

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	<u>2,413</u>	<u>2,565</u>
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><u>\$ 43,691</u></u>	<u><u>\$ 45,177</u></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	<u>5,188</u>	<u>4,908</u>
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><u>\$ 43,691</u></u>	<u><u>\$ 45,177</u></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)	<u>\$ 1,018</u>	<u>\$ (1,160)</u>
Attributable to non-controlling interest	\$ -	\$ 40
Net income (Loss) attributable to Sapiens	<u>\$ 1,018</u>	<u>\$ (1,200)</u>
Earning (loss) per share		
Basic	<u>\$ 0.05</u>	<u>\$ (0.06)</u>
Diluted	<u>\$ 0.05</u>	<u>\$ (0.06)</u>
Weighted average number of shares used to computation of earning (loss) per share		
Basic	<u>21,591</u>	<u>21,550</u>
Diluted	<u>21,591</u>	<u>21,550</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	
	<u>03/31/2009</u>	<u>03/31/2008</u>
	(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	<u>196</u>	<u>99</u>
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	<u>196</u>	<u>99</u>
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>