

# SAPIENS INTERNATIONAL CORPORATION N.V.

## Condensed Consolidated Balance Sheets

(U.S. Dollars in thousands)

	3/31/2007	12/31/2006
	(Unaudited)	(Unaudited)
<b>Assets</b>		
Cash and cash equivalents	\$ 3,537	\$ 3,108
Short-term investments	36	32
Trade receivables, net	12,240	11,010
Other current assets	2,173	1,689
<b>Total current assets</b>	<b>17,986</b>	<b>15,839</b>
Property and equipment, net	1,420	1,495
Other assets, net	28,474	28,285
<b>Total assets</b>	<b>\$ 47,880</b>	<b>\$ 45,619</b>
<b>Liabilities and shareholders' equity</b>		
Short-term bank credit and current maturities of long-term debt and convertible debentures	\$ 13,666	\$ 15,603
Trade payables	2,069	2,019
Other liabilities and accrued expenses	8,874	7,370
Deferred revenue	5,939	3,463
<b>Total current liabilities</b>	<b>30,548</b>	<b>28,455</b>
Long-term debt and other long-term liabilities	1,764	1,439
Convertible debentures and warrants	11,888	11,796
Shareholders' equity	3,680	3,929
<b>Total liabilities and shareholders' equity</b>	<b>\$ 47,880</b>	<b>\$ 45,619</b>

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

# SAPIENS INTERNATIONAL CORPORATION N.V.

## Condensed Consolidated Statements of Income

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

	For the three months ended	
	03/31/2007	03/31/2006
	(Unaudited)	(Unaudited)
<b>Revenues</b>		
Products	\$ 1,958	\$ 2,723
Consulting and other services	9,049	7,409
Total revenues	<u>11,007</u>	<u>10,132</u>
<b>Cost of revenues</b>		
Products	1,082	1,814
Consulting and other services	5,994	4,716
Total cost of revenues	<u>7,076</u>	<u>6,530</u>
<b>Gross Profit</b>	3,931	3,602
<b>Operating expenses</b>		
Research and development, net	490	726
Selling, marketing, general and administrative	3,163	3,391
Restructuring expenses	129	635
<b>Operating Profit (Loss)</b>	149	(1,150)
Financial expenses, net	424	575
Other expenses, net (b)	130	53
<b>Net Loss</b>	<u>\$ 405</u>	<u>\$ 1,778</u>
Basic and diluted loss per share (c)	<u>\$ 0.03</u>	<u>\$ 0.14</u>
Weighted average shares used to compute - basic and diluted loss per share (c)	14,854	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.