

COMMTOUCH SOFTWARE LTD
Form 6-K
August 02, 2012

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 UNDER
THE SECURITIES EXCHANGE ACT OF 1934

For the month of August 2012

Commission File Number 000-26495

Commtouch Software Ltd.

(Translation of registrant's name into English)

**4A Hazoran Street
Poleg Industrial Park, P.O. Box 8511
Netanya 42504, Israel
011-972-9-863-6888
(Address of principal executive offices)**

Edgar Filing: COMMTOUCH SOFTWARE LTD - Form 6-K

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 if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

COMMTOUCH SOFTWARE LTD.

FORM 6-K

Forward-Looking Statements

This Report on Form 6-K contains forward-looking statements, including projections about our business, within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 and other US securities laws. For example, statements regarding expected payments, future employees and the anticipated closing date relating to the FRISK transaction are forward-looking statements. In addition, statements in the future tense, and statements including words such as "expect", "plan", "estimate", "anticipate", or "believe" are forward-looking statements. These statements are based on information available to us at the time of the Report; we assume no obligation to update any of them. The statements in this Report are not guarantees of future performance and actual results could differ materially from our current expectations as a result of numerous factors, including business conditions and growth or deterioration in the Internet market, commerce and the general economy, both domestic as well as international; fewer than expected new-partner relationships; competitive factors including pricing pressures; technological developments, and products offered by competitors; the availability of resources from suppliers and other third parties; the ability of our OEM partners to successfully penetrate markets with products integrated with Commtouch technology; a slower than expected acceptance rate for our newer product offerings; availability of qualified staff; and technological difficulties and resource constraints encountered in developing new products, as well as those risks described in the company's Annual Reports on Form 20-F and reports on Form 6-K, which are available through www.sec.gov. Except as required by law, we undertake no obligation to publicly release the results of any revisions to these forward-looking statements that may be made to reflect events or circumstances after the date hereof, or to reflect the occurrence of unanticipated events.

Purposes of this Report

1. Summary description of acquisition of FRISK Software International's ("FRISK") antivirus business.
 - a. In July 2012, Commtouch and FRISK, an Icelandic company, entered into a definitive agreement under which Commtouch intends to acquire the antivirus business of FRISK (hereafter the "division"), including:
 - i. FRISK's antivirus products, including its F-PROT line of products, which are aimed at protecting customers against spyware, Trojan downloaders and other such Internet related threats;
 - ii. certain contracts with OEM licensees pursuant to which such licensees are authorized to integrate the FRISK antivirus engine API/SDK into their solutions and to sell and support such integrated solutions;
 - iii. certain contracts with distributors and resellers pursuant to which such entities are authorized to sell the F-PROT products;

- iv. all such products' intellectual property, including all interests in relevant brand names and all associated trademarks, trade names and related property;
- v. all accounts receivable relating to this division; and
- vi. certain furniture, fixtures, equipment, office equipment, supplies, computers and other tangible personal property connected with the division.

b. In consideration for the sale of this division, at the closing Commtouch shall pay i) in cash the sum of \$2.2 million, \$1 million of which will be placed in escrow for payment in one installment on the one year anniversary, provided those funds are not needed to satisfy certain obligations of the division relating to the pre-closing period, and ii) in equity, 750,000 restricted ordinary shares in Commtouch. Additionally, from the closing and through March 31, 2015, Commtouch shall make periodic earnout payments to the sellers equal to 5% of the combined revenue generated by all Commtouch antivirus solutions.

c. At the closing, Commtouch, through a new Icelandic company, also expects to be employing 37 new employees under the supervision of Ms. Björg Ólafsdóttir. Furthermore, Mr. Fridrik Skulason, the CTO and founder of FRISK, will join this new company as VP, AV Technologies.

d. The parties to the acquisition transaction are working towards a closing of the transaction by the end of the third quarter of 2012. The deal is subject to certain closing conditions, plus customary warranties and representations.

2. Attached as Exhibit 99.1 hereto is the company's press release announcing the acquisition of FRISK's antivirus business.

3. Attached as Exhibit 99.2 hereto is the company's press release announcing financial results of the company for the second quarter 2012.

4. As of July 31, 2012, the company had 24,370,335 Ordinary Shares outstanding.

Information Incorporated by Reference

The summary description of the company's acquisition of FRISK's antivirus business, as set forth in item 1 above, and the GAAP financial statements included in the press release attached as Exhibit 99.2 to this Report on Form 6-K, are hereby incorporated by reference into the Registrant's Registration Statements on Form S-8, Registration Nos. 333-94995, 333-141177, 333-65532, 333-151929, 333-162104, 333-174748 and 333-180453, and on Form F-3, Registration No. 333-131272,, to be a part thereof from the date on which this Report is submitted, to the extent not superseded by documents or reports subsequently filed or furnished.

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.

COMMTOUCH SOFTWARE LTD.
(Registrant)

Date: August 2, 2012 By /s/ Ron Ela
Ron Ela
Chief Financial Officer

Exhibit Index

| Exhibit Number | Description of Exhibit |
|----------------|---|
| 99.1 | Press release of August 1, 2012 regarding the company's acquisition of FRISK's antivirus business |
| 99.2 | Press release of August 1, 2012 regarding release of second quarter 2012 financial results |

