

**Report of Organizational Actions
 Affecting Basis of Securities**

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name Verint Systems Inc.		2 Issuer's employer identification number (EIN) 11-3200514	
3 Name of contact for additional information Nancy DiVito	4 Telephone No. of contact 631-962-9492	5 Email address of contact nancy.divito@verint.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 330 South Service Road		7 City, town, or post office, state, and Zip code of contact Melville, NY 11747	
8 Date of action February 4, 2013	9 Classification and description Common stock		
10 CUSIP number 92343X100	11 Serial number(s)	12 Ticker symbol VRNT	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ **On February 4, 2013, Comverse Technology, Inc. ("CMVT") merged with and into Victory Acquisition I LLC, a wholly owned subsidiary of Verint Systems Inc. ("Verint"), in exchange for Verint common shares, at the exchange ratio of 0.1298 shares of Verint common stock for each share of CMVT common stock outstanding immediately prior to the effective time of the merger in a transaction intended to qualify as a tax-free reorganization for U.S. federal income tax purposes. Fractional shares of Verint common stock that CMVT shareholders would have received were sold in the open market by the distribution agent at prevailing market prices and the net cash proceeds were distributed ratably to those CMVT common shareholders. For U.S. federal income tax purposes, such fractional shares are treated as received by the CMVT shareholders and then sold by such shareholders for their fair market value.**

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ **Pursuant to Section 358 of the Internal Revenue Code, a shareholder's basis in each Verint common share received in the merger, described in 14 above, (except fractional Verint shares) should be equal to:**
(1) the basis of the CMVT common shares (7.704 CMVT shares) exchanged therefor, less
(2) the fair market value of other property received, if any, by the shareholder in the exchange, plus
(3) the amount of gain to the shareholder which was recognized upon receipt of such other property (described in (2)).

The basis of each fractional Verint share treated as being received in the merger should be equal to the basis of the CMVT common shares exchanged therefor. Then such share is treated as being sold by the shareholder (as described in 14 above) and the basis allocated to such fractional share is used to offset the proceeds of such sale.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ **Because the CMVT shareholders received 0.1298 shares of Verint common stock for each share of CMVT common stock exchanged, the basis of the shares of CMVT common stock surrendered should be allocated to the shares of Verint common stock received in the manner described in Treas. Reg. § 1.358-2(a)(2) (requiring blocks of basis in surrendered shares to be maintained in the shares received, to the greatest extent possible).**

If other property, in addition to Verint common shares, is received by a CMVT shareholder in connection with the merger (not including the cash received in lieu of fractional shares), and such other property is not received in exchange for a particular share of CMVT common stock, a pro rata portion of the other property received should be treated as received in exchange for each share of CMVT common stock surrendered, based on the fair market value of such surrendered stock.

