

**UNITED STATES  
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 (Date of earliest event reported) August 13, 2015

**MODSYS INTERNATIONAL LTD.**  
(Exact name of registrant as specified in its charter)

**ISRAEL**

**333-06208**

**N/A**

(State or other jurisdiction  
of incorporation)

(Commission  
File Number)

(IRS Employer  
Identification No.)

**601 Union Street, Suite 4616, Seattle WA**

**98101**

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code (206) 395-4152

(Former name or former address, if changed since last report.)

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 1 4a- 12 under the Exchange Act (17 CFR 240.1 4a- 12)
- Pre-commencement communications pursuant to Rule 1 4d-2(b) under the Exchange Act (17 CFR 240.1 4d-2(b))
- Pre-commencement communications pursuant to Rule 1 3e-4(c) under the Exchange Act (17 CFR 240.1 3e-4(c))

**Item 2.02. Results of Operations and Financial Condition.**

On August 13, 2015, ModSys International Ltd. “Modern Systems” (the “Registrant”) posted an earnings release to the investor relations page of its website (www.modernsystems.com) announcing its results of operations for its fiscal quarter ended June 30, 2015. A copy of the earnings release concerning the foregoing results is furnished herewith as Exhibit 99.1 and is incorporated herein by reference.

The Registrant is furnishing the information contained in this Report, including Exhibit 99.1, pursuant to Item 2.02 of Form 8-K promulgated by the Securities and Exchange Commission (the “SEC”). This information shall not be deemed to be “filed” with the SEC or incorporated by reference into any other filing with the SEC unless otherwise expressly stated in such filing. In addition, this Report and the press release contain statements intended as “forward-looking statements” that are subject to the cautionary statements about forward-looking statements set forth in the press release.

**Item 5.02 - Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers**

On August 13, 2015, the Company announced that Rick Oppedisano, Vice President of Marketing, will leave the company effective September 29, 2015.

**Section 9 - Financial Statements and Exhibits****Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits.

99.1 Press Release, dated August 13, 2015, entitled “ Modern Systems Reports Second Quarter 2015 Results”

**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.

MODSYS INTERNATIONAL LTD.  
(Registrant)

Date August 13, 2015

By /s/ Rick Rinaldo  
Rick Rinaldo  
CFO

<b>Exhibit Number</b>	<b>Description</b>
99.1	Press Release, dated August 13, 2015, entitled "Modern Systems Reports Second Quarter 2015 Results"

## Exhibit 99.1

**Modern Systems Reports Second Quarter 2015 Results**

Thursday, August 13, 2015

**SEATTLE, Washington** — August 13, 2015 — ModSys International Ltd. “Modern Systems” (NASDAQ: MDSY) today announced second quarter financial results for 2015 with revenue of \$3.3 million and operating loss of (\$123 thousand).

Revenue was \$3.3 million an improvement of 77% to prior year and 46% to first quarter. On a Non-GAAP basis, the operating profit was \$239,000 or \$0.01 earnings per share which is favorable to both prior year and prior quarter.

Matt Bell, Chief Executive Office and President, commented, “For the second quarter in a row, we are excited to report positive results. We had revenue of \$3.3 million and a reduction in operating expenses. We have a good pipeline of deals and we are aggressively working to make 2015 a year of noticeable improvement. Additionally, the Board of Directors has formed a Special Committee to explore strategic alternatives to enhance shareholder value. We believe there are compelling opportunities for Modern Systems and that now is the right time to explore those opportunities.”

Modern Systems also announced today, that Rick Oppedisano, the Company’s Vice President of Marketing, will leave the company September 29, 2015. “On behalf of the entire company, we would like to thank Rick for his passion and dedication in building our brand and reestablishing Modern Systems as a leader for legacy modernization,.” said Mr. Bell.

Modern Systems will go over the following numbers during the quarterly conference call today at 4:30PM Eastern Daylight Savings Time. The call can be accessed by dialing 1-888-455-2263 within the United States, or via local US number 1-719-457-2727 if calling internationally, approximately five minutes prior to its scheduled commencement. The participant code for the call is 7057238. See related 8-K and 10-Q filings for additional details.

<b>GAAP Results (in thousands US\$)</b>	<b>Q2 2015</b>	<b>Q1 2015</b>	<b>Q2 2014</b>
Revenue	3,327	2,286	1,881
Operating loss	(123)	(1,374)	(797)
Net loss attributable to ModSys International Ltd. Shareholders	(108)	(1,379)	(751)
Loss per share, basic and diluted	\$ (0.01)	\$ (0.08)	\$ (0.07)

  

<b>Non-GAAP Results (in thousands US\$)</b>	<b>Q2 2015</b>	<b>Q1 2015</b>	<b>Q2 2014</b>
Revenue	3,327	2,286	1,881
Operating profit (loss)	239	(973)	(595)
Net income (loss) attributable to ModSys International Ltd. Shareholders	254	(978)	(568)
Earnings (loss) per share, basic and diluted	\$ 0.01	\$ (0.05)	\$ (0.05)

**Non-GAAP financial measures**

The release includes non-GAAP diluted earnings (loss) per share and other non-GAAP financial measures, including non-GAAP operating income (loss) and non-GAAP net income (loss). These non-GAAP measures exclude the following items:

- Amortization of intangible assets;
- Stock-based compensation; and
- Revaluation of derivatives.

The presentation of these non-GAAP financial measures should be considered in addition to Modern Systems' GAAP results and is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with GAAP. Modern Systems' management believes that these non-GAAP financial measures provide meaningful supplemental information regarding its performance by excluding certain charges and gains that may not be indicative of Modern Systems' core business operating results. Modern Systems believes that both management and investors benefit from referring to these non-GAAP financial measures in assessing Modern Systems' performance. These non-GAAP financial measures also facilitate comparisons to Modern Systems' historical performance. Modern Systems includes these non-GAAP financial measures because management believes they are useful to investors in allowing for greater transparency with respect to supplemental information used by management in its financial and operational decision-making. Non-GAAP measures are reconciled to comparable GAAP measures in the table entitled "Unaudited Reconciliation of GAAP to Non-GAAP Results."

**About Modern Systems**

ModSys International Ltd. ("Modern Systems") (NASDAQ: MDSY) is a legacy platform modernization provider. The Modern Systems portfolio includes a comprehensive suite of tools and services for automated database and application migration. Leveraging over 20 years of best-practice domain expertise, Modern Systems works closely with its customers to minimize risk and provide a clear path from legacy platforms like COBOL, Natural/Adabas and others to modern solutions like SQL, DB2, Java and more. Modern Systems' customers come from diverse industries and vertical markets such as automotive, banking and financial services, insurance, manufacturing, and retail. Modern Systems has seven offices throughout the United States, the United Kingdom, Italy, Romania, and Israel. Unless the context requires otherwise, all references in this press release to "we," "our," "us," "the Company," and "Modern Systems" refer to ModSys International Ltd. and its subsidiaries.

**Cautionary Statement Regarding Forward-Looking Statements**

Certain statements contained in this release may be deemed forward-looking statements within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995 and other Federal Securities laws. You can identify these and other forward-looking statements by the use of words such as "may," "will," "plans," "believes," "estimates," "expects," "predicts," "intends," the negative of such terms, or other comparable terminology. Because such statements deal with future events, plans, projections, or future performance of the Company, they are subject to various risks and uncertainties that could cause actual results to differ materially from the Company's current expectations. These risks and uncertainties include but are not limited to: the effects of the global economic and financial trends; market demand for the Company's products; successful implementation of the Company's products; changes in the competitive landscape, including new competitors or the impact of competitive pricing and products; and such other risks and uncertainties as identified in Modern Systems' most recent Quarterly Report on Form 10-Q and other reports filed by it with the SEC. Except as otherwise required by law, Modern Systems undertakes no obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events. This press release is also available at [www.modernsystems.com](http://www.modernsystems.com). All names and trademarks are their owners' property.

Company Contact:  
Rick Rinaldo, CFO  
Modern Systems  
[www.modernsystems.com](http://www.modernsystems.com)  
[rrinaldo@modernsystems.com](mailto:rrinaldo@modernsystems.com)

**ModSys International Ltd.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(In thousands)

	<u>June 30, 2015</u>	<u>December 31, 2014</u>
	<u>Unaudited</u>	<u>Audited</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 760	\$ 449
Restricted cash	4	8
Trade accounts receivable, net	3,217	2,479
Other current assets	302	176
<b>Total current assets</b>	<u>4,283</u>	<u>3,112</u>
<b>LONG-TERM ASSETS:</b>		
Property and equipment, net	275	321
Goodwill	25,803	25,803
Intangible assets and others, net	5,079	5,587
<b>Total long-term assets</b>	<u>31,157</u>	<u>31,711</u>
<b>Total assets</b>	<u>\$ 35,440</u>	<u>\$ 34,823</u>
<b>LIABILITIES AND EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Short-term bank credit and others	\$ 2,802	\$ 1,269
Trade accounts payable	1,508	1,230
Deferred revenue	531	546
Other current liabilities	875	989
<b>Total current liabilities</b>	<u>5,716</u>	<u>4,034</u>
<b>LONG-TERM LIABILITIES:</b>		
Accrued severance pay, net	243	229
Loans from others	114	114
Other non-current liabilities	255	40
<b>Total long-term liabilities</b>	<u>612</u>	<u>383</u>
<b>Total Equity</b>	<u>29,112</u>	<u>30,406</u>
<b>Total liabilities and equity</b>	<u>\$ 35,440</u>	<u>\$ 34,823</u>

**ModSys International Ltd.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(In thousands, except per share data)

	<b>Three months ended</b>		<b>Six months ended</b>	
	<b>June 30,</b>		<b>June 30,</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>Unaudited</b>		<b>Unaudited</b>	
Revenue	\$ 3,327	\$ 1,881	\$ 5,613	\$ 3,752
Cost of revenue	1,663	1,029	3,363	2,011
Gross profit	1,664	852	2,250	1,741
Research and development costs	360	191	746	525
Selling, general and administrative expenses	1,173	1,458	2,493	2,873
Amortization of intangible assets	254	-	508	-
Total operating expenses	1,787	1,649	3,747	3,398
Operating loss	<b>(123)</b>	<b>(797)</b>	<b>(1,497)</b>	<b>(1,657)</b>
Financial income (expense), net	9	6	(38)	35
Loss before taxes on income	(114)	(791)	(1,535)	(1,622)
Taxes on income	1	-	14	18
Net loss	(115)	(791)	(1,549)	(1,640)
Less: Net income (loss) attributable to non-controlling interest	(7)	(40)	(62)	35
Net loss attributable to ModSys International Ltd. shareholders	<b>\$ (108)</b>	<b>\$ (751)</b>	<b>\$ (1,487)</b>	<b>\$ (1,675)</b>
<b>Loss per share - basic and diluted:</b>				
Attributable to the shareholders	\$ (0.01)	\$ (0.07)	\$ (0.08)	\$ (0.15)
Weighted average shares outstanding, basic and diluted	17,890	11,453	17,877	11,435



**UNAUDITED RECONCILIATION OF GAAP TO NON-GAAP RESULTS**  
(In thousands, except per share data)

	Three months ended		Six months ended	
	June 30,		June 30,	
	2015	2014	2015	2014
	<u>Unaudited</u>		<u>Unaudited</u>	
<b>GAAP gross profit</b>	\$ 1,664	\$ 852	\$ 2,250	\$ 1,741
Amortization of intangible assets	-	-	-	-
<b>Non-GAAP gross profit</b>	<u>\$ 1,664</u>	<u>\$ 852</u>	<u>\$ 2,250</u>	<u>\$ 1,741</u>
<b>GAAP operating loss</b>	\$ (123)	\$ (797)	\$ (1,497)	\$ (1,657)
Amortization of intangible assets	254	-	508	-
Stock-based compensation	108	202	255	386
<b>Non-GAAP operating profit (loss)</b>	<u>\$ 239</u>	<u>\$ (595)</u>	<u>\$ (734)</u>	<u>\$ (1,271)</u>
<b>GAAP net loss attributable to ModSys International Ltd. shareholders</b>	\$ (108)	\$ (751)	\$ (1,487)	\$ (1,675)
Amortization of intangible assets	254	-	508	-
Stock-based compensation	108	202	255	386
Revaluation of derivatives	-	(19)	-	(45)
<b>Non-GAAP net income (loss) attributable to ModSys International Ltd. shareholders</b>	<u>\$ 254</u>	<u>\$ (568)</u>	<u>\$ (724)</u>	<u>\$ (1,334)</u>
Weighted average shares outstanding				
Basic	17,890	11,453	17,877	11,435
Diluted	18,003	11,453	17,877	11,435
<b>Non - GAAP Income (loss) per share</b>				
Basic	<u>\$ 0.01</u>	<u>\$ (0.05)</u>	<u>\$ (0.04)</u>	<u>\$ (0.12)</u>
Diluted	<u>\$ 0.01</u>	<u>\$ (0.05)</u>	<u>\$ (0.04)</u>	<u>\$ (0.12)</u>

**ModSys International Ltd.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(In thousands)

	<b>Three months ended</b>		<b>Six months ended</b>	
	<b>June 30,</b>		<b>June 30,</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>Unaudited</b>		<b>Unaudited</b>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Net loss	\$ (115)	\$ (791)	\$ (1,549)	\$ (1,640)
Adjustments to reconcile net loss to net cash used in operating activities:				
Depreciation and amortization	275	16	555	54
Decrease in accrued severance pay, net	15	(9)	14	(23)
Stock-based compensation	108	203	255	385
Change in fair value of derivatives	-	(20)	-	(45)
Changes in operating assets and liabilities:				
Decrease (increase) in trade receivables	(585)	118	(738)	(391)
Decrease (increase) in other current assets	(63)	(12)	(115)	(60)
Increase (decrease) in trade payables	(95)	2	278	18
Increase (decrease) in other liabilities and deferred revenues	(169)	11	86	(462)
Net cash used in operating activities	<u>(629)</u>	<u>(482)</u>	<u>(1,214)</u>	<u>(2,164)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Purchase of property and equipment	-	(2)	(8)	(41)
Net cash used in investing activities	<u>-</u>	<u>(2)</u>	<u>(8)</u>	<u>(41)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>				
Short term bank credit and others	583	-	1,533	-
Net cash provided by financing activities	<u>583</u>	<u>-</u>	<u>1,533</u>	<u>-</u>
<b>NET CASH INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>				
	(46)	(484)	311	(2,205)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<u>806</u>	<u>871</u>	<u>449</u>	<u>2,592</u>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<u>\$ 760</u>	<u>\$ 387</u>	<u>\$ 760</u>	<u>\$ 387</u>