



**SAPIENS SUCCESSFULLY COMPLETES NIS 75.2 MILLION –  
APPROXIMATELY \$17.1 MILLION – SECURITIES OFFERING IN ISRAEL**

Research Triangle Park, N.C., December 11, 2003 - Sapiens International Corporation (NASDAQ and TASE: SPNS), today announced the successful completion of the previously announced offering of securities in Israel, resulting in gross proceeds of NIS 75.2 million (approximately \$17.1 million).

Sapiens intends to use the net proceeds from the offering to finance its activities and those of its subsidiaries in accordance with the decisions of its Board of Directors from time to time.

Commenting on the results of the offering, Mr. Itzick Sharir, President and Chief Executive Officer, said: "We are very pleased with the excellent reception of the offering in Israel. The confidence of the financial community and the Israeli public was demonstrated by the over-subscription for the offered units."

The actual determined price per unit is NIS 752 (approximately \$171.14) with 100,000 units sold. Each of the units consists of 800 Debentures (Series A), two Options (Series A) exercisable into Debentures (Series A) and six Warrants (Series 1) exercisable into common shares of Sapiens.

The following is a description of the main terms of the securities sold in the offering:

The Debentures (Series A) are linked to the US dollar and bear annual interest at the rate of 6.0%, payable on the 5th of June and the 5th of December each year commencing on June 5, 2004 and ending on December 5, 2009. Principal is payable in four installments on the 5th of December of the years 2006-2009. During the period beginning 45 days after the registration of the Debentures (Series A) for trading on TASE and ending November 21, 2009, the Debentures (Series A) are convertible in common shares at a conversion rate of one common share per each NIS 27 (approximately \$6.14) amount of the Debentures. The conversion rate is subject to certain adjustments. The Debentures (Series A) are unsecured.

Each Option (Series A) is exercisable into 100 Debentures (Series A) no later than March 3, 2004 for an exercise price of NIS 96 (approximately \$21.85).

Each Warrant (Series 1) is exercisable into one common share of the Company during the period beginning 45 days after the registration of the Debentures (Series A) for trading on TASE and ending November 21, 2007 for an exercise price of NIS 27 (approximately \$6.14) linked to the US dollar.

The Debentures, Options and Warrants will trade on TASE only. Any common shares issued upon conversion of the Debentures (Series A) or exercise of the Warrants (Series 1) will be traded on both TASE and NASDAQ.

The offering was made to the public in Israel only in accordance with Israeli securities laws. It was not open to persons resident in the United States or to other US persons (other than distributors).

The securities offered have not been registered under the Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration under such Act or an applicable exemption from registration.

**About Sapiens International**

Sapiens International Corporation (NASDAQ and TASE: SPNS) is a leading global provider of proven IT solutions that modernize business processes and enable insurance organizations and other leading companies to adapt quickly to change. Sapiens' modular solutions are widely recognized for their ability to cost-effectively align IT with the business demands for speed, flexibility and efficiency. Sapiens operates through wholly owned subsidiaries in North America, EMEA and Asia Pacific. The Company has partnerships with market leaders such as IBM and EDS and its clients include AXA, Liverpool Victoria, Norwich Union, OneBeacon, Principal Financial, Prudential, Abbey National, Honda, International Paper and Panasonic UK, among others. For more information, please visit [www.sapiens.com](http://www.sapiens.com).

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**FOR ADDITIONAL INFORMATION**

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Except for historical information contained herein, the matters set forth in this release are forward-looking statements that are dependent on certain risks and uncertainties, including such factors, among others, as market acceptance, market demand, pricing, changing regulatory environment, changing economic conditions, risks in new product and service development, the effect of the company's accounting policies and other risk factors detailed in the Company's SEC filings.

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