

( BW)(CA-MAGIC-SOFTWARE)(MGIC) Magic Software Enterprises Appoints  
25-Year Software and Consulting Veteran as New Chief Executive Officer  
of Its Magic Americas Operations

IRVINE, Calif.--(BUSINESS WIRE)--July 19, 2001--

Steven P. Nohe, Sr. to Assume Responsibility for  
Magic Software Enterprises Inc., As Well As  
CoreTech Consulting Group and the Company's  
Other North American Subsidiaries

Magic Software Enterprises, Ltd. (Nasdaq:MGIC), a leading provider of state-of-the-art application development technology and business solutions, today announced that it has appointed Steven P. Nohe, Sr. as chief executive officer of the company's Magic Americas operations, which include Magic Software Enterprises Inc., CoreTech Consulting Group Inc. (CoreTech), Answers on Demand Inc. and Access Data Corp.

The appointment of Nohe is effective immediately. Nohe, who joined Magic earlier this year as chief operating officer for CoreTech and who has played an integral role in revitalizing that company, brings more than 25 years of domestic and international software and consulting experience to his new position as CEO of Magic Americas. His extensive high-tech experience includes:

- Successfully managing the Tidewater Consulting Group, a \$13 million professional services organization engaged primarily in providing B2B and B2C solutions to its clients.
- Overseeing the international consulting operations of GSA Consulting Group Inc., a firm specializing in business process re-engineering, knowledge management and information technology services.
- Running the U.K. operations for RMEI, a subsidiary of Hoffman-LaRoche, where Nohe managed more than 600 employees and budgets exceeding \$90 million.
- Acting as regional general manager for CyCare Systems Inc., currently a division of McKesson-HBOC and one of the leading systems providers for physicians throughout the United States.

In addition, Nohe has served as general manager for several software development and data processing services companies.

"When I joined Magic, I was impressed by the superiority of the company's products, as well as the opportunities I saw for the company to grow its operations throughout the Americas, not only through CoreTech but also through its other subsidiaries that hold leadership positions in their core markets," said Nohe.

"I am committed to turning the total Magic Americas organization into a highly cohesive and competitive force that is widely recognized for its technological and service excellence. I also intend to focus on using Magic's high-level strategic business expertise to add strong value not only to its customers, but to all of the company's stakeholders as well."

According to Nohe, he will devote the remainder of this year to putting into place a strategic direction for Magic Americas, as well as to continuing the progress he has made in turning CoreTech into an extremely viable and profitable consulting organization.

In addition, he plans to aggressively pursue a process of cross-pollination between Magic Software Enterprises and CoreTech,

introducing both companies to one another's products, capabilities and strengths and outlining how they can work together in the future to their mutual benefit.

Nohe also has been building his professional staff, appointing several highly experienced and qualified individuals to key management positions within the company.

"We are very pleased to have someone of Steve Nohe's caliber accept this expanded role within the Magic organization. His ability to take charge of companies and bring them to new levels of profitability serve as a strong testament to his leadership and management capabilities," said Menachem Hasfari, chief executive officer of Magic Software Enterprises Ltd.

"We have every confidence that his appointment will help usher in a new era of prosperity for the company, its employees and its shareholders."

As the newly appointed CEO of Magic Americas, Nohe (who will report directly to Hasfari) replaces Rephael Inbar, who has left the company to pursue outside interests.

#### About CoreTech Consulting Group (CoreTech)

CoreTech, a subsidiary of Magic, is an information technology consulting firm offering flexible and creative solutions in the areas of infrastructure design and delivery; application development; technology planning and implementation services; and supplemental staffing.

CoreTech's clients include FORTUNE 2000 and middle-market companies, such as Smith Kline Beecham, Towers Perrin, Cellular One, Paine Webber, SunTrust, Credit Suisse, Pfizer and many more. CoreTech, which has been named to the "Inc. 500" and Deloitte & Touche's "Fast 500," is based in suburban Philadelphia and has offices located around the United States.

More information about CoreTech may be obtained by calling 800/220-3337 or by visiting the company's Web site at <http://www.CoreTech.com>.

#### About Answers on Demand (AOD)

AOD, based in Coral Springs, Fla., markets and supports its proprietary, integrated software solutions, ANSWERS ON DEMAND(R), designed specifically for the long-term care industry, which includes continuing care retirement communities, assisted living facilities, skilled care facilities and home health agencies.

More information on AOD may be obtained by calling 800/311-8252 or by visiting the company's Web site at <http://www.AODnet.com>.

#### About Access Data Corp. (AD)

AD, with headquarters in Angel Fire, N.M., provides comprehensive, totally integrated database management solutions for law enforcement, communications, corrections/detentions and emergency service providers throughout the United States. In business for more than 17 years, the company has installed its solutions at more than 350 locations in 14 states.

Its Sleuth(c) solution, which includes integrated file management, on-screen digital camera button controls, and mapping capabilities and product interfaces, as well as many other features, is one of the most respected database management applications available to small- to medium-sized public safety agencies.

More information on AD may be obtained by calling 505/377-6757, or

by visiting the company's Web site at <http://www.sleuthsoftware.com>.

About Magic Software Enterprises, Ltd.

Magic, a member of the Formula Group (Nasdaq:FORTY), develops, markets and supports software development and deployment technology that enables enterprises to accelerate the process of building and deploying applications that can be rapidly customized and integrated with existing systems.

Magic technology, applications and professional services are available through a global network of subsidiaries, distributors and Magic solutions partners in approximately 50 countries. The company's North American subsidiary is located at 1642 Kaiser Avenue, Irvine, Calif., 92614, telephone 949/250-1718, fax 949/250-7404, <http://www.magicsoftware.com>.

The Formula Group is an international information technology company principally engaged, through its subsidiaries and affiliates, in providing software consulting services, developing proprietary software products and producing computer-based solutions.

Except for the historical information contained herein, the matters discussed in this news release include forward-looking statements that may involve a number of risks and uncertainties. Actual results may vary significantly based upon a number of factors including, but not limited to, risks in product and technology development, market acceptance of new products and continuing product conditions, both here and abroad, release and sales of new products by strategic resellers and customers, and other risk factors detailed in the company's most recent annual report and other filings with the Securities and Exchange Commission.

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