

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 10, 2004  
(Date of Earliest Event Reported)

VERINT SYSTEMS INC.

(Exact name of registrant as specified in its charter)

Commission File No. 0-15502

Delaware

11-3200514

(State of Incorporation)

(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
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99.1	Press Release of Verint Systems Inc., dated March 10, 2004.
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Item 12. Results of Operations and Financial Condition.

On March 10, 2004, Verint Systems Inc. issued an earnings release announcing its financial results for Fiscal Year 2003 and the quarter ended January 31, 2004. 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

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Name: Igal Nissim  
Title: Chief Financial Officer

Dated: March 10, 2004

EXHIBIT INDEX

Exhibit No. -----	Description -----
99.1	Text of Press Release dated March 10, 2004

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

Verint Systems Reports Record Fiscal 2003 Fourth Quarter Results

Sales Grow to \$52.4 Million; Increases 24% y-o-y and 7.0%  
 Sequentially

Earnings Per Diluted Share of \$0.18

Melville, N.Y, March 10, 2004 - Verint Systems Inc. (NASDAQ: VRNT), announced record net income of \$5,782,000 for the fourth quarter of fiscal 2003, ended January 31, 2004 (\$0.18 per diluted share), compared with a net income of \$3,459,000 (\$0.14 per diluted share) for the fourth quarter of Fiscal 2002, and net income of \$4,667,000 (\$0.15 per diluted share) for the third quarter of Fiscal 2003.

The Company posted record sales of \$52,425,000 for the fourth quarter of fiscal 2003, compared with \$42,317,000 for the fourth quarter of Fiscal 2002, an increase of approximately 24% year-over-year. Verint's sales increased approximately 7.0% sequentially, compared with \$49,012,000 for the third quarter of Fiscal 2003.

For Fiscal 2003, ended January 31, 2004, net income was a record \$17,938,000 (\$0.61 per diluted share) compared with a net income of \$10,147,000 (\$0.43 per diluted share) for Fiscal 2002. The Company posted record sales of \$192,744,000 for Fiscal 2003, compared to \$157,775,000 for Fiscal 2002.

Dan Bodner, President and CEO of Verint, stated, "Our record fourth quarter sales were due to continued demand of our actionable intelligence solutions in the security market, as well as growing demand in the business intelligence market. Income from operations, which was also a record, grew 69% year-over-year and 14% sequentially."

The Company ended the quarter with cash, cash equivalents and short-term investments of \$228,713,000, working capital of \$204,564,000, total assets of \$328,706,000, and stockholders' equity of \$244,668,000, all of which represent record levels.

Conference Call Information

The Company will be conducting a conference call to review its fiscal 2003 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 703-871-3640. 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) and by telephone at 703-925-2533, passcode 407649.

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Verint Systems Reports Record Fiscal 2003 Fourth Quarter Results  
 March 10, 2004  
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Financial highlights at and for the three and twelve month periods ended January 31, 2003 and 2004 are as follows:

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

Operations Data:

Twelve Months  
 Ended Jan. 31,

Three Months  
 Ended Jan. 31,  
 (Unaudited)

	2003	2004	2003	2004
Sales	\$157,775	\$192,744	\$42,317	\$52,425
Cost of sales	78,053	89,302	20,352	24,064
Gross profit	79,722	103,442	21,965	28,361
Operating Expenses				
Research and development, net	17,357	23,233	4,763	6,254
Selling, general and administrative	52,314	63,020	14,175	17,006
Income from operations	10,051	17,189	3,027	5,101
Interest and other income, net	2,266	2,670	956	857
Income before income tax provision	12,317	19,859	3,983	5,958
Income tax provision	2,170	1,921	524	176
Net income	\$10,147	17,938	\$3,459	\$5,782
Earnings per share:				
Basic	\$0.46	\$0.65	\$0.15	\$0.19
Diluted	\$0.43	\$0.61	\$0.14	\$0.18
Weighted average shares:				
Basic	22,165	27,690	23,528	29,977
Diluted	23,542	29,437	25,190	31,719

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(In thousands)  
 Balance Sheet Data:

ASSETS	January 31, 2003	January 31, 2004
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$133,933	\$200,716
Short term investments	-	27,997
Accounts receivable, net	27,279	33,654
Inventories	8,866	15,833
Prepaid expenses and other current assets	4,079	6,007
<b>TOTAL CURRENT ASSETS</b>	<b>174,157</b>	<b>284,207</b>
PROPERTY AND EQUIPMENT, net	12,965	14,129
OTHER ASSETS	19,928	30,370
<b>TOTAL ASSETS</b>	<b>\$207,050</b>	<b>\$328,706</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable and accrued expenses	\$43,622	\$50,301
Convertible note	-	2,200
Current maturities of long-term bank loans	42,199	441
Advance payments from customers	19,013	26,701
<b>TOTAL CURRENT LIABILITIES</b>	<b>104,834</b>	<b>79,643</b>
LONG-TERM BANK LOANS	1,678	1,889
CONVERTIBLE NOTE	2,200	-
OTHER LIABILITIES	2,172	2,506
<b>TOTAL LIABILITIES</b>	<b>110,884</b>	<b>84,038</b>
STOCKHOLDERS' EQUITY	96,166	244,668
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$207,050</b>	<b>\$328,706</b>

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## 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 Converse Technology, Inc. (NASDAQ: CMVT). Visit us at our website [www.verint.com](http://www.verint.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 factors that could cause actual results to differ materially include: 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 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; 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 Converse 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](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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