

SAPIENS INTERNATIONAL CORPORATION N.V.

Condensed Consolidated Balance Sheets

(U.S. Dollars in thousands)

	<u>6/30/2007</u>	<u>12/31/2006</u>
	(Unaudited)	
Assets		
Cash and cash equivalents	\$ 17,469	\$ 3,108
Short-term investments	44	32
Trade receivables, net	9,958	11,010
Other current assets	1,975	1,689
Total current assets	<u>29,446</u>	<u>15,839</u>
Property and equipment, net	1,311	1,495
Other assets, net	28,064	28,285
Total assets	<u>\$ 58,821</u>	<u>\$ 45,619</u>
Liabilities and shareholders' equity		
Short-term bank credit and current maturities of long-term debt and convertible debentures	\$ 12,944	\$ 15,603
Trade payables	1,417	2,019
Other liabilities and accrued expenses	8,243	7,370
Deferred revenue	5,661	3,463
Total current liabilities	<u>28,265</u>	<u>28,455</u>
Long-term debt and other long-term liabilities	1,740	1,439
Convertible debentures and warrants	9,434	11,796
Shareholders' equity	19,382	3,929
Total liabilities and shareholders' equity	<u>\$ 58,821</u>	<u>\$ 45,619</u>

SAPIENS INTERNATIONAL CORPORATION N.V.

Unaudited Condensed Consolidated Statements of Operations

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

	For the three months ended		For the six months ended	
	6/30/2007	6/30/2006	6/30/2007	6/30/2006
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenues				
Products	\$ 1,941	\$ 3,128	\$ 3,899	\$ 5,851
Consulting and other services	8,739	8,536	17,788	15,945
Total revenues	10,680	11,664	21,687	21,796
Cost of revenues				
Products	1,451	1,707	2,533	3,522
Consulting and other services	5,398	5,975	11,392	10,690
Total cost of revenues	6,849	7,682	13,925	14,212
Gross Profit	3,831	3,982	7,762	7,584
Operating expenses				
Research and development, net	486	560	976	1,286
Selling, marketing, general and administrative	3,102	3,378	6,265	6,769
Restructuring expenses	81	21	210	656
Operating Profit (Loss)	162	23	311	(1,127)
Financial expenses, net	692	639	1,116	1,214
Other expenses, net (b)	185	41	315	94
Net Loss	\$ 715	\$ 657	\$ 1,120	\$ 2,435
Basic and diluted loss per share (c)	\$ 0.05	\$ 0.05	\$ 0.07	\$ 0.19
Weighted average shares used to compute basic and diluted loss per share (c)	15,514	12,510	15,184	12,510

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

b: Includes taxes, equity losses and minority interest

c: Due to the net loss in 2006 and 2007 the inclusion of dilutive securities would be antidilutive.