

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 June 1, 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 June 1, 2005, Verint Systems Inc. issued an earnings release announcing its financial results for the quarter ended April 30, 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
99.1	Press Release of Verint Systems Inc., dated June 1, 2005.



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

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Name: Igal Nissim  
Title: Chief Financial Officer

Dated: June 1, 2005

EXHIBIT INDEX

Exhibit No. -----	Description -----
99.1	Text of Press Release dated June 1, 2005

Press Release

[LOGO]  
Powering Actionable Intelligence(TM)Contact  
Alan Roden  
VP, Corporate Development and Investor Relations  
(631) 962-9304  
alan.roden@verint.com

## Verint Systems Reports Record Fiscal 2005 First Quarter Sales

Sales Grow to \$72 Million; Increases 27.2% y-o-y and 4.4% Sequentially  
GAAP Earnings Per Diluted Share of \$0.20  
Pro Forma Earnings Per Diluted Share of \$0.23

MELVILLE, N.Y, June 1, 2005 - Verint Systems Inc. (NASDAQ: VRNT), announced record sales of \$72,039,000 for the first quarter of fiscal 2005, ended April 30, 2005, a 27.2% increase compared with sales of \$56,638,000 for the first quarter of fiscal 2004. Verint's sales increased approximately 4.4% sequentially, compared with \$69,030,000 for the fourth quarter of fiscal 2004.

Net income on a generally accepted accounting principles ("GAAP") basis was \$6,533,000 for the first quarter of fiscal 2005, (\$0.20 per diluted share), compared with net income of \$6,707,000 (\$0.20 per diluted share) for the fourth quarter of fiscal 2004, and net income of \$1,514,000 (\$0.05 per diluted share) for the first quarter of fiscal 2004.

Net income on a pro forma basis was \$7,707,000 for the first quarter of fiscal 2005, (\$0.23 per diluted share), compared with pro forma net income of \$7,558,000 (\$0.23 per diluted share) for the fourth quarter of fiscal 2004, and pro forma net income of \$5,919,000 (\$0.18 per diluted share) for the first quarter of fiscal 2004. A reconciliation between results on a GAAP and pro forma basis is provided in a table immediately following the Consolidated Statement of Operations (Pro Forma Basis).

Dan Bodner, President and CEO of Verint, stated, "Our record first quarter sales were due to demand for our actionable intelligence solutions in the business intelligence and security markets. Pro forma income from operations of \$8 million, which was also a record, grew 13.4% sequentially and 35.5% year-over-year."

The Company ended the quarter with cash, cash equivalents and short-term investments of \$250,287,000, working capital of \$204,135,000, total assets of \$415,472,000, and stockholders' equity of \$291,698,000.

## Conference Call Information

The Company will be conducting a conference call to review its fiscal 2005 first 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 706-634-7052. 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 July 31, 2005.

Verint Systems Reports Record Fiscal 2005 First Quarter Results  
June 1, 2005  
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Financial highlights at and for the three month periods ended April 30, 2005 and prior year comparisons are as follows:

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Consolidated Statement of Operations (GAAP Basis)  
(In thousands, except per share data)  
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Three Months  
Ended April 30,  
(Unaudited)

2004

2005

Sales	\$ 56,638	\$ 72,039
Cost of sales	25,757	32,269
Gross Profit	30,881	39,770
Operating Expenses		
Research and development, net	6,791	9,374
Selling, general and administrative	18,594	23,755
In-process research and development	3,154	-
Write-down of capitalized software	1,481	-
Income from operations	861	6,641
Interest and other income, net	582	1,690
Income before income tax provision	1,443	8,331
Income tax provision	(71)	1,798
Net income	\$ 1,514	\$ 6,533
Earnings per share:		
Basic	\$ 0.05	\$ 0.21
Diluted	\$ 0.05	\$ 0.20
Weighted average shares:		
Basic	30,400	31,505
Diluted	32,209	33,082

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)

	Three Months Ended April 30, (Unaudited)	
	2004	2005
Sales	\$56,638	\$72,039
Cost of sales	25,602	31,411
Gross Profit	31,036	40,628
Operating Expenses		
Research and development, net	6,791	9,374
Selling, general and administrative	18,332	23,241
Income from operations	5,913	8,013
Interest and other income, net	582	1,690
Income before income tax provision	6,495	9,703
Income tax provision	576	1,996
Net income	\$ 5,919	\$ 7,707
Earnings per share:		
Basic	\$ 0.19	\$ 0.24
Diluted	\$ 0.18	\$ 0.23
Weighted average shares:		
Basic	30,400	31,505
Diluted	32,209	33,082

Reconciliation of GAAP net income to pro forma net income

GAAP net income	1,514	6,533
Amortization of purchased intangible assets:		
Included in gross profit	155	858
Included in operating expenses	159	273
Amortization of stock based compensation	103	241
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		
Income tax effect	(647)	(198)
Pro forma net income	5,919	7,707

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 Balance Sheet Highlights  
 (In thousands)  
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ASSETS  
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	January 31, 2005	April 30, 2005
	-----	----- (Unaudited)
CURRENT ASSETS:		
Cash, cash equivalents and short-term investments	\$240,414	\$ 250,287
Accounts receivable, net	39,072	41,172
Inventories	17,267	21,458
Prepaid expenses and other current assets	9,880	9,905
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TOTAL CURRENT ASSETS	306,633	322,822
PROPERTY AND EQUIPMENT, net	17,540	18,307
INTANGIBLE ASSETS, net	12,026	10,858
GOODWILL	49,625	49,871
OTHER ASSETS	13,154	13,614
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TOTAL ASSETS	\$398,978	\$ 415,472
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LIABILITIES AND STOCKHOLDERS' EQUITY  
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CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 68,399	\$ 74,340
Advance payments from customers	41,853	44,347
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TOTAL CURRENT LIABILITIES	110,252	118,687
LONG-TERM LIABILITIES	5,351	5,087
	-----	-----
TOTAL LIABILITIES	115,603	123,774
STOCKHOLDERS' EQUITY	283,375	291,698
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TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$398,978	\$ 415,472
	=====	=====



About Verint Systems Inc.

Verint Systems Inc., headquartered in Melville, New York, is a leading provider of analytic software-based solutions for communications interception, networked video security and surveillance, and 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](http://www.verint.com).

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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; lengthy and variable sales cycles create difficulty in forecasting the timing of revenue; aggressive competition in all of Verint's markets, which creates pricing pressure; dependence on government contracts; expected increase in Verint's effective tax rate; challenges in increasing gross margins; decline in information technology spending; introducing quality products on a timely basis that satisfy customer requirements and achieve market acceptance; risks associated with integrating the assets and business acquired from ECTel Ltd. and RP Sicherheissysteme GMBH; risks that Verint's intellectual property rights may not be adequate to protect its business or that others may claim that Verint infringes upon their intellectual property rights; perception that Verint improperly handles sensitive or confidential information; inability to maintain relationships with value added resellers and systems integrators; difficulty of improving Verint's infrastructure in order to be able to continue to grow; risks associated with Verint's ability to retain existing personnel and recruit and retain qualified personnel in all geographies in which Verint operates; 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.

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