

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

DATE OF REPORT September 8, 2003
(Date of Earliest Event Reported)

VERINT SYSTEMS INC.

(Exact name of registrant as specified in its charter)

Commission File No. 0-15502

Delaware

(State of Incorporation)

11-3200514

(I.R.S. Employer
Identification No.)

330 South Service Road, Melville, New York

11747

(Address of principal
executive offices)

Zip Code

Registrant's telephone number, including area code: (631) 962-9600

Item 7. Financial Statements and Exhibits.

(c) Exhibits.

| Exhibit No. | Description |
|-------------|--|
| 99.1 | Press Release of Verint Systems Inc., dated September 8, 2003. |

Item 12. Results of Operations and Financial Condition.

On September 8, 2003, Verint Systems Inc. issued an earnings release announcing its financial results for the quarter ended July 31, 2003. A copy of the earnings release is attached hereto as Exhibit 99.1 and is incorporated by reference herein.

The information in this Current Report on Form 8-K, including the exhibits attached hereto, is furnished pursuant to Item 12 and shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liabilities of that section.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

VERINT SYSTEMS INC.

By: /s/ Igal Nissim

Name: Igal Nissim

Title: Chief Financial Officer

Dated: September 8, 2003

EXHIBIT INDEX

| Exhibit No. | Description |
|-------------|---|
| 99.1 | Text of Press Release dated September 8, 2003 |

Press Release

Contact
 Alan Roden
 VP, Corporate Development and Investor Relations
 (631) 962-9304
 alan.roden@verintsystems.com

Verint Systems Reports Record Fiscal 2003 Second Quarter Results

Sales Grow to \$46.9 Million; Increases 22% y-o-y

Diluted Earnings Per Share of \$0.14

MELVILLE, N.Y, September 8, 2003 - Verint Systems Inc. (NASDAQ: VRNT), announced record sales of \$46,892,000 for the second quarter of fiscal 2003, ended July 31, 2003, a 22% increase compared with \$38,470,000 for the second quarter of fiscal 2002.

The Company posted record net income of \$3,977,000 for the second quarter of fiscal 2003 (\$0.14 per diluted share), compared with net income of \$2,222,000 (\$0.09 per diluted share) for the second quarter of fiscal 2002.

Dan Bodner, President and CEO of Verint, stated, "Our record second quarter results, which also represent our seventh consecutive quarter of sequential growth, were primarily due to strong sales of our actionable intelligence solutions in the security market. Our margins continued to improve during the quarter, and combined with our sales growth, resulted in a 18% sequential increase in income from operations."

The Company ended the quarter with record cash and cash equivalents of \$216,711,000, working capital of \$193,864,000, total assets of \$309,072,000, and stockholders' equity of \$231,382,000.

Conference Call Information

The Company will be conducting a conference call to review its fiscal 2003 second quarter results today at 4:30 PM EDT. An on-line, real-time Web cast of the conference call will be available on our website at www.verint.com. The conference call can also be accessed live via telephone at 703-871-3092. Please dial in 5-10 minutes prior to the scheduled start time.

A replay of the conference call will be available on our website at www.verint.com and by telephone at 703-925-2533, passcode 245704.

Verint Systems Reports Record Fiscal 2003 Second Quarter Results

September 8, 2003

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Financial highlights at and for the six and three month periods ended July 31, 2002 and 2003 are as follows:

Financial Highlights
 (In thousands, except per share data, unaudited)

Condensed Consolidated Statements of Operations Data:

| | Six Months Ended July 31, | | Three Months Ended July 31, | |
|-------------------------------------|------------------------------|----------|--------------------------------|----------|
| | 2002 | 2003 | 2002 | 2003 |
| Sales | \$ 74,787 | \$91,307 | \$38,470 | \$46,892 |
| Cost of sales | 37,952 | 42,678 | 19,388 | 21,766 |
| Gross Profit | 36,835 | 48,629 | 19,082 | 25,126 |
| Operating Expenses | | | | |
| Research and development, net | 8,130 | 11,027 | 4,238 | 5,692 |
| Selling, general and administrative | 24,398 | 29,970 | 12,612 | 15,301 |
| Income from operations | 4,307 | 7,632 | 2,232 | 4,133 |
| Interest and other income, net | 673 | 935 | 560 | 420 |
| Income before income taxes | 4,980 | 8,567 | 2,792 | 4,553 |
| Income taxes | 1,051 | 1,078 | 570 | 576 |
| Net income | \$ 3,929 | \$ 7,489 | \$2,222 | \$ 3,977 |

| | | | | |
|--------------------------|---------|---------|---------|---------|
| Earnings per share: | | | | |
| Basic | \$ 0.19 | \$ 0.29 | \$ 0.10 | \$ 0.15 |
| Diluted | \$ 0.18 | \$ 0.28 | \$ 0.09 | \$ 0.14 |
| Weighted average shares: | | | | |
| Basic | 20,827 | 25,408 | 22,695 | 27,067 |
| Diluted | 22,264 | 27,157 | 23,858 | 29,007 |

Verint Systems Reports Record Fiscal 2003 Second Quarter Results
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(In thousands)

Condensed Consolidated Balance Sheet Data:

| ASSETS | January 31, 2003 | July 31, 2003 (Unaudited) |
|--|---------------------|---------------------------------|
| CURRENT ASSETS: | | |
| Cash and cash equivalents | \$ 133,933 | \$216,711 |
| Accounts receivable, net | 27,279 | 35,154 |
| Inventories | 8,866 | 9,579 |
| Prepaid expenses and other current assets | 4,079 | 5,324 |
| TOTAL CURRENT ASSETS | 174,157 | 266,768 |
| PROPERTY AND EQUIPMENT, net | 12,965 | 13,899 |
| OTHER ASSETS | 19,928 | 28,405 |
| TOTAL ASSETS | \$ 207,050 | \$ 309,072 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| CURRENT LIABILITIES: | | |
| Accounts payable and accrued expenses | \$ 43,622 | \$ 52,812 |
| Advance payments from customers | 19,013 | 17,603 |
| Current maturities of long-term bank loans | 42,199 | 289 |
| Convertible note | - | 2,200 |
| TOTAL CURRENT LIABILITIES | 104,834 | 72,904 |
| LONG-TERM BANK LOANS | 1,678 | 1,940 |
| CONVERTIBLE NOTE | 2,200 | - |
| OTHER LIABILITIES | 2,172 | 2,846 |
| TOTAL LIABILITIES | 110,884 | 77,690 |
| STOCKHOLDERS' EQUITY | 96,166 | 231,382 |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | \$ 207,050 | \$ 309,072 |

About Verint Systems Inc.

Verint Systems Inc., headquartered in Melville, New York, is a leading provider of analytic software-based solutions for communications interception, digital video security and surveillance, and enterprise business intelligence. Verint software, which is used by over 1,000 organizations in over 50 countries worldwide, generates actionable intelligence through the collection, retention and analysis of voice, fax, video, email, Internet and data transmissions from multiple communications networks. Verint is a subsidiary of Comverse Technology, Inc. (NASDAQ: CMVT). Visit us at our website www.verint.com.

Note: Certain statements concerning Verint's future results or prospects are "forward-looking statements" under the Private Securities Litigation Reform Act of 1995. There can be no assurances that forward-looking statements will be achieved, and actual results could differ materially from forecasts and estimates. Important factors that could cause actual results to differ materially include: changes in the demand for Verint's products; further decline in information technology spending; the uncertainty of customer acceptance of Verint's products; Verint's lengthy and variable sales cycle makes it difficult to predict operating results; dependence on contracts with governments for a significant portion of Verint's revenues; markets for Verint's products failing to develop; risks that Verint's intellectual property rights may not be adequate to protect its business; risks associated with rapidly changing technology and the ability of Verint to introduce new products on a timely and cost-effective basis; inability to maintain relationships with value added resellers and systems integrators; risks associated with Verint's ability to retain existing personnel and recruit and retain qualified personnel; risks associated with changes in the competitive or regulatory environment in which Verint operates; risks associated with significant foreign operations, including fluctuations in foreign currency exchange rates; risks associated with Comverse Technology, Inc. controlling Verint's business and affairs; and other risks described in filings with the Securities and Exchange Commission. These risks and uncertainties, as well as others, are discussed in greater detail in the filings of Verint with the Securities and Exchange Commission. All documents are available through the SEC's Electronic Data Gathering Analysis and Retrieval system (EDGAR) at www.sec.gov or from Verint's website at www.verint.com. Verint makes no commitment to revise or update any forward-looking statements.

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Verint, the Verint word mark, STAR-GATE, RELIANT, LORONIX and ULTRA are trademarks of Verint Systems Inc. Other names may be trademarks of their respective owners.