quarter of 2009.

Highlights for Q1 2009

Revenues increased by 2% to \$10.7 million compared with \$10.5 million in Q1 2008

Continuous success of Company’s growth plan with the tenth consecutive quarter of operating profit, which totaled \$1.1 million, a 155% increase compared with \$423,000 in Q1 2008

Third consecutive quarter of net income, reaching \$1.0 million compared with a \$1.2 million net loss in Q1 2008.

In January 2009 the Company has repurchased approximately \$0.4 million nominal value of its convertible debentures (series A), thus reaching a total repayment to-date of approximately 80% of the total issued series.

Roni Al-Dor, President and CEO of Sapiens, commented, “In the first quarter of 2009 we continued the growth momentum of all operating parameter despite the challenging world-wide economical environment – our revenues increased by 2% to \$10.7 million compared to the same period of 2008. The increase is a result of further implementation of our solutions by existing and new customers. We achieved yet another quarter of operating income and our third consecutive quarter of net income, reaching \$1.0 million compared with a net loss of \$1.2 million Q1 2008.

"We are witnessing increased interest from the market in our INSIGHT for Closed Books and Reinsurance platforms. As the recent economical climate and increasing regulatory requirements are driving insurance companies to seek ways of achieving lower policy administration costs, whilst actively managing their risks, we offer them our comprehensive INSIGHT suite of insurance solutions. This suite includes a solution for both operational excellence, through our INSIGHT for Closed Books platform, as well as a Re-Insurance web-enabled solution that streamlines and reduces the cost of handling all reinsurance functions".

"Looking forward, with proven solutions, improved financial performance and a broad customer base, I believe that we are well positioned to take future traction in our space."

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>	For the three months ended	
	03/31/2009	03/31/2008
	(Unaudited)	(Unaudited)
Revenues	10,744	10,491
Operating profit	1,080	423
Net income (loss)	1,018	(1,200)
Basic earning (loss) per share	0.05	(0.06)
Diluted earning (loss) per share	0.05	(0.06)
 <i>NonGAAP</i>		
Revenues	10,744	10,491
Operating profit	1,276	522
Net income (loss)	1,214	(1,101)
Basic earning (loss) per share	0.06	(0.05)
Diluted earning (loss) per share	0.06	(0.05)

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.

FOR ADDITIONAL INFORMATION:

Roni Giladi

Chief Financial Officer
Sapiens International
Tel: +972-8-938-2721
E-mail: IR.Sapiens@sapiens.com

Roni Al-Dor

Chief Executive Officer
Sapiens International
Tel: +972-8-938-2721
E-mail: IR.Sapiens@sapiens.com

SAPIENS INTERNATIONAL CORPORATION N.V.

Condensed Consolidated Balance Sheets

(U.S. Dollars in thousands)

	<u>3/31/2009</u>	<u>12/31/2008</u>
	<u>(Unaudited)</u>	<u>(Audited)</u>
Assets		
Cash and cash equivalents	\$ 7,787	\$ 7,938
Trade receivables, net	7,474	6,860
Other current assets	2,413	2,565
Total current assets	<u>17,674</u>	<u>17,363</u>
Property and equipment, net	952	1,055
Other assets, net	25,065	26,759
Total assets	<u>\$ 43,691</u>	<u>\$ 45,177</u>
Liabilities and shareholders' equity		
Current maturities of long-term debt and convertible debentures	\$ 4,694	\$ 5,745
Trade payables	1,320	1,500
Other liabilities and accrued expenses	9,587	9,716
Deferred revenue	5,188	4,908
Total current liabilities	<u>20,789</u>	<u>21,869</u>
Long-term debt and other long-term liabilities	1,223	1,432
Shareholders' equity	21,679	21,876
Total liabilities and shareholders' equity	<u>\$ 43,691</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	
	03/31/2009	03/31/2008
	Unaudited	Unaudited
Revenues	\$ 10,744	\$ 10,491
Cost of revenues	\$ 5,988	\$ 6,256
Gross Profit	4,756	4,235
Operating expenses		
Research and development, net	\$ 731	\$ 790
Selling, marketing, general and administrative	\$ 2,945	\$ 3,022
Operating Profit	1,080	423
Financial expenses (income), net	\$ 14	\$ 1,183
Other expenses, net (a)	\$ 48	\$ 400
Net Income (Loss)	\$ 1,018	\$ (1,160)
Attributable to non-controlling interest	\$ -	\$ 40
Net income (Loss) attributable to Sapiens	\$ 1,018	\$ (1,200)
Earning (loss) per share		
Basic	\$ 0.05	\$ (0.06)
Diluted	\$ 0.05	\$ (0.06)
Weighted average number of shares used to computation of earning (loss) per share		
Basic	21,591	21,550
Diluted	21,591	21,550

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	
	03/31/2009	03/31/2008
	(Unaudited)	(Unaudited)
GAAP operating profit	1,080	423
Amortization of intangibles	1,006	960
Capitalization of software development	(859)	(876)
Stock-based compensation	49	15
Total adjustments to GAAP	196	99
Non-GAAP operating profit	<u>1,276</u>	<u>522</u>
GAAP net income (loss)	1,018	(1,200)
Total adjustments to GAAP as above	196	99
Non-GAAP net income (loss)	<u>1,214</u>	<u>(1,101)</u>
Non-GAAP basic earnings (loss) per share	<u>0.06</u>	<u>(0.05)</u>
Non-GAAP diluted earnings (loss) per share	<u>0.06</u>	<u>(0.05)</u>
Weighted average number of shares used to computation of earning (loss) per share		
Basic	<u>21,591</u>	<u>21,550</u>
Diluted	<u>21,591</u>	<u>21,550</u>