

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 March 14, 2005  
(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

-----  
(Address of principal  
executive offices)

11747

-----  
Zip Code

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
- =====

Item 2.02 Results of Operations and Financial Condition

On March 14, 2005, Verint Systems Inc. issued an earnings release announcing its financial results for the quarter ended December 31, 2005. 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 2.02 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.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits.

Exhibit No. Description

-----



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: March 14, 2005

EXHIBIT INDEX

Exhibit No.	Description
----- 99.1	----- Text of Press Release dated March 14, 2005

## Verint Systems Reports Record Fiscal 2004 Fourth Quarter Sales

MELVILLE, N.Y.--(BUSINESS WIRE)--March 14, 2005--Verint Systems Inc. (NASDAQ: VRNT):

- Sales Grow to \$69 Million; Increases 32% y-o-y and 8% Sequentially
- GAAP Earnings Per Diluted Share of \$0.20
- Pro Forma Earnings Per Diluted Share of \$0.23

Verint Systems Inc. (NASDAQ: VRNT), announced record sales of \$69,030,000 for the fourth quarter of fiscal 2004, ended January 31, 2005, a 32% increase compared with sales of \$52,425,000 for the fourth quarter of fiscal 2003. Verint's sales increased approximately 8% sequentially, compared with \$63,989,000 for the third quarter of fiscal 2004.

Net income on a generally accepted accounting principles ("GAAP") basis was \$6,707,000 for the fourth quarter of fiscal 2004, (\$0.20 per diluted share), compared with net income of \$5,180,000 (\$0.16 per diluted share) for the third quarter of fiscal 2004, and net income of \$5,782,000 (\$0.18 per diluted share) for the fourth quarter of fiscal 2003. Net income on a pro forma basis was \$7,558,000 for the fourth quarter of fiscal 2004, (\$0.23 per diluted share), compared with a pro forma net income of \$6,903,000 (\$0.21 per diluted share) for the third quarter of fiscal 2004, and pro forma net income of \$6,025,000 (\$0.19 per diluted share) for the fourth quarter of fiscal 2003. A reconciliation between results on a GAAP basis and results on a pro forma basis is provided in a table immediately following the Pro Forma Consolidated Statement of Operations.

Dan Bodner, President and CEO of Verint, stated, "Our record fourth quarter sales were due to continued demand for our actionable intelligence solutions. Pro forma income from operations of \$7.1 million, which was also a record, grew 32.2% year-over-year."

The Company ended the quarter with cash, cash equivalents and short-term investments of \$240,414,000, working capital of \$196,381,000 total assets of \$398,978,000, and stockholders' equity of \$283,375,000.

## Conference Call Information

The Company will be conducting a conference call to review its fiscal 2004 fourth 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](http://www.verint.com). The conference call can also be accessed live via telephone at 703-639-1325. 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](http://www.verint.com) until April 30, 2005 and by telephone at 703-925-2533, passcode 661649 for 7 days.

Financial highlights at and for the twelve and three month periods ended January 31, 2005 and prior year comparisons are as follows:

Consolidated Statement of Operations (GAAP Basis)  
(In thousands, except per share data)

	Twelve Months Ended Jan. 31,		Three Months Ended Jan. 31, (Unaudited)	
	2004	2005	2004	2005
Sales	\$192,744	\$249,824	\$52,425	\$69,030
Cost of sales	89,302	112,774	24,064	30,676
Gross Profit	103,442	137,050	28,361	38,354
Operating Expenses				
Research and development, net	23,233	31,961	6,254	8,872
Selling, general and administrative	63,020	83,070	17,006	23,366
In-process research and development	-	3,154	-	-
Write-down of capitalized software	-	1,481	-	-
Income from operations	17,189	17,384	5,101	6,116

Interest and other income, net	2,670	3,618	857	1,239
Income before income tax provision	19,859	21,002	5,958	7,355
Income tax provision	1,921	1,930	176	648
Net income	\$17,938	\$19,072	\$5,782	\$6,707
Earnings per share:				
Basic	\$0.65	\$0.62	\$0.19	\$0.21
Diluted	\$0.61	\$0.58	\$0.18	\$0.20
Weighted average shares:				
Basic	27,690	30,894	29,977	31,394
Diluted	29,437	32,626	31,719	33,077

Verint Systems provides pro forma net income and pro forma earnings per share data as additional information of its operating results. These measures are not in accordance with, or an alternative for, GAAP and may be different from pro forma measures used by other companies. The company believes that this presentation of pro forma data provides useful information to management and investors regarding certain additional financial and business trends relating to its financial condition and result of operations. In addition, the Company's management uses these measures for reviewing the financial results of the Company and for budget purposes:

Consolidated Statement of Operations (Pro Forma Basis)  
(In thousands, except per share data)  
(Unaudited)

	Twelve Months Ended January 31,		Three Months Ended January 31,	
	2004	2005	2004	2005
Sales	\$192,744	\$249,824	\$52,425	\$69,030
Cost of sales	89,064	110,586	23,996	30,204
Gross Profit	103,680	139,238	28,429	38,826
Operating Expenses				
Research and development, net	23,233	31,961	6,254	8,872
Selling, general and administrative	62,217	81,239	16,831	22,889
Income from operations	18,230	26,038	5,344	7,065
Interest and other income, net	2,670	3,618	857	1,239
Income before income tax provision	20,900	29,656	6,201	8,304
Income tax provision	1,921	2,838	176	746
Net income	\$18,979	\$26,818	\$6,025	\$7,558
Earnings per share:				
Basic	\$0.69	\$0.87	\$0.20	\$0.24
Diluted	\$0.64	\$0.82	\$0.19	\$0.23
Weighted average shares:				
Basic	27,690	30,894	29,977	31,394
Diluted	29,437	32,626	31,719	33,077

Reconciliation of GAAP net income to pro forma net income

GAAP net income	17,938	19,072	5,782	6,707
Amortization of intangible assets related to acquisitions:				
Included in gross profit	238	1,655	68	472

Included in operating expenses	746	975	118	289
Amortization of stock based compensation	57	501	57	188
Acquisition-related charges:				
In-process research and development	-	3,154	-	-
Write-down of capitalized software	-	1,481	-	-
Other, included in gross profit and in operating expenses	-	888	-	-
Income tax effect	-	(908)	-	(98)
	-----	-----	-----	-----
Pro forma net income	18,979	26,818	6,025	7,558
	=====	=====	=====	=====

Balance Sheet Highlights  
(In thousands)

ASSETS

	January 31, 2004	January 31, 2005
	-----	-----
CURRENT ASSETS:		
Cash, cash equivalents and short-term investments	\$228,713	\$240,414
Accounts receivable, net	33,654	39,072
Inventories	15,833	17,267
Prepaid expenses and other current assets	6,007	9,880
	-----	-----
TOTAL CURRENT ASSETS	284,207	306,633
PROPERTY AND EQUIPMENT, net	14,129	17,540
INTANGIBLE ASSETS	2,051	12,026
GOODWILL	14,364	49,625
OTHER ASSETS	13,955	13,154
	-----	-----
TOTAL ASSETS	\$328,706	\$398,978
	=====	=====

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$50,301	\$68,514
Convertible note	2,200	-
Short term bank loans and current maturities of long-term bank loans	441	652
Advance payments from customers	26,701	41,086
	-----	-----
TOTAL CURRENT LIABILITIES	79,643	110,252
LONG-TERM LIABILITIES	4,395	5,351
	-----	-----
TOTAL LIABILITIES	84,038	115,603
STOCKHOLDERS' EQUITY	244,668	283,375
	-----	-----
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$328,706	\$398,978
	=====	=====

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.verintsystems.com](http://www.verintsystems.com).

Note: Certain statements concerning Verint's future revenues, earnings per share, 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 risks, uncertainties and other important factors that could cause actual results to differ materially include, among others: changes in the demand for Verint's products; further decline in information technology spending; risks associated with acquiring and integrating the assets and business acquired from ECTel and RP Security including products and technologies, as well as retaining key employees and customers, which could result in a substantial diversion of management resources, the incurrence of contingent liabilities, amortization of certain identifiable intangible assets, research and development write-offs and other acquisition-related expenses; the uncertainty of customer acceptance of Verint's products; aggressive competition may force Verint to reduce prices; 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; inability to expand gross margin by reducing hardware in its product offerings; 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. All documents are available through the SEC's Electronic Data Gathering Analysis and Retrieval system (EDGAR) at [www.sec.gov](http://www.sec.gov) or from Verint's website at [www.verint.com](http://www.verint.com). Verint makes no commitment to revise or update any forward-looking statements.

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

CONTACT: Verint Systems Inc.  
Alan Roden  
VP, Corporate Development and Investor Relations  
631-962-9304  
[alan.rodan@verint.com](mailto:alan.rodan@verint.com)