



SAPIENS INTERNATIONAL CORPORATION N.V.

Condensed Consolidated Balance Sheets

(U.S. Dollars in thousands)

	3/31/2006	12/31/2005
	(Unaudited)	(Unaudited)
Assets		
Cash and cash equivalents	\$ 6,016	\$ 6,699
Short-term investments	5,110	5,337
Trade receivables, net	10,878	8,339
Other current assets	2,107	1,621
Total current assets	24,111	21,996
Property and equipment, net	1,631	1,716
Other assets, net	28,027	28,154
Total assets	\$ 53,769	\$ 51,866
Liabilities and shareholders' equity		
Short-term bank credit and current maturities of long-term debt and convertible debentures	\$ 20,551	\$ 19,112
Trade payables	2,780	1,910
Other liabilities and accrued expenses	8,104	6,742
Deferred revenue	4,467	4,867
Total current liabilities	35,902	32,631
Long-term debt and other long-term liabilities	1,630	1,584
Convertible debentures and warrants	14,087	14,019
Shareholders' equity	2,150	3,632
Total liabilities and shareholders' equity	\$ 53,769	\$ 51,866

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	
	03/31/2006	03/31/2005
	(Unaudited)	(Unaudited)
Revenues		
Products	\$ 4,400	\$ 3,015
Consulting and other services	6,077	7,087
Total revenues	10,477	10,102
Cost of revenues		
Products	3,463	2,786
Consulting and other services	3,067	3,841
Total cost of revenues	6,530	6,627
Gross Profit	3,947	3,475
Operating expenses		
Research and development, net	726	628
Selling, marketing, general and administrative	3,305	4,379
Restructuring expenses	635	758
Operating Loss	719	2,290
Financial expenses, net	575	371
Other expenses (income), net (b)	53	(43)
Net Loss	\$ 1,347	\$ 2,618
Basic and diluted loss per share (c)	\$ 0.11	\$ 0.23
Weighted average shares used to compute - basic and diluted loss per share (c)	12,510	11,449

Note a: Certain prior year's amounts have been reclassified to conform with 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.