

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 2, 2004
(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

Item 7. Financial Statements and Exhibits.

(c) Exhibits.

Exhibit No. Description

99.1 Press Release of Verint Systems Inc., dated June 2, 2004.

Item 12. Results of Operations and Financial Condition.

On June 2, 2004, Verint Systems Inc. issued an earnings release announcing its financial results for the quarter ended April 30, 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

Name: Igal Nissim
Title: Chief Financial Officer

Dated: June 2, 2004

EXHIBIT INDEX

Exhibit No.	Description
99.1	Text of Press Release dated June 2, 2004

Press Release

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

Verint Systems Reports Record Fiscal 2004 First Quarter Sales

Sales Grow to \$56.6 Million; Increases 28% y-o-y and 8% Sequentially
 GAAP Earnings Per Diluted Share of \$0.05
 Pro Forma Earnings Per Diluted Share of \$0.18

Melville, N.Y., June 2, 2004 - Verint Systems Inc. (NASDAQ: VRNT), announced record sales of \$56,638,000 for the first quarter of fiscal 2004, ended April 30, 2004, compared with \$44,415,000 for the first quarter of fiscal 2003, an increase of approximately 28% year-over-year. Verint's sales increased approximately 8% sequentially, compared with \$52,425,000 for the fourth quarter of Fiscal 2003.

Net income on a generally accepted accounting principles ("GAAP") basis was \$1,514,000 for the first quarter of fiscal 2004, (\$0.05 per diluted share), compared with net income of \$3,512,000 (\$0.14 per diluted share) for the first quarter of fiscal 2003, 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 \$5,919,000 for the first quarter of fiscal 2004, (\$0.18 per diluted share), compared with pro forma net income of \$3,581,000 (\$0.14 per diluted share) for the first 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 first quarter sales were due to demand for our actionable intelligence solutions in the security and business intelligence markets. Pro forma income from operations of \$5.9 million, which was also a record, grew 66% year-over-year."

The Company ended the quarter with cash, cash equivalents and short-term investments of \$208,508,000, working capital of \$178,060,000, total assets of \$342,005,000, and stockholders' equity of \$252,375,000.

Conference Call Information

The Company will be conducting a conference call to review its fiscal 2004 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. The conference call can also be accessed live via telephone at 703-639-1112. 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 until July 31, 2004 and by telephone at 703-925-2533, passcode 476580, for 7 days.

Verint Systems Reports Record Fiscal 2004 First Quarter Sales

June 2, 2004
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Financial highlights at and for the three month period ended April 30, 2003 and 2004 are as follows:

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

	Three Months Ended April, 30, (Unaudited)	
	2003	2004
Sales	\$44,415	\$56,638
Cost of sales	20,912	25,757

Gross profit	23,503	30,881
Operating Expenses		
Research and development, net	5,335	6,791
Selling, general and administrative	14,669	18,594
In-process research and development	-	3,154
Write-down of capitalized software	-	1,481
Income from operations	3,499	861
Interest and other income, net	515	582
Income before income tax provision	4,014	1,443
Income tax provision	502	(71)
Net income	\$3,512	\$1,514
Earnings per share:		
Basic	\$0.15	\$0.05
Diluted	\$0.14	\$0.05
Weighted average shares:		
Basic	23,708	30,400
Diluted	25,236	32,209

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 results of operations. In addition, the Company's management uses these measures for reviewing the financial results of the Company and for budget purposes:

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

	Three Months Ended April, 30, (Unaudited)	
	2003	2004
Sales	\$44,415	\$56,638
Cost of sales	20,875	25,602
Gross profit	23,540	31,036
Operating Expenses		
Research and development, net	5,335	6,791
Selling, general and administrative	14,637	18,332
Income from operations	3,568	5,913
Interest and other income, net	515	582
Income before income tax provision	4,083	6,495
Income tax provision	502	576
Net income	\$3,581	\$5,919
Earnings per share:		
Basic	\$0.15	\$0.19
Diluted	\$0.14	\$0.18
Weighted average shares:		
Basic	23,708	30,400
Diluted	25,236	32,209

Reconciliation of GAAP net income to pro forma net income

GAAP net income	3,512	1,514
Amortization of purchased intangibles assets:		
Included in gross profit	37	155
Included in operating expenses	32	159
Amortization of stock based compensation	-	103
Acquisition-related charges:		
In-process research and development	-	3,154
Write-down of capitalized software	-	1,481
Income tax effect	-	(647)
Pro forma net income	3,581	5,919

Balance Sheet Highlights
 (In thousands)

ASSETS	January 31, 2004	April 30, 2004 (Unaudited)
CURRENT ASSETS:		
Cash and cash equivalents	\$200,716	\$184,808
Short-term investments	27,997	23,700
Accounts receivable, net	33,654	33,963
Inventories	15,833	12,957
Prepaid expenses and other current assets	6,007	7,304
TOTAL CURRENT ASSETS	284,207	262,732
PROPERTY AND EQUIPMENT, net	14,129	15,748
INTANGIBLE ASSETS	16,415	50,611
OTHER ASSETS	13,955	12,914
TOTAL ASSETS	\$328,706	\$342,005
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$50,301	\$49,942
Convertible note	2,200	-
Current maturities of long-term bank loans	441	356
Advance payments from customers	26,701	34,374
TOTAL CURRENT LIABILITIES	79,643	84,672
LONG-TERM LIABILITIES	4,395	4,958
TOTAL LIABILITIES	84,038	89,630
STOCKHOLDERS' EQUITY	244,668	252,375
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$328,706	\$342,005

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.

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 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 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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