

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 6-K

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 2008 (report no3)

Commission File Number: 0-27466

NICE-SYSTEMS LTD.

(Translation of Registrant's Name into English)

8 Hapnina Street, P.O. Box 690, Ra'anana, Israel

(Address of Principal Executive Offices)

Indicate by check mark whether the Registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark if the Registrant is submitting this Form 6-K in paper as permitted by Regulations S-T Rule 101(b)(1):

Yes No

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

Yes No

Indicate by check mark whether by furnishing the information contained in this Form 6-K, the Registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

If "Yes" is marked, indicate below the file number assigned to the Registrant in connection with Rule 12g3-2(b): 82- N/A

THE GAAP FINANCIAL STATEMENTS ATTACHED TO THE PRESS RELEASE ATTACHED HERETO AS EXHIBIT 99.1 OF THIS REPORT ON FORM 6-K ARE HEREBY INCORPORATED BY REFERENCE INTO NICE-SYSTEMS LTD.'S ("NICE") REGISTRATION STATEMENTS ON FORM F-3 (REGISTRATION STATEMENTS NOS. 333-07130, 333-07266, 333-07740, 333-12996, 333-12350, 333-109766 AND 333-127883) AND NICE'S REGISTRATION STATEMENTS ON FORM S-8 (REGISTRATION STATEMENT NOS. 333-06784, 333-08146, 333-11842, 333-09350, 333-11154, 333-13686, 333-111112, 333-111113, 333-134355, 333-144589 AND 333-145981), AND TO BE A PART THEREOF FROM THE DATE ON WHICH THIS REPORT IS SUBMITTED, TO THE EXTENT NOT SUPERSEDED BY DOCUMENTS OR REPORTS SUBSEQUENTLY FILED OR FURNISHED.

CONTENTS

This Report on Form 6-K of NICE consists of the following documents, which are attached hereto and incorporated by reference herein:

- 99.1. Press Release: NICE Systems Sets New Records with Second Quarter 2008 Results. Dated August 6, 2008.

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.

NICE-SYSTEMS LTD.

By: /s/ Yechiam Cohen

Name: Yechiam Cohen

Title: General Counsel

Dated: August 6, 2008

EXHIBIT INDEX

- 99.1. Press Release: Press Release: NICE Systems Sets New Records with Second Quarter 2008 Results. Dated August 6, 2008.

NICE Systems Sets New Records with Second Quarter 2008 Results

Non-GAAP highlights for second quarter 2008 include:

- Record revenues at \$155.3 , up 22.2% year-over-year
- Record gross margins at 65.5% from 63.0% in second quarter 2007
- EPS reaches \$0.39, up from \$0.36
- Continuous strong demand for NICE enterprise and security solutions
- Company raises revenue guidance for the year

Ra'anana, Israel, August 6, 2008 - NICE Systems (NASDAQ: NICE), the global provider of advanced solutions that enable organizations to extract Insight from Interactions to drive performance, today announced results for the second quarter of 2008.

Second quarter 2008 non-GAAP revenue reached a record of \$155.3 million, representing a 22.2% increase from \$127.1 million in the second quarter of 2007.

Non-GAAP gross margin in the second quarter of 2008 reached a record 65.5%, or \$101.7 million gross profit, up from 63.0%, or \$80.1 million respectively, in the second quarter of 2007.

Non-GAAP operating margin in the second quarter of 2008 was 16.5%, compared with 16.8% in the second quarter 2007. Non-GAAP operating profit reached \$25.7 million, up 20.2% from \$21.4 million in the second quarter of 2007.

Second quarter 2008 non-GAAP net income was \$24.0 million, a 21.3% increase from \$19.7 million in the second quarter of 2007. Non-GAAP earnings per fully diluted share were \$0.39, up from \$0.36 in the second quarter of 2007.

Non-GAAP financial measures consist of GAAP financial measures adjusted to exclude: amortization of acquired intangible assets, stock based compensation expenses as well as certain business combination accounting entries and one time settlement and related expenses.

On a GAAP basis: Second quarter 2008 revenue was \$154.1 million, an increase from \$126.2 million in the second quarter of 2007. Second quarter 2008 gross margin was 62.0%, up from 60.3% in the second quarter of 2007; operating loss was \$0.2 million, compared with operating profit of \$11.2 million, in the second quarter of 2007; and second quarter 2008 net income was \$1.5 million, or \$0.02 per fully diluted share, compared with net income of \$11.2 million, or \$0.21 per share, on a fully diluted basis, for the second quarter of 2007.

Total cash and equivalents as of June 30, 2008 were \$442.4 million, with no debt.

"The demand for NICE's solutions remains strong in our two market sectors, enterprise and security, across all regions," said Haim Shani, Chief Executive Officer of NICE. "We continue to execute well on our strategy of leading the market with our advanced applications solutions in the enterprise sector and of winning large-scale deals in the security sector."

Guidance for third quarter and year 2008:

Third quarter 2008 non-GAAP revenues are expected to be in the range of \$159-\$163 million, and non-GAAP EPS is expected to be in the range of \$0.41-\$0.45 per fully diluted share.

The company is increasing its revenue guidance for year 2008; non-GAAP revenue is expected to be at \$627-635 million, up from \$619-634 million and non-GAAP EPS is reiterated at the range of \$1.65 – \$1.75 per fully diluted share.

Conference Call

NICE will host a conference call to discuss the results and its business outlook today at 8:30 a.m. EST (15:30 Israel). Participants may access the conference call by dialing US toll-free +1-888-281-1167 or +1-800-994-4498; international: +972-3-918-0609; Israel: 03-918-0609. The call will also be broadcast live on the internet via NICE's website at www.nice.com. A telephone replay will be available for up to 72 hours, starting from three hours after the call, by dialing one of the following numbers: US Toll-free: + 1-888- 782-4291; international: + 972-3- 925-5938; Israel: 03-925-5938.

The purpose of adjustments from GAAP to non-GAAP is to give an indication of our performance exclusive of non-cash charges and other items that are considered by management to be outside of our core operating results. Our non-GAAP financial measures are not meant to be considered in isolation or as a substitute for comparable GAAP measures, and should be read only in conjunction with our consolidated financial statements prepared in accordance with GAAP. Our management regularly uses our supplemental non-GAAP financial measures internally to understand, manage and evaluate our business and make operating decisions. These non-GAAP measures are among the primary factors management uses in planning for and forecasting future periods. Business combination accounting rules requires us to recognize a legal performance obligation related to a revenue arrangement of an acquired entity. The amount assigned to that liability should be based on its fair value at the date of acquisition. The non-GAAP adjustment is intended to reflect the full amount of such revenue. We believe this adjustment is useful to investors as a measure of the ongoing performance of our business. We believe these non-GAAP financial measures provide consistent and comparable measures to help investors understand our current and future operating cash flow performance. These non-GAAP financial measures may differ materially from the non-GAAP financial measures used by other companies. Reconciliation between results on a GAAP and non-GAAP basis is provided in a table immediately following the Consolidated Statement of Operations.

About NICE Systems

NICE Systems (NASDAQ: NICE) is the leading provider of Insight from Interactions solutions and value-added services, powered by advanced analytics of unstructured multimedia content – from telephony, web, radio and video communications. NICE's solutions address the needs of the enterprise and security markets, enabling organizations to operate in an insightful and proactive manner, and take immediate action to improve business and operational performance and ensure safety and security. NICE has over 24,000 customers in more than 135 countries, including over 85 of the Fortune 100 companies. More information is available at <http://www.nice.com>.

Media

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This press release contains forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. Such statements are based on the current expectations of the management of NICE Systems Ltd. (the Company) only, and are subject to a number of risk factors and uncertainties, including but not limited to changes in technology and market requirements, decline in demand for the Company's products, inability to timely develop and introduce new technologies, products and applications, difficulties or delays in absorbing and integrating acquired operations, products, technologies and personnel, loss of market share, pressure on pricing resulting from competition, and inability to maintain certain marketing and distribution arrangements, which could cause the actual results or performance of the Company to differ materially from those described therein. We undertake no obligation to update these forward-looking statements. For a more detailed description of the risk factors and uncertainties affecting the company, refer to the Company's reports filed from time to time with the Securities and Exchange Commission.

NICE SYSTEMS LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

U.S. dollars in thousands (except per share amounts)

	Three months ended		Six months ended	
	June 30,		June 30,	
	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>
	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>
Revenue				
Product	\$ 76,299	\$ 88,451	\$ 149,501	\$ 172,121
Services	<u>49,892</u>	<u>65,687</u>	<u>92,632</u>	<u>126,461</u>
Total revenue	<u>126,191</u>	<u>154,138</u>	<u>242,133</u>	<u>298,582</u>
Cost of revenue				
Product	21,757	22,795	42,018	45,361
Services	<u>28,384</u>	<u>35,854</u>	<u>55,452</u>	<u>69,821</u>
Total cost of revenue	<u>50,141</u>	<u>58,649</u>	<u>97,470</u>	<u>115,182</u>
Gross Profit	76,050	95,489	144,663	183,400
Operating Expenses:				
Research and development, net	13,718	19,186	26,699	38,020
Selling and marketing	27,918	37,692	55,338	73,522
General and administrative	21,345	25,155	40,543	49,571
Amortization of acquired intangible assets	1,840	3,779	3,692	6,984
Settlement and related expenses	<u>-</u>	<u>9,870</u>	<u>-</u>	<u>9,870</u>
Total operating expenses	<u>64,821</u>	<u>95,682</u>	<u>126,272</u>	<u>177,967</u>
Operating income (loss)	11,229	(193)	18,391	5,433
Financial income, net	3,435	3,828	6,686	7,504
Other income, net	<u>57</u>	<u>(6)</u>	<u>56</u>	<u>(15)</u>
Income before taxes on income	14,721	3,629	25,133	12,922
Taxes on income	<u>3,550</u>	<u>2,118</u>	<u>5,236</u>	<u>3,479</u>
Net income	<u>\$ 11,171</u>	<u>\$ 1,511</u>	<u>\$ 19,897</u>	<u>\$ 9,443</u>
Basic earnings per share	<u>\$ 0.22</u>	<u>\$ 0.03</u>	<u>\$ 0.39</u>	<u>\$ 0.16</u>
Diluted earnings per share	<u>\$ 0.21</u>	<u>\$ 0.02</u>	<u>\$ 0.37</u>	<u>\$ 0.15</u>
Weighted average number of shares outstanding used to compute:				
Basic earnings per share	51,938	59,930	51,668	59,719
Diluted earnings per share	53,922	61,413	53,802	61,203

NICE SYSTEMS LTD. AND SUBSIDIARIES
NON-GAAP NET INCOME AND EARNINGS PER SHARE

U.S. dollars in thousands (except per share amounts)

	Three months ended June 30,		Six months ended June 30,	
	2007 Unaudited	2008 Unaudited	2007 Unaudited	2008 Unaudited
GAAP net income	\$ 11,171	\$ 1,511	\$ 19,897	\$ 9,443
Adjustments				
US GAAP valuation adjustment on acquired deferred revenue				
Product Revenue	368	399	541	1,945
Service Revenue	563	753	1,460	1,510
Amortization of acquired intangible assets and acquisition related costs (a)				
included in cost of product	2,419	4,168	4,956	8,315
included in operating expense	1,840	3,779	3,692	6,984
included in research and development	-	315	-	536
included in general and administrative expense	-	174	-	442
Equity based compensation expense				
included in cost of product	153	81	320	190
included in cost of services	572	806	1,186	1,640
included in research & development	638	1,462	1,232	3,102
included in sales & marketing	1,310	1,719	2,741	3,679
included in general & administrative	2,285	2,351	4,464	5,390
Settlement and related expenses	-	9,870	-	9,870
Tax benefit associated with amortization of acquired intangible assets, FAS 123R options compensation, acquired deferred revenue and settlement expenses	(1,570)	(3,438)	(4,111)	(7,114)
Non-GAAP net income	<u>\$ 19,749</u>	<u>\$ 23,950</u>	<u>\$ 36,378</u>	<u>\$ 45,932</u>
Non-GAAP basic earnings per share	<u>\$ 0.38</u>	<u>\$ 0.40</u>	<u>\$ 0.70</u>	<u>\$ 0.77</u>
Non-GAAP diluted earnings per share	<u>\$ 0.36</u>	<u>\$ 0.39</u>	<u>\$ 0.67</u>	<u>\$ 0.74</u>
Weighted average number of shares outstanding used to compute:				
Non-GAAP basic earnings per share	51,938	59,930	51,668	59,719
Non-GAAP diluted earnings per share (b)	54,398	61,892	54,189	61,749

(a) Includes compensation expenses related to the acquisitions of US\$489 and US\$ 978 for the quarter and year to date 2008, respectively.

(b) For Non-GAAP earnings per share the diluted weighted average number of shares outstanding were calculated excluding the effects of expensing stock options under Statement 123R

NICE SYSTEMS LTD. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

U.S. dollars in thousands

	December 31, 2007	June 30, 2008
	<u>Unaudited</u>	<u>Unaudited</u>
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 116,619	\$ 154,555
Short-term investments	123,322	47,422
Trade receivables	101,977	110,795
Other receivables and prepaid expenses	20,749	24,528
Inventories	11,835	13,512
Deferred tax assets	<u>8,258</u>	<u>8,721</u>
Total current assets	<u>382,760</u>	<u>359,533</u>
LONG-TERM ASSETS:		
Marketable securities	158,260	240,465
Other long-term assets	18,349	20,344
Deferred tax assets	8,739	6,979
Property and equipment, net	18,655	20,855
Other intangible assets, net	162,315	163,933
Goodwill	<u>443,256</u>	<u>454,409</u>
Total long-term assets	<u>809,574</u>	<u>906,985</u>
TOTAL ASSETS	\$ 1,192,334	\$ 1,266,518
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Trade payables	\$ 21,792	\$ 25,165
Accrued expenses and other liabilities	208,085	234,220
Deferred tax liabilities	<u>-</u>	<u>294</u>
Total current liabilities	<u>229,877</u>	<u>259,679</u>
LONG-TERM LIABILITIES:		
Deferred tax liabilities	41,764	41,656
Other long-term liabilities	<u>16,899</u>	<u>20,402</u>
Total long-term liabilities	<u>58,663</u>	<u>62,058</u>
SHAREHOLDERS' EQUITY	<u>903,794</u>	<u>944,781</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 1,192,334	\$ 1,266,518

NICE SYSTEMS LTD. AND SUBSIDIARIES
CONSOLIDATED CASH FLOW STATEMENTS

U.S. dollars in thousands

	Three months ended		Six months ended	
	June 30,		June 30,	
	2007	2008	2007	2008
	Unaudited	Unaudited	Unaudited	Unaudited
<u>Cash flows from operating activities:</u>				
Net income	\$ 11,171	\$ 1,511	\$ 19,897	\$ 9,443
Adjustments required to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	6,675	10,600	13,525	20,660
Stock based compensation	4,958	6,419	9,943	14,001
Excess tax benefit from share-based payment arrangements	(1,923)	(727)	(3,486)	(834)
Accrued severance pay, net	785	(125)	840	123
Amortization of discount (premium) and accrued interest on marketable securities	(117)	858	(146)	1,147
Deferred taxes, net	(179)	(62)	(2,571)	(3,494)
Increase in trade receivables	(9,459)	(12,542)	(6,440)	(7,060)
Increase in other receivables and prepaid expenses	(3,987)	(1,105)	(5,629)	(2,282)
Decrease (increase) in inventories	2,813	944	5,389	(80)
Increase (decrease) in trade payables	5,771	422	(2,970)	2,135
Increase in accrued expenses and other liabilities	400	7,201	22,510	26,402
Other	(30)	427	(34)	485
Net cash provided by operating activities from continuing operations	16,878	13,821	50,828	60,646
Net cash provided by operating activities from discontinued operation	476	-	476	-
Net cash provided by operating activities	<u>17,354</u>	<u>13,821</u>	<u>51,304</u>	<u>60,646</u>
<u>Cash flows from investing activities:</u>				
Purchase of property and equipment	(1,915)	(3,772)	(4,147)	(7,043)
Proceeds from sale of property and equipment	20	-	53	7
Investment in marketable securities	(59,495)	(43,376)	(160,731)	(134,517)
Proceeds from maturity of marketable securities	32,100	30,525	104,450	47,075
Proceeds from sale and call of held-to-maturity marketable securities	3,864	7,680	5,864	40,526
Investment in short-term bank deposits	(33)	(19)	(77)	(19)
Proceeds from short-term bank deposits	34	39,022	55	39,047
Capitalization of software development costs	(242)	(470)	(455)	(743)
Payments for acquisitions	(540)	(18,957)	(2,088)	(21,750)
Received upon the realization of investment in an affiliate	-	964	-	964
Net cash provided by (used in) investing activities	<u>(26,207)</u>	<u>11,597</u>	<u>(57,076)</u>	<u>(36,453)</u>
<u>Cash flows from financing activities:</u>				
Proceeds from issuance of shares upon exercise of share options and ESPP, net	4,328	9,545	11,741	12,734
Excess tax benefit from share-based payment arrangements	1,923	727	3,486	834
Net cash provided by financing activities	<u>6,251</u>	<u>10,272</u>	<u>15,227</u>	<u>13,568</u>
Effect of exchange rate changes on cash	<u>161</u>	<u>(44)</u>	<u>151</u>	<u>175</u>
Increase (decrease) in cash and cash equivalents	(2,441)	35,646	9,606	37,936
Cash and cash equivalents at beginning of period	<u>79,412</u>	<u>118,909</u>	<u>67,365</u>	<u>116,619</u>
Cash and cash equivalents at end of period	<u>\$ 76,971</u>	<u>\$ 154,555</u>	<u>\$ 76,971</u>	<u>\$ 154,555</u>

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