

TOP IMAGE SYSTEMS LTD
Form 6-K
December 04, 2007

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 6-K

**Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1934**

For the month of September, 2007

Commission File Number 001-14552

Top Image Systems Ltd.

(Translation of registrant's name into English)

2 Habarzel Street, Ramat Hahayal, Israel 69710

(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

Edgar Filing: TOP IMAGE SYSTEMS LTD - Form 6-K

CONTENTS

Attached hereto is a copy of the Registrant's press release dated November 28, 2007, reporting results for the three and nine months ended September 30, 2007.

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, thereunto duly authorized.

Date: December 4, 2007

Top Image Systems Ltd.

By: /s/ Ido Schechter

Ido Schechter
Chief Executive Officer

Top Image Systems Reports Third Quarter 2007 Results

**The Company will be holding a conference call today
at 10:00am EST to discuss the quarterly results**

Tel Aviv, Israel November 28, 2007 Top Image Systems, Ltd. (NASDAQ: TISA, TASE: TISA), the leading innovator of data capture solutions, today announced its financial results for the third quarter, ended September 30, 2007. This follows the October 8, 2007 Company press release announcing the Company's initial third quarter 2007 results.

Third Quarter 2007 Results

Revenues for the third quarter exceeded the high end of the initial revenue range reaching \$6.5 million, an increase of 24% from the third quarter of last year and an increase of 6% compared with the prior quarter. 45% of third quarter revenues were generated from products and 55% from services.

Operating loss for the third quarter totaled \$1.8 million, compared with operating profit of \$172 thousand for the third quarter of 2006 and an operating profit of \$65 thousand for the prior quarter. As previously announced, the increased expenses in the quarter were primarily related to the assimilation of recently acquired CPL and Asiasoft into the Company.

Non-GAAP net loss for the third quarter totaled \$1.7 million, compared to net income of \$0.25 million in the third quarter of 2006. Non-GAAP basic and fully diluted net loss per share in the third quarter totaled \$0.190 compared with net income per share of \$0.019 in the third quarter of 2006.

Non-GAAP net income (loss) excludes stock option compensation and amortization of intangible acquired assets which amounted to \$348 thousand and \$75 thousand in the third quarter of 2007 and 2006, respectively. A reconciliation between net income (loss) on a GAAP basis and a Non-GAAP basis is included at the end of this press release.

On a GAAP basis, net loss for the third quarter totaled \$2 million compared to net income of \$0.18 million in the third quarter last year, and \$0.01 million loss in the prior quarter. GAAP basic and fully diluted net loss per share in the third quarter totaled \$0.229, compared to basic and fully diluted net earnings per share of \$0.019 in the third quarter of 2006, and basic and fully diluted net loss per share of \$0.011 in the prior quarter.

Edgar Filing: TOP IMAGE SYSTEMS LTD - Form 6-K

Dr. Ido Schechter, Top Image Systems CEO, commented: This has been a very interesting year for the Company with the acquisition of both UK based CPL and China-based Asiasoft, expanding our global presence to target new market. Completing two acquisitions, however, is a lengthy process and in the past months, we have invested a great deal of efforts in integrating Asiasoft into TIS and we are confident this process will be as successful as was the integration of CPL earlier this year. These two acquisitions enhance our product and solution offering while bringing TIS closer to becoming the Document Capture market leader.

Dr. Schechter concluded: This quarter we reported revenues close to record levels, unfortunately, however, a number of recent projects previously expected to be recognized this quarter, were not finalized in time, and will be recognized in coming quarters

Admittedly, while being disappointed with our results of this quarter, we are encouraged by the substantial progress the Company has made over the past nine months in laying the strong foundations for a more successful 2008 in terms of both technology and skilled manpower.

Conference Call

The Company will be holding a conference call today, November 28, 2007, at 10am EST (7:00am Pacific Time, 3:00pm UK Time, 5:00pm Israel Time) to review the third quarter 2007 financial results and other corporate events.

Dr. Ido Schechter, CEO, and Arie Rand, CFO, will be on-line to discuss these results and take part in a question and answer session.

To participate, please call one of the following teleconferencing numbers at least 10 minutes before the conference call commences. If you are unable to connect using the toll-free numbers, please try the international dial-in number.

US Dial-in Number: 1 888 281 1167
UK Dial-in Number: 0 800 917 5108
ISRAEL Dial-in Number: 03 918 0609
INTERNATIONAL Dial-in Number: +972 3 918 0609

For those unable to listen to the live call, a replay of the call will be available from the day after the call in the investor relations section of Top Image Systems website at: www.topimagesystems.com

About Top Image Systems

Top Image Systems is a leading innovator of enterprise solutions for managing and validating content entering organizations from various sources. Whether originating from mobile, electronic, paper or other sources, TIS solutions deliver the content to applications that drive the organization. TIS's *eFLOW Unified Content Platform* is a common platform for the company's solutions. TIS markets its platform in more than 30 countries through a multi-tier network of distributors, system integrators, value-added resellers as well as strategic partners. Visit the company's website www.TopImageSystems.com for more information.

Caution Concerning Forward-Looking Statements

Certain matters discussed in this news release are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, particularly statements regarding future operating or financial performance. Words such as will, expects, anticipates, estimates, intends, believes, plans and words and terms of similar substance in connection with any discussion of future operating or financial performance identify forward-looking statements. These statements are based on management's current expectations or beliefs and are subject to a number of risks and uncertainties that could cause actual results to differ materially including, but not limited to, risks in product development plans and schedules, rapid technological change, changes and delays in product approval and introduction, customer acceptance of new products, the impact of competitive products and pricing, market acceptance, the lengthy sales cycle, proprietary rights of TIS and its competitors, risk of operations in Israel, government regulation, dependence on third parties to manufacture products, quarterly fluctuations in sales of products in the Data Capture market (where in general the fourth quarter is the strongest and the first quarter is the weakest), TIS's ability to successfully integrate businesses it acquires, litigation (including litigation over intellectual property rights), general economic conditions and other risk factors detailed in the Company's most recent annual report on Form 20-F and other subsequent filings with the United States Securities and Exchange Commission. We are under no obligation to, and expressly disclaim any obligation to, update or alter our forward-looking statements, whether as a result of new information, future events or otherwise.

Contacts:

Company Contact

Adi Bar-Lev
Director of Marketing and IR
adi@topimagesystems.com
+972 545 330537

Investor Relations Contact

Ehud Helft / Kenny Green
GK Investor Relations
Info@gkir.com
Tel: (US) 1 646 201 9246

Top Image Systems Ltd.
Consolidated Balance Sheet as at

	December 31, 2006	September 30 2007
In thousands US\$		
Assets		
Current assets:		
Cash and cash equivalents	6,195	1,630
Deposit	3,000	3,118
Marketable securities	12,597	9,371
Trade receivables, net	7,642	8,681
Other current assets	1,120	2,344
	<u>30,554</u>	<u>25,144</u>
Severance funds pay	<u>717</u>	<u>824</u>
Property and equipment		
Cost	2,531	3,472
Less / accumulated depreciation	(1,943)	(2,684)
	<u>588</u>	<u>788</u>
Net property and equipment	<u>588</u>	<u>788</u>
Goodwill	465	8,538
Net intangible assets	1,835	2,835
Investment in affiliates		533
Other long-term assets, net	136	140
	<u>34,295</u>	<u>38,802</u>
Total assets	<u>34,295</u>	<u>38,802</u>
Liabilities and Shareholders' Equity		
Current liabilities:		
Short-term bank loans	339	1,883
Trade payables	397	1,733
Accrued liabilities and other payables	2,966	7,087
	<u>3,702</u>	<u>10,703</u>
Total current liabilities	<u>3,702</u>	<u>10,703</u>
Long-term liabilities:		
Convertible debenture	14,197	14,301
Liability for severance pay, net	1,016	1,157
	<u>15,213</u>	<u>15,458</u>

Edgar Filing: TOP IMAGE SYSTEMS LTD - Form 6-K

	December 31, 2006	September 30 2007
	<u> </u>	<u> </u>
Total long-term liabilities	15,213	15,458
	<u> </u>	<u> </u>
Minority interest in consolidated subsidiaries		104
Total liabilities	18,915	26,265
	<u> </u>	<u> </u>
Shareholders' equity		
Share capital - Ordinary share of NIS 0.04 par value	98	98
Surplus capital	29,921	30,319
Comprehensive income	-	286
Accumulated deficit	(14,639)	(18,166)
	<u> </u>	<u> </u>
Total shareholders' equity	15,380	12,537
	<u> </u>	<u> </u>
Total liabilities and shareholders' equity	34,295	38,802
	<u> </u>	<u> </u>

Top Image Systems Ltd.
Statements of Operations for the

	Three months ended	Three months ended	Nine months ended	Nine months ended
	September 30,	September 30,	September 30,	September 30,
	2007	2006	2007	2006

In thousands US\$, except per share data

Revenues				
Product sales	2,932	2,814	8,100	8,689
Service revenues	3,555	2,433	8,550	6,032
Total revenues	6,487	5,247	16,650	14,721
Cost of revenues				
Product costs	1,869	503	2,918	1,654
Service costs	2,109	1,508	5,499	3,952
Total cost of revenues	3,978	2,011	8,417	5,606
Gross profit	2,509	3,236	8,233	9,115
Expenses				
Research and development costs	732	435	1,918	1,319
Selling and marketing	2,235	1,694	6,240	4,865
General and administrative	1,370	935	3,300	2,511
	4,337	3,064	11,458	8,695
Operating profit (loss)	(1,828)	172	(3,225)	420
Financing income (expenses), net	(94)	15	(264)	241
Income (loss) before taxes on income	(1,922)	187	(3,489)	661
Taxes on Income	(11)	(12)	(45)	(20)
Other income	-	-	110	-
Minority's share in profit of a subsidiary	(104)		(104)	

Edgar Filing: TOP IMAGE SYSTEMS LTD - Form 6-K

	Three months ended	Three months ended	Nine months ended	Nine months ended
Net income (loss) for the period	(2,036)	175	(3,527)	641
Basic net income (loss) per share	(0.229)	0.020	(0.398)	0.073
Weighted average number of shares used in computation of basic net income (loss) per share	8,879,770	8,834,841	8,872,094	8,814,088
Diluted net income (loss) per share	(0.229)	0.019	(0.398)	0.071
Weighted average number of shares used in computation of diluted net income (loss) per share	8,879,770	8,987,807	8,872,094	8,991,430

A reconciliation of Non GAAP net income to GAAP net income is as follows (in thousands):

	Three months ended	Three months ended	Nine months ended	Nine months ended
	September 30,	September 30,	September 30,	September 30,
	2007	2006	2007	2006
Net Income	(2,036)	175	(3,527)	641
Stock option compensation expenses	158	0	378	0
Amortization of acquired Intangible Assets	190	75	298	225
Non-GAAP Net Income (loss)	(1,688)	250	(2,851)	866