

ASBURY AUTOMOTIVE GROUP INC  
 Form 4  
 March 17, 2005

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549**

OMB APPROVAL

OMB Number: 3235-0287  
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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
 SLT/TAG Inc.

2. Issuer Name and Ticker or Trading Symbol  
 ASBURY AUTOMOTIVE GROUP INC [NYSE: ABG]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)  
 03/16/2005

\_\_\_\_ Director  
 \_\_\_\_ Officer (give title below)  
 10% Owner  
 \_\_\_\_ Other (specify below)

C/O MORRIS GALEN, TONKEN  
 TORP L.L.P., 1600 PIONEER  
 TOWER, 888 SW FIFTH AVENUE

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

PORTLAND, OR 97204

(City) (State) (Zip)

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
			Code	V	Amount or Price		
Common stock, par value \$0.01 per share	03/16/2005		S		200	D	\$ 15.12 369,700 D
Common stock, par value \$0.01 per share	03/16/2005		S		800	D	\$ 15.19 368,900 D
Common stock, par	03/16/2005		S		500	D	\$ 15.2 368,400 D



b. Income taxes on non-Israeli subsidiaries:

Non-Israeli subsidiaries are taxed according to the tax laws in their respective country of residence. Neither Israeli income taxes, foreign withholding taxes nor deferred income taxes were provided in relation to undistributed earnings of the Company's foreign subsidiaries. This is because the Company has the intent and ability to reinvest these earnings indefinitely in the foreign subsidiaries and therefore those earnings are continually redeployed in those jurisdictions. As at December 31, 2012, the amount of undistributed earnings of non-Israeli subsidiaries which is considered indefinitely reinvested was \$ 209,000 with a corresponding unrecognized deferred tax liability of \$ 42,700. If these earnings were distributed to Israel in the form of dividends or otherwise, the Company would be subject to additional Israeli income taxes (subject to an adjustment for foreign tax credits) and foreign withholding taxes.

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## NICE SYSTEMS LTD. AND ITS SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands (except share and per share data)

## NOTE 13:- TAXES ON INCOME (Cont.)

## c. Net operating loss carryforward:

As of December 31, 2012, certain subsidiaries had tax loss carry-forwards totaling approximately \$ 126,000 which can be carried forward and offset against taxable income with expiration dates ranging from 2013 and onwards. Approximately \$ 92,000 of these carry-forward tax losses have no expiration date. The balance expires between 2013 and 2029.

Utilization of U.S. net operating losses may be subject to substantial annual limitation due to the "change in ownership" provisions of the Internal Revenue Code of 1986 and similar state provisions. The annual limitation may result in the expiration of net operating losses increasing taxes before utilization.

## d. Deferred tax assets and liabilities:

Deferred taxes reflect the net tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts recorded for tax purposes. Significant components of the Company's deferred tax assets and liabilities are as follows:

	December 31,	
	2012	2011
Deferred tax assets:		
Net operating losses carryforward *)	\$ 27,606	\$ 30,164
Acquired intangibles	275	1,573
Share based payments	7,655	7,037
Reserves, allowances and other	9,727	8,400
Deferred tax assets before valuation allowance	45,263	47,174
Valuation allowance	(14,667 )	(19,987 )
Deferred tax assets	30,596	27,187
Deferred tax liabilities:		
Acquired intangibles	(68,795 )	(39,742 )
Deferred tax liabilities, net	\$ (38,199 )	\$ (12,555 )

\*) Including deferred taxes on losses for US income tax purposes as of December 31, 2012 and 2011, derived from the exercise of employee stock options in the amount of \$ 9,600 and \$ 9,300, respectively. The benefit derived from the exercise of employee stock options was not recorded through additional paid in capital as required under ASC 718 since a full valuation allowance was provided in this respect. As a result, there is no impact on the Company's shareholders' equity and on the deferred taxes for each of the years presented.

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## NICE SYSTEMS LTD. AND ITS SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands (except share and per share data)

## NOTE 13:- TAXES ON INCOME (Cont.)

	December 31,	
	2012	2011
Current deferred tax assets	\$ 15,564	\$ 10,405
Long-term deferred tax assets	4,615	5,066
Current deferred tax liabilities	(37 )	(260 )
Long-term deferred tax liabilities	(58,341 )	(27,766 )
Deferred tax liabilities, net	\$ (38,199 )	\$ (12,555 )

Long-term deferred tax assets are included within other long-term assets in the balance sheets. Current deferred tax liabilities are included within accrued expenses and other liabilities in the balance sheets.

The Company has provided valuation allowances in respect of certain deferred tax assets resulting from tax loss carry forwards and other reserves and allowances due to uncertainty concerning realization of these deferred tax assets.

- e. A reconciliation of the Company's effective tax rate to the statutory tax rate in Israel is as follows:

	Year ended December 31,					
	2012		2011		2010	
Income before taxes on income, as reported in the consolidated statements of income	\$	53,900	\$	69,649	\$	58,237
Statutory tax rate in Israel		25 %		24 %		25 %
Approved and Privileged Enterprise benefits *)		(11.6 )%		(12.8 )%		(7.7 )%
Changes in valuation allowance		(7.0 )%		(0.5 )%		(2.5 )%
Earnings taxed under foreign law		(17.4 )%		(0.4 )%		(5.7 )%
Tax Settlements and other adjustments of prior year provisions		(17.3 )%		7.1 %		4.3 %
Other		2.3 %		0.4 %		3.0 %
Effective tax rate		(26.0 )%		17.8 %		16.4 %
*) Net earnings per ordinary share - amounts of the benefit resulting from the "Approved and Privileged Enterprise" status						
Basic	\$	0.10	\$	0.10	\$	0.09
Diluted	\$	0.10	\$	0.10	\$	0.09

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## NICE SYSTEMS LTD. AND ITS SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands (except share and per share data)

NOTE 13:-

## TAXES ON INCOME (Cont.)

f. Income before taxes on income is comprised as follows:

	Year ended December 31,		
	2012	2011	2010
Domestic	\$ 67,559	\$ 46,858	\$ 38,608
Foreign	(13,659 )	22,791	19,629
	\$ 53,900	\$ 69,649	\$ 58,237

g. Taxes on income are comprised as follows:

	Year ended December 31,		
	2012	2011	2010
Current	\$ 10,250	\$ 21,136	\$ 14,443
Deferred	(24,244 )	(8,750 )	(4,913 )
	\$ (13,994 )	\$ 12,386	\$ 9,530
Domestic	\$ 16,856	\$ 5,764	\$ 4,384
Foreign	(30,850 )	6,622	5,146
	\$ (13,994 )	\$ 12,386	\$ 9,530

Of which:

	Year ended December 31,		
	2012	2011	2010
Domestic Taxes			
Current	\$ 17,933	\$ 8,097	\$ 4,872
Deferred	(1,077 )	(2,333 )	(488 )
	\$ 16,856	\$ 5,764	\$ 4,384
Foreign Taxes			
Current	\$ (7,749 )	\$ 13,039	\$ 9,571
Deferred	(23,101 )	(6,417 )	(4,425 )
	\$ (30,850 )	\$ 6,622	\$ 5,146



Taxes on income	\$ (13,994 )	\$ 12,386	\$ 9,530
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## NICE SYSTEMS LTD. AND ITS SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands (except share and per share data)

## NOTE 13:- TAXES ON INCOME (Cont.)

## h. Uncertain tax positions:

A reconciliation of the beginning and ending balances of the total amounts of unrecognized tax benefits is as follows:

	December 31,	
	2012	2011
Uncertain tax positions, beginning of year	\$ 43,435	\$ 36,029
Increases in tax positions for prior years	-	936
Decreases in tax positions for prior years	(3,147 )	-
Increases in tax positions for current year	6,046	7,448
Settlements	(8,369 )	(978 )
Uncertain tax positions, end of year	\$ 37,965	\$ 43,435

Unrecognized tax benefits included \$ 37,804 of tax benefits, which if recognized, would reduce the Company's annual effective tax rate. The Company has further accrued \$ 4,107 due to interest related to uncertain tax positions as of December 31, 2012.

During 2012, prior tax years in Israel, the U.S. and the United Kingdom were closed by way of the expiration of the statute of limitations and settlements reached with those tax authorities through routine tax audits. The Company is currently in the process of routine Israeli income tax audits for the tax years 2006 through 2011. As of December 31, 2012, the Company is still subject to further Israeli income tax audits for the tax year of 2012, to U.S. federal income tax audits for the tax years of 2010 through 2012 and to other income tax audits for the tax years of 2007 through 2012.

## NOTE 14:- SHAREHOLDERS' EQUITY

a. The ordinary shares of the Company are traded on the Tel-Aviv Stock Exchange and its American Depositary Shares ("ADS's") are traded on NASDAQ.

## b. Share option plans:

In 2003, the Company adopted the 2003 Stock Option Plan ("the 2003 Option Plan"). Under the 2003 Option Plan, employees and officers of the Company may be granted options to acquire ordinary shares. The options to acquire ordinary shares are granted at an exercise price of not less than the fair market value of the ordinary shares on the grant date, subject to certain exceptions, which may be determined by the Company's Board of Directors. Generally, under the terms of the 2003 Option Plan, 25% of the stock options granted become exercisable on the first anniversary of the date of grant and 6.25% become exercisable once every quarter during the subsequent three years. Stock options expire six years after the date of grant.

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## NICE SYSTEMS LTD. AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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U.S. dollars in thousands (except share and per share data)

## NOTE 14:- SHAREHOLDERS' EQUITY

Pursuant to the terms of the acquisitions of Actimize Ltd., Orsus Solutions Ltd, e-Glue Software Technologies Inc., Fizzback and Merced the Company assumed or replaced unvested options, Restricted Stock Awards ("RSA's") and Restricted Stock Units ("RSU's") and converted them into NICE options, RSA's and RSU's, based on the agreed exchange ratio. Each assumed option, RSA and RSU is subject to the same terms and conditions, including vesting and timing of exercisability, as applied to any such option, RSA and RSU immediately prior to the acquisition.

In June 2008, the Company adopted the 2008 Share Incentive Plan ("the 2008 Plan"), to provide incentives to employees, directors, consultants and/or contractors by rewarding performance and encouraging behavior that will improve the Company's profitability. Under the 2008 Plan, the Company's employees, directors, consultants and/or contractors may be granted any equity-related award, including any type of an option to acquire the Company's ordinary shares and/or share appreciation right and/or share and/or restricted share and/or restricted share unit and/or other share unit and/or other share-based award and/or other right or benefit under the 2008 Plan (each an "Award"). The options to acquire ordinary shares are granted at an exercise price of not less than the fair market value of the ordinary shares on the date of the grant, subject to certain exceptions which may be determined by the Company's Board of Directors, including in some cases options granted with an exercise price at par value. Further, in case the Company distributes cash dividends the exercise price for each option outstanding prior to the distribution shall be reduced by an amount equal to the gross amount of the dividend per share distributed.

Generally, under the terms of the 2008 Plan, 25% of an Award granted become exercisable on the first anniversary of the date of grant and 6.25% become exercisable once every quarter during the subsequent three years. Specifically with respect to restricted share units and par value options, unless determined otherwise by the Board of Directors, 25% of the restricted share units granted become vested on each of the four consecutive annual anniversaries following the date of grant. Awards with a vesting period expire six years after the date of grant. The 2008 Plan provides that the maximum number of shares that may be subject to Awards granted under the 2008 Plan shall be an amount per calendar year, equal to 3.5% of the Company's issued and outstanding share capital as of December 31 of the preceding calendar year. Such amount is reset for each calendar year.

In December 2010, the Company amended the 2008 Plan, such that: (i) options are granted at an exercise price equal to the average of the closing prices of one ordinary share, as quoted on the NASDAQ market, during the 30 consecutive calendar days preceding the date of grant, unless determined otherwise by the administrator of the 2008 Plan (including in some cases options granted with an exercise price equal to the nominal value of an ordinary share), and (ii) options granted with an exercise price equal to the nominal value of an ordinary share shall have a vesting schedule identical to that of restricted share units, as indicated above.

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## NICE SYSTEMS LTD. AND ITS SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands (except share and per share data)

## NOTE 14:- SHAREHOLDERS' EQUITY (Cont.)

The fair value of the Company's stock options granted to employees and directors for the years ended December 31, 2012, 2011 and 2010 was estimated using the following assumptions:

	2012	2011	2010
Expected volatility	27.8%-34.8 %	34.3%-43.8 %	42.8%-48.4 %
Weighted average volatility	29.4 %	43.02 %	43.7 %
Risk free interest rate	0.4%-0.5 %	0.2%-1.3 %	0.8%-1.8 %
Expected dividend	0 %	0 %	0 %
Expected term (in years)	3.3	2.5-3.7	2.5-3.7

A summary of the Company's stock options activity and related information for the year ended December 31, 2012, is as follows:

	Number of options	Weighted-average exercise price	Weighted-average remaining contractual term (in years)	Aggregate intrinsic value
Outstanding at January 1, 2012	4,983,541	\$ 22.01	4.09	\$ 62,049
Granted	1,243,501			
Assumed	201,488			
Exercised	(1,333,909)			
Forfeited	(512,658 )			
Cancelled	(43,950 )			
Outstanding at December 31, 2012	4,538,013	21.53	4.31	54,231
Exercisable at December 31, 2012	1,802,460	24.82	3.18	15,612

The weighted-average grant-date fair value of options granted during the years 2012, 2011 and 2010 was \$ 16.09, \$ 17.99 and \$ 14.58, respectively.

The total intrinsic value of options exercised during the years 2012, 2011 and 2010 was \$ 18,072, \$ 19,295 and \$ 15,294, respectively.



## NICE SYSTEMS LTD. AND ITS SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands (except share and per share data)

## NOTE 14:- SHAREHOLDERS' EQUITY (Cont.)

The options outstanding under the Company's stock option plans as of December 31, 2012 have been separated into ranges of exercise price as follows:

Ranges of exercise price	Options outstanding as of December 31, 2012	Weighted average remaining contractual term (Years)	Weighted average exercise price \$	Options exercisable as of December 31, 2012	Weighted average exercise price of options exercisable \$
\$ 0.02	828	0.66	0.02	828	0.02
\$ 0.27	1,161,448	5.12	0.27	210,795	0.27
\$ 0.69	33,490	7.45	0.69	11,453	0.69
\$ 2.89	5,132	2.13	2.89	5,132	2.89
\$ 6.00-6.87	19,964	3.56	6.57	19,964	6.57
\$ 11.4-14.60	66,046	5.83	12.88	48,551	13.20
\$ 17.72-25.01	350,472	3.54	21.37	230,246	22.05
\$ 26.85-35.31	2,900,633	4.02	30.64	1,275,491	30.42
	4,538,013	4.31	21.53	1,802,460	24.82

A summary of the Company's Restricted Stock Awards ("RSA") and the Company's Restricted Stock Units ("RSU") activities and related information for the year ended December 31, 2012, is as follows:

	Number of RSU & RSA	Weighted average exercise price *)
Outstanding at January 1, 2012	525,500	NIS 1
Issued	372,725	NIS 1
Assumed	61,188	NIS 1
Vested	(189,727)	NIS 1
Forfeited	(68,708 )	NIS 1
Outstanding at December 31, 2012	700,978	NIS 1

\*) Weighted average exercise price is NIS 1 (par value) which represents approximately \$ 0.27.

As of December 31, 2012, there was approximately \$ 41,086 of unrecognized compensation expense related to non-vested stock options and restricted stock awards, expected to be recognized up to four years.

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## NICE SYSTEMS LTD. AND ITS SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands (except share and per share data)

## NOTE 14:- SHAREHOLDERS' EQUITY (Cont.)

The total equity-based compensation expense related to all of the Company's equity-based awards, recognized for the years ended December 31, 2012, 2011 and 2010, was comprised as follows:

	Year ended December 31,		
	2012	2011	2010
Cost of revenues	\$ 4,156	\$ 2,922	\$ 2,634
Research and development, net	2,840	2,966	3,650
Selling and marketing	7,981	7,490	5,920
General and administrative	8,635	7,781	8,850
Total stock-based compensation expenses	\$ 23,612	\$ 21,159	\$ 21,054

## c. Employee Stock Purchase Plan:

Eligible employees under the Employee Stock Purchase Plan ("ESPP") can have between 2% to 10% of their earnings withheld, under certain limitations, to be used to purchase ordinary shares. The price of ordinary shares purchased under the ESPP is equal to 95% of the fair market value of the ordinary shares.

During 2012, 2011 and 2010, employees purchased 17,753, 16,582 and 16,537 shares at average prices of \$ 33.73, \$ 33.88 and \$ 26.38 per share, respectively.

## d. Treasury shares:

On February 15, 2011, November 2, 2011 and on October 31, 2012 the board of directors of the Company authorized a program to repurchase up to \$ 100,000 at each time (total of \$ 300,000) of the Company's issued and outstanding ordinary shares and ADRs. Repurchases may be made from time to time in the open market or in privately negotiated transactions and will be in accordance with applicable securities laws and regulations. The timing and amount of the repurchase transactions will be determined by management and may depend on a variety of factors, including market conditions, alternative investment opportunities and other considerations. The program does not obligate the Company to acquire any particular amount of ordinary shares and ADRs and the program may be modified or discontinued at any time without prior notice.

## e. Dividends:

Dividends, if any, will be paid in NIS. Dividends paid to shareholders outside Israel may be converted to dollars on the basis of the exchange rate prevailing at the date of the conversion.



## NICE SYSTEMS LTD. AND ITS SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands (except share and per share data)

## NOTE 14:- SHAREHOLDERS' EQUITY (Cont.)

On February 13, 2013, the Company announced that the board of directors has approved a dividend policy under which the Company intends to pay quarterly cash dividends to holders of its ordinary shares and ADRs subject to declaration by the board. Under Israeli law, dividends may be paid only out of profits and other surplus (as defined in the law) as of the most recent financial statements or as accrued over a period of two years, whichever is higher, provided that there is no reasonable concern that the dividend distribution will prevent the Company from meeting its existing and foreseeable obligations as they come due. Historically, the Company has not declared or paid cash dividends on its ordinary shares.

## NOTE 15:- REPORTABLE SEGMENTS AND GEOGRAPHICAL INFORMATION

## a. Reportable segments:

The Company operates in three operation-based segments: Customer Interactions Solutions, Security Solutions and Financial Crime and Compliance Solutions and these three segments comprise its reporting units.

Each of the operational segments is overseen by their respective segment managers. The segment managers report directly to the Chief Operating Decision Maker ("CODM") with respect to their operating results.

The Company's segments are engaged in business activities for which they earn revenues and incur expenses, their results are reviewed by the CODM and discrete financial information is available. Certain comparative figures related to the amortization of intangible assets have been reclassified to conform to current year presentation.

The following tables present the financial information of the Company's reportable segments.

	Year ended December 31, 2012				Total
	Customer Interactions Solutions	Security Solutions	Financial Crime and Compliance solutions	Not allocated	
Revenues	\$ 565,993	\$ 185,916	\$ 127,103	\$ -	\$ 879,012
Operating income (loss)	\$ 112,027	\$ 27,645	\$ 3,200	\$ (97,240 )	\$ 45,632

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## NICE SYSTEMS LTD. AND ITS SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands (except share and per share data)

## NOTE 15:- REPORTABLE SEGMENTS AND GEOGRAPHICAL INFORMATION (Cont.)

	Year ended December 31, 2011				
	Customer Interactions Solutions	Security Solutions	Financial Crime and Compliance solutions	Not allocated	Total
Revenues	\$ 477,572	\$ 191,852	\$ 124,407	\$ -	\$ 793,831
Operating income (loss)	\$ 123,237	\$ 27,164	\$ (6,662 )	\$ (84,711 )	\$ 59,028

  

	Year ended December 31, 2010				
	Customer Interactions Solutions	Security Solutions	Financial Crime and Compliance solutions	Not allocated	Total
Revenues	\$ 403,940	\$ 165,998	\$ 119,513	\$ -	\$ 689,451
Operating income (loss)	\$ 111,771	\$ 8,535	\$ 71	\$ (71,325 )	\$ 49,052

The following presents long-lived assets of December 31, 2012 and 2011, based on operational segments:

	December 31,	
	2012	2011
Customer Interactions Solutions	\$ 24,247	\$ 14,535
Security Solutions	5,941	4,533
Financial Crime and Compliance Solutions	7,157	7,319
Non-allocated	3,933	1,912
	\$ 41,278	\$ 28,299

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## NICE SYSTEMS LTD. AND ITS SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands (except share and per share data)

## NOTE 15:- REPORTABLE SEGMENTS AND GEOGRAPHICAL INFORMATION (Cont.)

## b. Geographical information:

Total revenues from external customers on the basis of the Company's geographical areas are as follows:

	Year ended December 31,		
	2012	2011	2010
Americas	\$ 549,575	\$ 499,162	\$ 429,889
EMEA *)	200,624	187,650	175,489
Israel	9,784	8,990	7,316
Asia Pacific	119,029	98,029	76,757
	\$ 879,012	\$ 793,831	\$ 689,451

The following presents long-lived assets of December 31, 2012 and 2011, based on geographical segments:

	December 31,	
	2012	2011
Americas	\$ 8,583	\$ 7,735
EMEA *)	5,042	4,334
Israel	25,942	14,685
Asia Pacific	1,711	1,545
	\$ 41,278	\$ 28,299

\*) Includes Europe, the Middle East (excluding Israel) and Africa.

## NOTE 16:- SELECTED STATEMENTS OF INCOME DATA

## a. Research and development costs, net:

	Year ended December 31,		
	2012	2011	2010
Total costs	\$ 126,584	\$ 113,671	\$ 102,208
Less - grants and participations	(4,087 )	(3,394 )	(3,814 )
Less - capitalization of software development costs	(1,110 )	(1,150 )	(1,311 )
	\$ 121,387	\$ 109,127	\$ 97,083

Explanation of Responses:

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## NICE SYSTEMS LTD. AND ITS SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands (except share and per share data)

## NOTE 16:- SELECTED STATEMENTS OF INCOME DATA (Cont.)

## b. Restructuring expense:

In the third quarter of 2012, the Company initiated a restructuring program for the consolidation of facilities in order to reduce its operating costs. The Company discontinued the use of approximately 14,783 square meters of research and development and sales facilities. The Company accrued \$0.9 million for the fair value of its future contractual obligations under these operating leases as of the date it ceased to use the leased properties. In connection with this restructuring program, the Company recorded restructuring charges in the third quarter of 2012 totaling \$1.9 million.

## c. Financial income and other, net:

	Year ended December 31,		
	2012	2011	2010
<b>Financial income:</b>			
Interest and amortization/accretion of premium/discount on marketable securities	\$ 4,230	\$ 8,357	\$ 8,889
Gain on forward contracts	-	9,902	-
Realized gain on marketable securities	2,095	1,124	1,435
Interest	2,616	3,154	1,787
Foreign currency translation	1,717	1,725	927
	10,658	24,262	13,038
<b>Financial expenses:</b>			
Realized loss on marketable securities	(495 )	(333 )	(238 )
Interest	(103 )	(165 )	(46 )
Foreign currency translation	(2,368 )	(11,872 )	(2,109 )
Other	(954 )	(1,109 )	(1,306 )
	(3,920 )	(13,479 )	(3,699 )
Other income (expenses), net	1,530	(162 )	(154 )
	\$ 8,268	\$ 10,621	\$ 9,185

## NICE SYSTEMS LTD. AND ITS SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands (except share and per share data)

## NOTE 16:- SELECTED STATEMENTS OF INCOME DATA (Cont.)

## d. Net earnings per share:

The following table sets forth the computation of basic and diluted net earnings per share:

1.	Numerator:		
	Year ended December 31,		
	2012	2011	2010
Net income available to ordinary shareholders	\$ 67,894	\$ 57,263	\$ 48,707
2.	Denominator (in thousands):		
	Year ended December 31,		
	2012	2011	2010
Denominator for basic net earnings per share -			
Weighted average number of shares	60,905	62,924	62,652
Effect of dilutive securities:			
Add - employee stock options and RSU	1,356	1,317	1,480
Denominator for diluted net earnings per share -			
adjusted weighted average shares	62,261	64,241	64,132

## NOTE 17:- SUBSEQUENT EVENT

On February 13, 2013, the Company announced that the board of directors has approved a dividend policy under which the Company intends to pay quarterly cash dividends to holders of its ordinary shares and ADRs subject to declaration by the board. See Note 14e for further information related to the dividend distribution.

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SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

NICE-SYSTEMS LTD.

By: */s/ Zeev Bregman*  
Zeev Bregman  
President and Chief Executive  
Officer

Date: March 25, 2013

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