

# CYREN LTD.

## **FORM 6-K/A** (Amended Report of Foreign Issuer)

Filed 11/02/00 for the Period Ending 08/31/00

Telephone	7037603320
CIK	0001084577
Symbol	CYRN
SIC Code	7372 - Services-Prepackaged Software
Industry	Software
Sector	Technology
Fiscal Year	12/31

# COMMTOUCH SOFTWARE LTD

## FORM 6-K/A (Amended Report of Foreign Issuer)

Filed 11/2/2000 For Period Ending 8/31/2000

Address	C/O COMMTOUCH SOFTWARE INC 3945 FREEDOM CIRCLE SUITE 730 SANTA CLARA, California 95054
Telephone	408-653-4330
CIK	0001084577
Industry	Communications Services
Sector	Services
Fiscal Year	12/31

AMENDMENT NO.1  
TO  
**FORM 6-K**

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

**REPORT OF FOREIGN PRIVATE ISSUER**

**PURSUANT TO RULE 13a-16 or 15d-16 OF  
THE SECURITIES EXCHANGE ACT OF 1934**

For the month of August 2000  
(containing quarterly information for the quarter ended June 30, 2000)

**Commtouch Software Ltd.**

(Translation of registrant's name into English)

6 Hazoran Street  
Poleg Industrial Park, P.O. Box 8511  
Netanya 42504, Israel  
011-972-9-863-6888  
(Address of principal executive offices)

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

**COMMTOUCH SOFTWARE LTD.**  
**FORM 6-K**

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**PART I. FINANCIAL INFORMATION**

**Item 1. Financial Statements**

**COMMTOUCH SOFTWARE LTD.**

**CONDENSED CONSOLIDATED BALANCE SHEETS**

(In thousands)

	June 30, 2000	December 31, 1999
	-----	-----
	(unaudited)	
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 49,078	\$ 65,996
Marketable securities	7,805	18,050
Trade receivables	7,402	2,378
Prepaid marketing expenses	626	4,508
Prepaid expenses and other accounts receivable	3,398	1,648
	-----	-----
Total current assets	68,309	92,580
Other assets	1,890	1,608
Long-term Investment	3,000	--
Property and Equipment, net	14,167	6,148
	-----	-----
	\$ 87,366	\$ 100,336
	=====	=====
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>		
Current Liabilities:		
Current portion of bank loans and capital leases	62	120
Accounts payable	2,766	1,510
Employees and payroll accruals	1,757	1,032
Other liabilities and accrued expenses	2,585	1,865
	-----	-----
Total current liabilities	7,170	4,527
	-----	-----
Long-term Portion Capital Leases	37	44
Accrued Severance Pay	704	453
	-----	-----
	741	497
	-----	-----
Shareholders' Equity		
Ordinary shares	219	213
Additional paid-in capital	137,029	133,403
Deferred compensation	(4,254)	(5,779)
Notes receivable from shareholders	(3,631)	(1,060)
Unrealized holding gains (losses)	(25)	63
Accumulated deficit	(49,883)	(31,528)
	-----	-----
Total shareholders' equity	79,455	95,312
	-----	-----
	\$ 87,366	\$ 100,336
	=====	=====

The accompanying note is an integral part of these condensed consolidated financial statements.

**COMMTOUCH SOFTWARE LTD.**

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
(In thousands, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	(unaudited)		(unaudited)	
	2000	1999	2000	1999
Revenues .....	\$ 5,911	\$ 553	\$ 10,183	\$ 898
Cost of revenue .....	2,784	606	4,905	1,040
Gross profit(loss) .....	3,127	(53)	5,278	(142)
Operating expenses:				
Research and development, net .....	2,270	510	4,263	850
Sales and marketing .....	6,404	1,363	11,150	1,971
General and administrative .....	2,576	683	4,682	1,327
Amortization of the prepaid marketing expense .....	1,941	--	3,882	--
Amortization of deferred compensation(1)	762	1,013	1,525	1,372
Total operating expenses .....	13,953	3,569	25,502	5,520
Operating loss .....	(10,826)	(3,622)	(20,224)	(5,662)
Interest and other income (expense), net .	931	6	1,869	(265)
Net loss .....	\$ (9,895)	\$ (3,616)	\$ (18,355)	\$ (5,927)
Basic and diluted net loss per share .....	\$ (0.65)	\$ (1.66)	\$ (1.21)	\$ (3.17)
Weighted average number of shares used in computing basic and diluted net loss per share .....	15,261	2,178	15,205	1,869

Three Months Ended June 30,		Six Months Ended June 30,	
2000	1999	2000	1999

(1) Stock-based Employee Compensation  
Relates to the following:

Cost of revenues	\$ 25	\$ 33	\$ 50	\$ 45
Research and development, net	71	94	142	126
Sales and marketing	199	264	398	358
General and administrative	467	621	935	841
Total	\$ 762	\$ 1,013	\$ 1,525	\$ 1,372

The accompanying note is an integral part of these condensed  
consolidated financial statements.

**COMMTOUCH SOFTWARE LTD.**

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(In thousands)

	Six Months ended June 30,	
	(unaudited)	
	2000	1999
Cash flows from operating activities:		
Net loss .....	\$(18,355)	\$ (5,927)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization .....	2,420	498
Amortization of deferred compensation and warrants issued for service received and bank line of credit .....	1,525	1,752
Amortization of the prepaid marketing expenses ....	3,882	--
Increase in trade receivables .....	(5,024)	(332)
Increase in other accounts receivable and prepaid expenses .....	(1,750)	(1,294)
Increase in accounts payable .....	56	351
Increase in other liabilities .....	1,410	368
Increase (Decrease) in deferred revenue .....	35	10
Increase in accrued severance pay, net .....	59	49
Net cash used in operating activities .....	(15,742)	(4,525)
Cash flows from investing activities:		
Proceeds from sale of available for sale marketable securities .....	10,157	--
Purchase of Long-term investments .....	(3,000)	--
Long-term Deposits .....	(90)	--
Purchase of property and equipment .....	(9,239)	(1,721)
Net cash used in investing activities .....	(2,172)	(1,721)
Cash flows from financing activities:		
Short-term bank line of credit, net .....	--	(1,328)
Payment of capital lease .....	(65)	(53)
Proceeds from issuance of shares .....	1,061	18,456
Net cash provided by financing activities .....	996	17,075
Increase (Decrease) in cash and cash equivalents .....	(16,918)	10,829
Cash and cash equivalents at the beginning of the period .....	65,996	834
Cash and cash equivalents at the end of the period .....	\$ 49,078	\$ 11,663
	=====	=====
Supplemental disclosure of cash flows activity:		
Cash paid during the year:		
Interest .....	\$ 8	\$ 42
	=====	=====
Ordinary shares issued for notes receivable from shareholders .....	\$ 2,571	\$ 887
	=====	=====

The accompanying note is an integral part of these condensed consolidated financial statements.

**COMMTOUCH SOFTWARE LTD.**

**NOTE TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited)

1. Basis of Presentation:

The condensed consolidated financial statements have been prepared by Commtouch Software Ltd., without audit, and include the accounts of Commtouch Software Ltd. and its wholly-owned subsidiaries (collectively the "the Company"). Certain information and footnote disclosures, normally included in financial statements prepared in accordance with generally accepted accounting principles, have been condensed or omitted pursuant to such rules and regulations. In the opinion of the Company, the financial statements reflect all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of the financial position at June 30, 2000 and the operating results and cash flows for the reported periods. These financial statements and notes should be read in conjunction with the Company's audited financial statements and notes thereto for the year ended December 31, 1999, which were filed with the Securities and Exchange Commission on Form 20-F.

The results of operations for the three and six months ended June 30, 2000 are not necessarily indicative of the results that may be expected for future quarters or the year ending December 31, 2000.



**PART II. OTHER INFORMATION**

**Item 3. Information Incorporated by Reference**

The information in this Amendment to Report on Form 6-K is incorporated by reference into all Registration Statements which we have filed or which we will file in the future under the Securities Act of 1933, as amended, which permit such reports to be so incorporated.

**Signatures**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Amendment to report to be signed on its behalf by the undersigned, thereunto duly authorized.

**COMMTOUCH SOFTWARE, LTD.**

(Registrant)

*Date: November 2, 2000*

*By /s/ James E. Collins*

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*James E. Collins*

*Chief Financial Officer*

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**End of Filing**

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