

**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) May 14, 2015

MODSYS INTERNATIONAL LTD.

(Exact name of registrant as specified in its charter)

ISRAEL (State or other jurisdiction of incorporation)	333-06208 (Commission File Number)	N/A (IRS Employer Identification No.)
601 Union Street, Suite 4616, Seattle WA (Address of principal executive offices)		98101 (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 May 14, 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 March 31, 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.

99.1 Press Release, dated May 14, 2015, entitled "ModSys International Ltd. "Modern Systems" Reports First 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 May 14, 2015

By

Rick Rinaldo
CFO

Exhibit Number	Description
99.1	Press Release, dated May 14, 2015, entitled "ModSys International Ltd. "Modern Systems" Reports First Quarter 2015 Results"

Exhibit 99.1**ModSys International Ltd. “Modern Systems” Reports First Quarter 2015 Results**

Thursday, May 14, 2015

SEATTLE, Washington — May 14, 2015 — ModSys International Ltd. “Modern Systems” (NASDAQ: MDSY) today announced first quarter financial results for 2015 with revenue of \$2.3 million and operating loss of (\$1.4 million).

Revenue was \$2.3 million an improvement of over 20% to both Q1 2014 and Q4 2014. On a Non-GAAP basis, the Loss per Share in the quarter was (\$0.05) which is favorable to both Q1 2014 and Q4 2014.

Matt Bell, Chief Executive Office and President, commented, “We are excited to report positive results in our Q1 2015 numbers where revenue grew, we decreased operating expenses as reported on a non-GAAP basis, and our cash flow improved. This quarter we have also seen positive changes with our investments in sales and marketing which resulted in a bigger pipeline and we signed several new customers.”

See related 8-K and 10-Q filings for additional details.

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 1-888-572-7025 within the United States, or via local US number 1-719-457-2664 if calling internationally, approximately five minutes prior to its scheduled commencement. The participant code for the call is 1957833.

GAAP Results (in thousands US\$)	Q1 2015	Q4 2014	Q1 2014
Revenue	2,286	1,894	1,871
Operating profit (loss)	(1,374)	(1,260)	(860)
Net loss attributable to ModSys International Ltd. Shareholders	(1,379)	(942)	(923)
Loss per share, diluted	\$ (0.08)	\$ (0.07)	\$ (0.08)
Non-GAAP Results (in thousands US\$)	Q1 2015	Q4 2014	Q1 2014
Revenue	2,286	1,894	1,871
Operating loss	(973)	(1,085)	(678)
Net loss attributable to ModSys International Ltd. Shareholders	(978)	(823)	(767)
Loss per share, diluted	\$ (0.05)	\$ (0.06)	\$ (0.07)

Non-GAAP financial measures

The release includes non-GAAP diluted loss per share and other non-GAAP financial measures, including non-GAAP operating loss and non-GAAP net 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 six offices in 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 Annual Report on Form 10-K 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.comrrinaldo@modernsystems.com

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

	<u>March 31,</u> <u>2015</u>	<u>December 31,</u> <u>2014</u>
	<u>Unaudited</u>	<u>Audited</u>
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 806	\$ 449
Restricted cash	4	8
Trade accounts receivable, net	2,632	2,479
Other current assets	232	176
Total current assets	<u>3,674</u>	<u>3,112</u>
LONG-TERM ASSETS:		
Property and equipment, net	303	321
Goodwill	25,803	25,803
Intangible assets and others, net	5,333	5,587
Total long-term assets	<u>31,439</u>	<u>31,711</u>
Total assets	<u>\$ 35,113</u>	<u>\$ 34,823</u>
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Short-term bank credit and others	\$ 2,219	\$ 1,269
Trade accounts payable	1,603	1,230
Deferred revenue	848	546
Other current liabilities	725	989
Total current liabilities	<u>5,395</u>	<u>4,034</u>
LONG-TERM LIABILITIES:		
Accrued severance pay, net	228	229
Loans from others	114	114
Other non-current liabilities	257	40
Total long-term liabilities	<u>599</u>	<u>383</u>
Total Equity	<u>29,119</u>	<u>30,406</u>
Total liabilities and equity	<u>\$ 35,113</u>	<u>\$ 34,823</u>

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

	Three months ended	
	March 31,	
	2015	2014
	Unaudited	
Revenue	\$ 2,286	\$ 1,871
Cost of revenue	1,700	982
Gross profit	586	889
Research and development costs	386	335
Selling, general and administrative expenses	1,320	1,414
Amortization of intangible assets	254	-
Total operating expenses	1,960	1,749
Operating loss	(1,374)	(860)
Financial income (expense), net	(47)	30
Loss before taxes on income	(1,421)	(830)
Taxes on income	13	18
Net loss	(1,434)	(848)
Less: Net income (loss) attributable to non-controlling interest	(55)	75
Net loss attributable to ModSys International Ltd. shareholders	\$ (1,379)	\$ (923)
Loss per share - basic and diluted:		
Attributable to the shareholders	\$ (0.08)	\$ (0.08)
Weighted average shares outstanding, basic and diluted	17,863	11,416

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

	Three months ended	
	March 31,	
	2015	2014
	Unaudited	
GAAP gross profit	\$ 586	\$ 889
Amortization of intangible assets	-	-
Non-GAAP gross profit	<u>\$ 586</u>	<u>\$ 889</u>
GAAP operating loss	\$ (1,374)	\$ (860)
Amortization of intangible assets	254	-
Stock-based compensation	147	182
Non-GAAP operating loss	<u>\$ (973)</u>	<u>\$ (678)</u>
GAAP net loss attributable to ModSys International Ltd. shareholders	\$ (1,379)	\$ (923)
Amortization of intangible assets	254	-
Stock-based compensation	147	182
Revaluation of derivatives	-	(26)
Non-GAAP net loss attributable to ModSys International Ltd. shareholders	<u>\$ (978)</u>	<u>\$ (767)</u>
Weighted average shares outstanding, basic and diluted	17,863	11,416
Non - GAAP diluted loss per share	<u>\$ (0.05)</u>	<u>\$ (0.07)</u>

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

	Three months ended	
	March 31,	
	2015	2014
	Unaudited	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (1,434)	\$ (848)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	280	38
Decrease in accrued severance pay, net	(1)	(14)
Stock-based compensation	147	182
Change in fair value of derivatives	-	(26)
Changes in operating assets and liabilities:		
Increase in trade receivables	(153)	(509)
Increase in other current assets	(52)	(48)
Increase in trade payables	373	16
Increase (decrease) in other liabilities and deferred revenues	255	(473)
Net cash used in operating activities	(585)	(1,682)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(8)	(39)
Net cash used in investing activities	(8)	(39)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Short term bank credit and others	950	-
Net cash provided by financing activities	950	-
NET CASH INCREASE (DECREASE) IN CASH AND CASH EQUIVALETS	357	(1,721)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	449	2,592
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 806	\$ 871