

Submission Data File

General Information	
Form Type*	8-K
Subject-Company File Number	
Subject-Company CIK	
Subject-Company Name	
Subject-Company IRS Number	
Contact Name	Edgar Agents, LLC
Contact Phone	732-780-5036
Filer File Number	
Filer CIK*	0001029581 (Modsys International Ltd)
Filer CCC*	*****
Confirming Copy	No
Notify via Website only	No
Return Copy	No
Group Name	
Items*	2.02 Results of Operations and Financial Condition 9.01 Financial Statements and Exhibits
SROS*	NASD
Depositor CIK	
Depositor 33 File Number	
Fiscal Year	
Item Submission Type	
Period*	11-16-2015
ABS Asset Class Type	
ABS Sub Asset Class Type	
Sponsor CIK	
(End General Information)	

Document Information	
File Count*	2
Document Name 1*	f8k111315_modsysinternation.htm
Document Type 1*	8-K
Document Description 1	Current Report
Document Name 2*	f8k011315ex99i_modsysinter.htm
Document Type 2*	EX-99.1
Document Description 2	Press Release, dated November 16, 2015
(End Document Information)	

**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) November 16, 2015

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

<u>ISRAEL</u> (State or other jurisdiction of incorporation)	<u>333-06208</u> (Commission File Number)	<u>N/A</u> (IRS Employer Identification No.)
<u>601 Union Street, Suite 4616, Seattle WA</u> (Address of principal executive offices)		<u>98101</u> (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 November 16, 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 September 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.

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

(d) Exhibits.

Exhibit Number	Description
99.1	Press Release, dated November 16, 2015, entitled “Modern Systems Reports Third 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 November 16, 2015

By /s/ Rick Rinaldo

Rick Rinaldo
CFO

Exhibit Number**Description**

99.1

Press Release, dated November 16, 2015, entitled "Modern Systems Reports Third Quarter 2015 Results"

Exhibit 99.1

Modern Systems Reports Third Quarter 2015 Results

Monday, November 16, 2015

SEATTLE, Washington — November 16, 2015 — ModSys International Ltd. “Modern Systems” (NASDAQ: MDSY) today reported third quarter financial results for 2015 with revenue of \$2.1 million and operating loss of (\$1.2 million).

Revenue was \$2.1 million a 29% increase compared to revenue of \$1.6 million in Q3 2014. On a Non-GAAP basis, the operating loss was (\$820,000) or (\$0.05) loss per share which is favorable to Q3 2014.

See related 10-Q filing for additional details.

Modern Systems will go over the following numbers during the quarterly conference call, Tuesday, November 17, 2015, at 4:30PM Eastern Daylight Savings Time. The call can be accessed by dialing 1-888-401-4668 within the United States, or via local US number 1-719-325-2452 if calling internationally, approximately five minutes prior to its scheduled commencement. The conference ID for the call is 5336488.

GAAP Results (in thousands US\$)	Q3 2015	Q2 2015	Q3 2014
Revenue	2,057	3,327	1,594
Operating loss	(1,163)	(123)	(895)
Net loss attributable to ModSys International Ltd. Shareholders	(1,187)	(108)	(778)
Loss per share, basic and diluted	\$ (0.07)	\$ (0.01)	\$ (0.07)

Non-GAAP Results (in thousands US\$)	Q3 2015	Q2 2015	Q3 2014
Revenue	2,057	3,327	1,594
Operating loss	(820)	239	(729)
Net loss attributable to ModSys International Ltd. Shareholders	(844)	254	(660)
Loss per share, basic and diluted	\$ (0.05)	\$ 0.01	\$ (0.06)

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. All names and trademarks are their owners' property.

Company Contact:
Rick Rinaldo, CFO
Modern Systems
www.modernsystems.com
rrinaldo@modernsystems.com

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

	September 30, 2015	December 31, 2014
	Unaudited	Audited
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 697	\$ 449
Restricted cash	4	8
Trade accounts receivable, net	2,411	2,479
Other current assets	228	176
Total current assets	3,340	3,112
LONG-TERM ASSETS:		
Property and equipment, net	255	321
Goodwill	25,803	25,803
Intangible assets and others, net	4,825	5,587
Total long-term assets	30,883	31,711
TOTAL ASSETS	\$ 34,223	\$ 34,823
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Short-term bank credit and others	\$ 3,114	\$ 1,269
Trade accounts payable	1,310	1,230
Deferred revenue	454	546
Other current liabilities	803	989
Total current liabilities	5,681	4,034
LONG-TERM LIABILITIES:		
Accrued severance pay, net	236	229
Loans from others	68	114
Other non-current liabilities	252	40
Total long-term liabilities	556	383
TOTAL EQUITY	27,986	30,406
TOTAL LIABILITIES AND EQUITY	\$ 34,223	\$ 34,823

The accompanying notes are an integral part of the condensed consolidated financial statements.

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

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2015	2014	2015	2014
	<u>Unaudited</u>		<u>Unaudited</u>	
Revenue	\$ 2,057	\$ 1,594	\$ 7,670	\$ 5,346
Cost of revenue	1,325	1,042	4,688	3,053
Gross profit	732	552	2,982	2,293
Research and development costs	361	168	1,107	693
Selling, general and administrative expenses	1,280	1,279	3,773	4,152
Amortization of intangible assets	254	-	762	-
Total operating expenses	1,895	1,447	5,642	4,845
Operating loss	(1,163)	(895)	(2,660)	(2,552)
Financial income (expense), net	(46)	58	(84)	93
Loss before taxes on income	(1,209)	(837)	(2,744)	(2,459)
Taxes on income	6	11	20	29
Net loss	(1,215)	(848)	(2,764)	(2,488)
Less: Net loss attributable to non-controlling interest	(28)	(70)	(90)	(35)
Net loss attributable to ModSys International Ltd. shareholders	\$ (1,187)	\$ (778)	\$ (2,674)	\$ (2,453)
Loss per share - basic and diluted:				
Attributable to the shareholders	\$ (0.07)	\$ (0.07)	\$ (0.15)	\$ (0.21)
Weighted average shares outstanding, basic and diluted	17,906	11,497	17,886	11,460

The accompanying notes are an integral part of the condensed consolidated financial statements.

ModSys International Ltd.
UNAUDITED RECONCILIATION OF GAAP TO NON-GAAP RESULTS
(In thousands, except per share data)

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2015	2014	2015	2014
	Unaudited		Unaudited	
GAAP gross profit	\$ 732	\$ 552	\$ 2,982	\$ 2,293
	-	-	-	-
Non-GAAP gross profit	<u>\$ 732</u>	<u>\$ 552</u>	<u>\$ 2,982</u>	<u>\$ 2,293</u>
GAAP operating loss	\$ (1,163)	\$ (895)	\$ (2,660)	\$ (2,552)
Amortization of intangible assets	254	-	762	-
Stock-based compensation	89	166	344	552
Non-GAAP operating loss	<u>\$ (820)</u>	<u>\$ (729)</u>	<u>\$ (1,554)</u>	<u>\$ (2,000)</u>
GAAP net loss attributable to ModSys International Ltd. shareholders	\$ (1,187)	\$ (778)	\$ (2,674)	\$ (2,453)
Amortization of intangible assets	254	-	762	-
Stock-based compensation	89	166	344	552
Revaluation of derivatives	-	(48)	-	(94)
Non-GAAP net loss attributable to ModSys International Ltd. shareholders	<u>\$ (844)</u>	<u>\$ (660)</u>	<u>\$ (1,568)</u>	<u>\$ (1,995)</u>
Weighted average shares outstanding				
Basic and Diluted	17,906	11,497	17,886	11,460
Non - GAAP loss per share				
Basic and Diluted	<u>\$ (0.05)</u>	<u>\$ (0.06)</u>	<u>\$ (0.09)</u>	<u>\$ (0.17)</u>

The accompanying notes are an integral part of the condensed consolidated financial statements.

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

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2015	2014	2015	2014
	Unaudited		Unaudited	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net loss	\$ (1,215)	\$ (848)	\$ (2,764)	\$ (2,488)
Adjustments to reconcile net loss to net cash used in operating activities:				
Depreciation and amortization	277	18	832	68
Increase (decrease) in accrued severance pay, net	(7)	(12)	7	(35)
Stock-based compensation	89	166	344	552
Change in fair value of derivatives	-	(48)	-	(93)
Changes in operating assets and liabilities:				
Decrease (increase) in trade receivables	806	(50)	68	(441)
Decrease (increase) in other current assets	74	64	(41)	4
Increase (decrease) in trade payables	(198)	193	80	211
Decrease in other liabilities and deferred revenues	(152)	(165)	(66)	(628)
Net cash used in operating activities	(326)	(682)	(1,540)	(2,850)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of property and equipment	(3)	(5)	(11)	(42)
Net cash used in investing activities	(3)	(5)	(11)	(42)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Short term bank credit	312	571	1,845	571
Repayment of long term loan	(46)	(48)	(46)	(48)
Net cash provided by financing activities	266	523	1,799	523
NET CASH INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS				
	(63)	(164)	248	(2,369)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	760	387	449	2,592
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>\$ 697</u>	<u>\$ 223</u>	<u>\$ 697</u>	<u>\$ 223</u>

The accompanying notes are an integral part of the condensed consolidated financial statements.