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FROM THE CEO

Dear Magicians,



This special release of the Magic Magazine is being distributed at Magic's traditional annual Kickoff event, taking place this year in Eilat, Israel's beautiful resort town on the shores of the Red Sea.

The 2004 Magic Kickoff, with over 350 people in attendance, celebrates two distinct, although related, events – conclusion of a successful 2003 and the beginning

of what will be an ambitious 2004. Indeed, 2003 was a good year for us, a year that saw all our plans and hopes come to fruition, the return of MSE to profitability, the well received launch of the new iBOLT family of products, and the growth in revenues.

2004 will present a new dimension in Magic's activity. Our aggressive plans for 2004 call for accelerated investments in iBOLT, continued enhancements in eDeveloper, special emphasis on strategic partnerships with market leaders, and the inception of Magic's new TCC (Total Customer Care) Division that will, we hope, introduce a new culture of improved customer care across the company.

The 2004 plans present a bold and courageous effort of management and employees from both the field and corporate headquarters, committing to higher achievements and aggressive targets. As always, I'm confident that the powerful combination of our proven technology and our skilled and dedicated community will make us once again winners.

Best regards,

Menachem Hasfari, CEO, Magic Software Enterprises Ltd.

MAGIC SOFTWARE NEWS

agic was awarded a contract valued at close to \$850,000 to provide secondgeneration enhancements to the Web-based Juvenile and Corrections System (JCS) for the Administrative Office of the Courts (AOC) for the State of Washington. With capacity for

MAGIC SOFTWARE TO ENHANCE WEB-**BASED JUVENILE TRACKING SYSTEM** FOR THE STATE OF WASHINGTON

Initial Deal Valued At Around \$850K

The ICS to be delivered under the contract will replace an existing COBOL-based mainframe application. It will be integrated with AOC's existing applications, which run on an IBM OS/390 mainframe using DB2 as their database. In addition, the solution will be

up to 10,000 users, the JCS is targeted for state-wide integration by Washington's juvenile court system, including juvenile detention facilities in 39 counties.

deployed using browser-based clients in order to minimize remote systems management. Among the enhancements to the JCS will be risk assessment reports, detention alerts, warrant status and outcomes, and a snapshot view of any juvenile within the system state-wide.

"The JCS being implemented by the AOC is a great example of complex integration across a wide variety of state and local government infrastructures," said Menachem Hasfari, Chief Executive Officer of Magic Software. "We are very pleased that the State of Washington has once again selected Magic Software to provide enhancements and capabilities to the JCS."

The intent is to provide those with a need and right to know, as much useful information as possible in order to enhance the performance of juvenile justice statewide.











oreTech, a wholly owned subsidiary of Magic Software, has closed a new two-year \$2.2 million contract to provide support services to one of the world's largest global pharmaceutical companies. In this outsourcing engagement, CoreTech will provide support services to a growing client base which stands today at around 7,000 end users. Having demonstrated solid technical and service capabilities along with high degrees of flexibility

PHARMACEUTICAL COMPANY **Extended Outsourcing Engagement To** Include Support Services For Around 7,000 Users

MAGIC SOFTWARE SUBSIDIARY

CORETECH SECURES \$2.2 MILLION

CONTRACT WITH LEADING GLOBAL

and client focus in past engagements with this customer, CoreTech was requested to widen the dimension of the services it



provides and extend the contract for an additional two years.

"Pharmaceutical companies are under pressure to streamline operations, increase efficiencies and improve results while increasing the speed of product development and approval of patents," said Mark A. Redlus, CEO of CoreTech Consulting. "We provide the quality outsourced services that enable companies to free up their IT resources to focus on strategic initiatives and business growth."

By working with CoreTech, this leading pharmaceutical organization has been able to offload a tremendous amount of end-user support from its own IT staff.

According to analysts at Gartner Dataquest, spending for software and external services in the U.S. pharmaceutical

industry will outpace spending for hardware, network equipment and internal services. They have projected that by 2005,

outsourced service spending is expected to account for 58 percent of total external spending.

Companies interested in finding out more about CoreTech's project staffing services can visit www.coretech.com or send e-mail to info@coretech.com.

MAGIC SOFTWARE AROUND THE WORLD

Marketing Update

By David Leichner, VP WW Marketing



M arketing is working overtime in Magic Software to get the word out about iBOLT and eDeveloper. For 2004, we are working on new collaterals, new advertising and of course, a new series of Webinars, which are back, by popular demand. These Webinars will be held in conjunction with MSPs, system integrators, alliance partners, and industry

analysts. Speaking of industry analysts, iBOLT has been raising some eyebrows at the leading analyst groups.

In fact, just the other day, the Meta Group released its METAspectrum for Enterprise Application Integration. Magic Software was positioned as a serious challenger amongst industry players such as SAP, BEA, Oracle, Vitria, Tibco,



and others. The difference being that Magic Software has only been in this market for 8 months!!! This shows the strength of iBOLT.

Magic Software was positioned in the challenger segment of the METAspectrum analysis, and was specifically recognized for its strength in providing a hybrid solution that combines application integration and application development and the ability to leverage XML Web Services standards to bring new, standards-based products to market. Magic Software was also highlighted as the one vendor included in the analysis that is primarily targeting mid-size enterprises and the iSeries installed base.

In another recent report from the Giga Group (now part of Forrester), it was noted that Magic iBOLT represents a good functional integration solution at a reasonable price and is particularly well suited to the mid market.

Giga analyst Henry Peyret noted that "We can position Magic's iBOLT and eDeveloper technology as a long term technological investment as an application, presentation and process integration platform as defined in a recent Giga



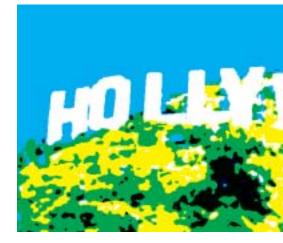
research publication. The target audience will be medium-sized companies as well as larger enterprises that have a mix of J2EE, .Net and mainframe (iSeries for example) applications and are looking to begin their integration efforts with a small initial investment." Peyret noted that iBOLT compares well to Giga's Application Integration Foundation (AIF) model, with particular strength in the areas of connectivity and data transformation.

In addition to the analyst attention, media mentions are flowing in at a rapid pace. Periodicals such as Database Trends and Applications, Business Integration Journal, The Four Hundred, and eServer Magazine are only a few of the magazines taking notice of iBOLT, eDeveloper, and Magic Software. Make sure to visit the Magic Software website www.magicsoftware.com for all the latest media mentions and analyst coverage.

Magic Goes Hollywood

Oren Inbar, Managing Director, Magic Software USA

dak Theatre is the crown jewel of the Hollywood and Highland entertainment complex located in the heart of historic Hollywood. Since opening in November 2001, the theatre has hosted a range of prestigious artists and events including the Academy Awards® Ceremonies, Celine Dion, Prince, Elvis Costello, Barry Manilow, American Ballet Theatre, Moscow



Stanislavsky Ballet, AFI Life Achievement Award to Tom Hanks, and more. What you may not realize is that the theatre managers utilize ABI MasterMind™, an eDeveloper application written by Advanced Business Integrators, a Magic Solutions Partner from Sacramento, California.

In fact, quite a bit of the behind-the-scenes business in Hollywood is managed by Magic applications. In the television sector of the industry, for example, one of the three major television networks utilizes eDeveloper to develop the applications that track information for all of its television commercials. Since networks run 24x7, the application must manage data that changes constantly and is critical to network operations.

MAGIC SOFTWARE AROUND THE

In fact, many of the famous Hollywood film stars you are familiar with benefit from the eDeveloper applications being run by the Screen Actors Guild (SAG), another eDeveloper customer. As a labor guild, SAG is required to administer benefits to its members and receive their dues.

Hollywood is more than TV and movies, however. It is also a center for the music industry. Here again, another eDeveloper customer, Warner Music Group, has utilized eDeveloper to help build a trackable archive of all its music rights and licensing - an enormous undertaking involving millions of constantly changing records.

The New Mission of the **EMEA**

Regev Yativ, Managing Director, Magic Software Europe

would like to dedicate this note to our new mission in 2004, which is a direct derivative of Magic Software's strategy to grow its business next year.

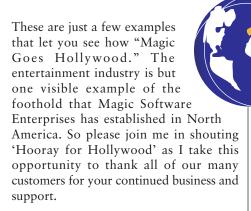
> As of Jan 1st 2004, all Scandinavian, Eastern and Central European, and Middle East Basin (Turkey, Greece) territories were added to the management of MSE EMEA. As of this date, our partners, distributors and business associates

- as well as Benelux and EMEA HQ in The Netherlands) and Magic's distributors, MSPs, SI's and partners.
- Capitalize skills, customer reference, and capacity throughout the EMEA region, and increase our ROI - both Magic's and its partners.
- Increase our involvement and improve Magic's support to enable significant business and revenue growth in all EMEA territories.

Structure - Highlights

To meet our objectives, we made the following decisions about structure and management responsibilities:

- We divided the entire EMEA area into 6 Regions and established 6 regional offices to improve focus, time-to-market, and operations.
- We established a new Business Development Unit situated in EMEA HQ in the Netherlands, that will be



oreni@magicsoftware.com



in these regions joined our EMEA family, a dynamic group of 130 professionals, determined to work hard to increase our mutual business in newly added territories.

Objectives

Magic decided to make this change in order to achieve the following main objectives:

- Increase Magic's market exposure in all these territories and intensify fieldwork.
- Enhance customer and partner care and increase the synergy between Magic EMEA's fully-pledged offices (130 employees and 8 MSE offices throughout Europe - in London, Munich, Paris, Budapest, Milan, Madrid,

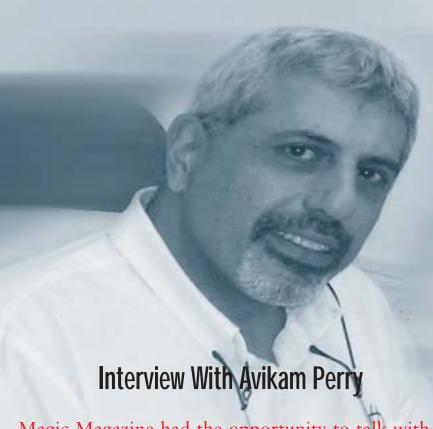
- fully dedicated to improve our network and deliver revenue growth, hand in hand with our partners.
- We have taken the necessary operational steps in the regional offices to serve customers and partners better.

As you can see, a lot has happened in the last quarter of 2003 in preparing for the challenges we have taken upon ourselves for 2004. We are certain that these changes will gradually bring the desired yield for the entire Magic community.

Please don't hesitate to make any comments or suggestions and bring forward new ideas. Please write to me:

r yativ@magicsoftware.com

TECHNOLOGY SPOTLIGHT



Magic Magazine had the opportunity to talk with Avikam Perry, VP Research and Development and Chief Technology Officer of Magic Software, about the future direction of Magic technology. MM: Version 9.4 was released about 6 months ago. How has it been accepted by eDeveloper users? Are they making the move to 9.4?

AP: This version has been accepted as the best version 9 yet, and has received great feedback regarding its new functionality. There are thousands of developers already working with V9.4, and many of whom are already at the deployment stage. There are still a lot of people who haven't yet discovered the power of this version and I believe that during the next year we will see more eDeveloper users upgrading.

MM: What major advancement did V9.4 provide?

AP: From the beginning, the message of V9.4 was the ability to be "absolutely open". In designing the version we tried to deal with every issue related to eDeveloper's ability to communicate with other technologies. This version's openness gives developers easy access to industry-standard components, such as Java classes, COM objects, XML and Web Services, as well as new data types to support the standards. In parallel, we also provided a way for those technologies to access us.



agic Software Enterprises' solution suite now offers a full and comprehensive portal solution with the addition of the iBOLT Portal. The iBOLT Portal is a fully functional Web portal infrastructure that can be deployed as part of an iBOLT integration solution or as a stand-alone portal.

Portal solutions have been gaining in popularity over the last few years as they provide a convenient and efficient way to provide customized and personalized information to various user groups. From an enterprise point of view, portals enable better decision making by providing users with access to timely, accurate, and relevant information from various resources throughout the organization. Information retrieved from portals can also be presented in a logical, consistent, and personalized manner that best suits the user.

iBOLT Portal can provide a single point of access to:

Integrated and stand-alone applications

- Knowledge
- Content
- Search engines
- Workgroup collaborations

Out-of-the-box Portal

iBOLT Portal provides a quick and easy way to set up and deploy a portal. An out-of-the-box configuration is standard with iBOLT Portal, simplifying implementation and making enterprise resources available almost immediately.

This pre-configured ready-to-deploy portal offers enterprises all of the basic features and functionality needed to start service provision, including advanced content

TECHNOLOGY SPOTLIGHT

MM: What new features and functionality are planned for the next version and when will it be released?

AP: The next version will enhance our support for SOA (Service-oriented Architecture) and composite application development. The next version will concentrate on improving client (Browser and Windows) functionalities, along with improvements in data-manipulation capabilities. The next version will introduce a new source management mechanism.

MM: Magic has been an Application Development tool provider for over 15 years. What was the reasoning behind entering a new market - the business integration market?

AP: In the past 10 years, the IT industry moved away from proprietary applications and moved to shared applications, such as ERP, CRM, etc. This created the need for connectivity, componentization, and eventually to the growth of accessibility standards. eDeveloper had to provide connectivity as well as enhanced datamanipulation capabilities to deal with the new demands. It's only natural that a server-based tool with exceptional connectivity capabilities like eDeveloper would be an excellent player in the Business Integration market. eDeveloper was a very good base for iBOLT, and the issues left for iBOLT to deal with were integration project orchestration and the encapsulation of the connectors and adaptors bundled with the product.

MM: What differentiates iBOLT from other Business Integration and BPM products?

AP: I think the main difference with iBOLT is its orientation, iBOLT evolved from an application development environment that provides enhanced business logic capabilities, interoperability, and a wide range of functionalities enabling it to deal with any IT need.

MM: Why did Magic decide to aim iBOLT at the medium enterprise market?

AP: The current iBOLT positioning is based on market analysis and our confidence that we can break into the EAI market and be a competitive player in terms of price, performance, and capabilities. Our big advantage is that we can complete an integration project much quicker, with fewer resources than others in the market and at an affordable price. Other players in the EAI market also try to target medium-sized enterprises, but high project costs prevent them from becoming major players.

MM: SOA integration is what everyone in the industry is talking about. Does iBOLT support SOA integration environments?

AP: The fundamental iBOLT design concept was SOA support. SOA principles are based on business-function encapsulation and the exposure of business processes as Web Services. iBOLT provides a service-oriented approach to achieve distributed computing that promises a flexible environment and leads to higher

SOA support in iBOLT is provided from the business process modeling level down to the integration flows and components. Each business activity and resource can specify a Web Service as an interface and thereby create a service hub to consumers.

MM: What other advanced functionality can we expect to see from iBOLT in 2004?

AP: The next iBOLT version will increase the Business Process Management (BPM) capabilities and provide an enhanced iBOLT Studio improving the relationship between the modeling and development environments. It will provide enhanced business process modeling functionality, enhanced support for Java component development, remote server tuning, version control, enhanced Monitor functionalities, data mapping, and much more.

management, user administration, search capabilities, and presentation templates. Enhancements to the portal can be made easily using a built-in portal toolkit.

Meeting Various Users' Needs

If you need to support a variety of user groups, iBOLT Portal provides complete deployment flexibility. Enterprises can choose to deploy one central portal, that securely serves all user communities (employees, business partners and customers, and the general public) or deploy multiple portal servers, each serving an individual user community.

Grow with Demand

iBOLT Portal employs advanced caching mechanisms, multi-threading mechanisms,

and distributed configurations, enabling the portal to easily scale to support an increase in users, data volume, or Web

activity. A single portal implementation can grow and expand along with the needs of the organization.



TOTAL CUSTOMER CARE



Interview
with Eldad
Shen-Tzur,
MSE's Total
Customer
Care (TCC)
Division
Manager

MM: What exactly is TCC?

EST: TCC stands for Total Customer Care. TCC is a combination of the Customer Relationship Management (CRM) philosophy coupled with the vision of developing and expanding a long-term relationship with the existing Magic community. It is a general philosophy which states that the customer and their relationship with Magic is a primary focus of Magic's activities for the long term.

MM: Which departments will be included in the new TCC division?

EST: The TCC contains two existing departments: International Technical Support and Operations, with a matrix

relationship to the Internal Sales people in the branches. These entities are in constant contact with the Magic Community and have direct access to the customer. They are in the best position to identify and address the Community's needs and to manage the resolution of any open issues.

MM: What are the goals of the TCC division?

EST: There are short-term and long-term goals. The short-term goal is to identify the areas where the Magic Community can be served better and to address any immediate



TOTAL CUSTOMER CARE

needs that we discover. The long-term goal is a lot broader. We want to create a corporate culture where the customers' needs are the primary focus and where the number one goal is to build long-lasting and strong relationships with the Magic Community.

MM: Why is this division being formed today?

EST: In today's highly competitive and dynamic market, technology choices are made not only based on technological solutions but also on personal relationships and the vendor's ability to deliver products,

features,

In December 2003, MSE **CEO Menachem Hasfari** announced the formation of a new division called TCC Total Customer Care. **Heading the new division** will be Eldad Shen-Tzur. **Magic Magazine had the** opportunity to ask Eldad some questions about his new role and the TCC Division.

> and solutions that the market demands. We at Magic recognize that we need to be in constant contact with our community, and to identify and supply solutions to meet their constantly changing needs and requirements. Over the years the Magic community has been loyal to us and with our focus on TCC we are confident that this commitment will continue.

MM: Can you provide a few examples of the work that the TCC division will do?

EST: For starters we are going to let the Partners know that we exist and what we can do for them. We want them to understand that we are the central address for all their issues. A major part of this is having the TCC representative in each branch contact all our partners to introduce themselves and to explain how they can benefit from the TCC program. We want the partners to understand that we are going to be proactive, meaning that we will initiate contact with them to listen, understand, and address their needs. If we uncover a problem or even a potential problem we will initiate a call to the customer and try to assist them.

MM: How would you measure the success of this program?

EST: The only true measurement of success will be the customers themselves. If they continue to be happy with the company and our products, we will have been successful. Obviously we want the customers to utilize the TCC division to help them solve their problems, but we will be happier if the problems don't arise in the first place and if potential problems are avoided or addressed before they escalate. As I mentioned before, the goal is to create a corporate culture that addresses our partners' needs and to prevent major problems from occurring.

MM: How can someone contact the TCC if they have an issue?

EST: Our email address is wecare@magicsoftware.com

MSP Update Project -How We Touch

Magic HQ recently completed an update of our MSP List and Solutions Directory. The goals of this project were to update existing partner information, update solutions in the solutions directory, and to use this opportunity to "Touch" our clients. The project was accomplished by telemarketers contacting the MSP's

in their local languages and asking them to provide us with their most current information.

The project was extremely successful and has provided us with an updated partner list, new solutions in our solutions directory, and a significant amount of feedback from the partners. This information has already been forwarded to the TCC representative in the individual branches for follow-up.

Please take the time to visit the solutions directory and learn about the latest solutions developed by our partners. For our partners, please remember to periodically update us with any changes or additions to your company or

This can be done by visiting: www.magicsoftware.com/solut ions.

iBOLT IN ACTION

Magic Software And TER S.R.L. Announce Government Integration and Development Project Valued at Over \$1 Million

Magic Software and TER S.r.l., a development and integration service provider in Southern Italy, announced the signing of a major government integration and development project valued at over \$1 million.

TER S.R.L will use Magic Software's iBOLT and eDeveloper business integration and application development technologies to provide small businesses in Italy with an online enterprise portal that will offer them personalized accounting, CRM and management tools and applications, in an ASP model.

B&C International Selects iBOLT From Magic Software to Streamline their Procurement Systems

Magic Software announced the closing of another iBOLT deal, with the signing of an iBOLT business process development and integration project with B&C International in The Netherlands.

B&C International specializes in the assembly, sales and distribution of high-quality window fashion products in both made-to-measure and standard sizes. Every year over 2 million

windows are decorated with B&C's products. With over 7,000 retailers in its network, B&C is faced with a very complex procurement process. Orders come in many shapes and sizes, with varying volumes, large quantities of raw materials and semi-manufactured products. iBOLT (www.magicsoftware.com/ibolt) will be used, initially, to streamline the efficient process of ordering and payment for materials purchased to fulfill these product orders.

Rapidly Solving Critical Business Integration Challenges



Magic Software and Avesta Sign Partnership Agreement to Deliver iBOLT for EAI and BPM Solutions to the Mid-market

Magic Software, a leading provider of state-of-the-art integration and development technology, announced an agreement with Avesta Computer Services Ltd., a global system integrator based in Jersey City, New Jersey, who will become an iBOLT Integration partner. With this agreement, Avesta joins a growing list of system integrators worldwide

that have signed up as partners to help deliver business integration services using the iBOLT application integration framework from Magic Software Enterprises.

Magic Software and Voigt Software Announce iBOLT Partnership and Major Integration Win

Magic Software announced the signing of an iBOLT Partnership agreement with Voigt Software, a leading German provider of software solutions to the liquid gas industry. Voigt is quickly realizing the benefits of iBOLT and has already won its first project to create a federated application architecture for a major liquid gas company in Germany.

In this initial project win, Voigt will utilize iBOLT as the strategic integration and development platform. The project involves the integration of existing finance and CRM applications, with a vertical ERP system developed by Voigt with eDeveloper.

Voigt Software is one of the leading suppliers of software solutions for the liquid gas industry in Germany. Voigt's software solutions are installed at over 60% of the companies in this market.

With offices in New Jersey, Pennsylvania, California, Hong Kong and India, Avesta is a leading system integrator and outsourcer specializing in customized solutions for large and mid-sized organizations such as Bank Of New York, Cisco Systems, Merrill Lynch, EDS, Pfizer and HSBC Bank.

With iBOLT, Avesta is gaining key technologies for customer solutions in enterprise application integration (EAI) and business process management (BPM).

iBOLT IN ACTION



Magic Software announced the signing of a major iBOLT deal with the French SVP Group, a global leading provider of business advisory, research and consulting services. The overall value of the project is expected to exceed \$1.5 million.

SVP is an innovative knowledge services company that offers a full suite of custom business intelligence, advisory, and consulting solutions to address clients' critical business issues worldwide. They have chosen the iBOLT Integration Suite as the primary integration and business process development framework as part of their strategy to provide their clients with timely information and customized integrated solutions.



Magic Software and Gruppo Engineering Sign iBOLT Integration and Reseller Partnership Agreement Magic Software and Gruppo Engineering,

Magic Software and Gruppo Engineering, one of the leading system integrators in Italy, announced the signing of an iBOLT integration and reseller partnership agreement for the Italian EAI market.

As part of the integration and reseller agreement, Gruppo Engineering will actively promote iBOLT inside their existing installed base.

Magic Software Delivers iBOLT Business Integration Solution to King Companies

Magic Software announced that King Solutions, a subsidiary of King Companies, Inc. has purchased Magic's iBOLT Integration Suite for Supply Chain Automation (SCA).

King Solutions offers supply chain integration services to map workflow charts that integrate existing software programs and business partners with King's Supply Chain Management application. This integration service provides King Solutions, their partners and customers with the ability to track vendor PO information, component inventory, daily outbound activity, and invoicing. Under the terms of the agreement, Magic Software will provide the iBOLT Integration Suite, maintenance, support, and training to King Companies.

Magic Software and Dutch System Integrator ISDC Sign Strategic Partnership for iBOLT Integration Suite

Magic Software announced the signing of a strategic partnership with ISDC, a leading Dutch System Integrator to become an iBOLT Integration partner. With this agreement, ISDC joins a growing list of system integrators worldwide that have signed up as partners for iBOLT.

ISDC is a leading system integrator in the Netherlands specializing in customized solutions for large and mid-sized organizations. Since 1990 ISDC has been focused on delivering cost efficient solutions based on Magic Software's eDeveloper rapid application development and deployment technology. With iBOLT, ISDC is expanding its focus into the area of business integration and process management.

Magic Software and ESI Join Forces To Strengthen IBOLT's Business Process Management Functionality

Magic Software announced that it has joined forces with Expert Solutions International (ESI), a leading supplier of business rules engine (BRE) technology, to strengthen the business process management (BPM) functionality of its iBOLT Integration Suite.

In this partnership, Magic Software will promote ESI's Logist knowledge-based decision-making business rules platform as part of its iBOLT Integration Suite. In line with market trends, the combined offering will simplify the handling and challenges inherent in complex business scenarios and enable organizations to more easily implement a real-time enterprise while increasing business agility.

To learn more about iBOLT go to: http://www.magicsoftware.com/ibolt

MAGIC SOFTWARE NEWS

Magic Returns to India

n December 2003, Magic Software kicked off its return to India with a well-attended conference held in Mumbai.

Magic Software India plans to significantly increase its number of partners in India to market eDeveloper and iBOLT.

MSE India, which already has a growing list of active channel partners, is actively recruiting new partners including system integrators, independent software vendors, consulting companies and corporate IT departments, value-added resellers, applications service providers, and sales partners.

Meir Koren, regional sales manager-ASPC, Africa, said, "We strive to deliver a technology that can be used efficiently and can increase the ROI of our customers and can be resold by our channel

partners. Our business activities are based on both direct sales (to large customers) and to developing channel partners for iBOLT including system integrators and consulting firms. For our development tool, eDeveloper, we are looking for partners, such as software houses and IT departments. These activities are designed to help Magic achieve significant growth in India as well as providing our channel

The MSE India team

partners with the means to achieve rapid growth and to succeed in an ever-changing and dynamic market place."

Additionally, Magic Software is opening three training centers

in India at Pune, Mumbai and Bangalore.

"India is a huge market for IT technology, and our target segment will be the small and medium enterprise" said Koren.

To learn more about MSE India please contact Meir Koren: meirk@magicsoftware.com

Though the Internet bubble has burst, the global economy achieved tremendous productivity gains by adopting and integrating Internet technologies. Web-based commerce forces enterprises to increasingly operate in "real-time" mode, both in management

(monitoring and responding to business changes) and in operations (data and physical processing).

Since the late 90's, large Fortune-1000 enterprises streamlined their operations and invested heavily in Application Integration and eBusiness, leading in part to the Internet boom. Mid-sized and small enterprises are forced to follow suit to stay in business. Dealing with giants like Ford or GE requires a B2B link between the respective IT systems, implying application integration and processes automation in the smaller enterprises. This means exposing significant parts of internal systems to external organizations, and understanding the external organizations' operational plans. Business processes must be synchronized within the enterprise and between enterprises. More and more data is becoming "processable" so that companies can use

THE STRATEGIC EVOLUTION OF THE BPM SPACE

knowledge-management and decisionsupport tools to further improve the organization's response to the changing business environment.

Information Technology has been described as a kind of Enterprise Nervous

System. However, a nervous system is useless without sufficient and timely data. We could not function if our sensory input had a 10-minute delay, yet most enterprises have at best a three-month delay in their "sensory" input, i.e. their quarterly results, and even this data is partial and lacks detail. An enterprise could achieve greater efficiency if it could "feel" and act in real-time by having a pervasive and integrated information system.

Magic Software's technology is ideally placed to answer these needs. The iBOLT and eDeveloper combination provides the integration and development platform to bring together multiple applications, streamline existing business processes and configure new ones, reuse existing applications and investments, and rapidly add functionality at a predictable (low) cost.

MAGIC SOFTWARE NEWS

The Magic Software **Event** im France -September, 2003



n September Magic France held an extremely successful event, offering an opportunity to learn about the new iBOLT Integration Suite. Alain Dubois - Director of Marketing Magic France tells the story about how this event came about.

"During the summer Jean Jacques, MD Magic France decided that he wanted to hold a large event to introduce iBOLT to France. The first step was the logistics – we needed a location that could accommodate our needs and the Paris Expo and its business center at CNIT at Paris-La Defence was chosen - it gave us great pleasure to note that they were reserving rooms and services using software developed in eDeveloper by Magic France!

The second challenge was the caterer - there are no true events in France without a serious lunch. We turned to one of our customers, Ravnier Marchetti for help. It was an experience to exchange customer/supplier's roles with one of our partners and it definitly enhanced our relationship.

With the logistics out of the way we needed to focus on attracting the customers. We searched all of our databases and with the commitment of the French sales team we were able to personally invite over 1,000 contacts, and this was accomplished despite the scorching heat of the Parisian summer.

September 8th, 2003, D-day -1: There are more than 170 subscribers and the discussion in the MSE France corridors is "How many will really show up tomorrow?"

September 9th, 2003, D-day 9 am: Everything is in place, computers are running, the room is brilliant, and the customers come to get their badges ...80, 100, 120, 150 appear with a smile and an eagerness to learn more about Magic Software's latest innovation.



notes, interrogate, and appreciate.

2 pm: There is real activity in the place and the lunch Show time: Jean Jacques and Regev open the event. Our consultants, Saad and Jérome, present and our guests take



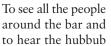
(including the wines) provided an opportunity to discuss and better understand Magic solutions.



It is now the turn of the Giga's analyst and Avigdor Luttinger to introduce iBOLT.

The customer wants to know more, and Jérôme confirms all of our claims with a live demonstration.

6 pm: Cocktail: The moment of truth!





of discussion, proves that the event was a success: "Come to see me quickly", and "when will we have a similar event in my region?" "I have a customer who wants to know more about iBOLT and integration" were common themes discussed.



9 pm: We will ultimately measure the sucess by the sales generated at the event, but for the moment it is the

satisfaction of the customers that shows through and faces filled with the hope of

numerous iBOLT projects in the near future.



Magic Webinar Update

ollowing on the success of the Magic Autumn Webinar Series, Magic Software is continuing its informative and educational Web-based seminars, commonly know as Webinars. The Webinars are aimed at technology specialists and business decision makers. They focus on latest

industry trends and the newest Magic Software products and features, and allow participants to interact with industry experts.

Over the past 4 months Magic has offered over 18 Webinars in English and German that have covered topics ranging from "Understanding Business Process Management" to "What's new in eDeveloper" and have been co-sponsored by industry leaders such as IBM and ebizQ.

The continuing series will include relevant topics in English, German and French. Additionally, all of the previous Webinars can be viewed through our Archives. http://www.magicsoftware.com/home/web inars/archive.jsp

To learn more about the Magic Webinar series or to view the current schedule visit http://www.magicsoftware.com/home/web inars

IMPLEMENTATION AROUND THE GLOBE

FANTONI

Designed For Success

The Fantoni Group produces a range of products, such as office furniture, walls, melamine panels and papers, laminates, floorings, sound-deadening panels, and resins. The company is involved in all levels of the manufacturing process, including product design, the creation of new materials, research and development, and of course the manufacture of the finished goods. The Fantoni team works tirelessly in the pursuit of the "total design" concept.

This is accomplished through extensive experience, perfected

knowledge, and the constant pursuit of innovation in architecture, research, product synergy, and respect for and protection of the environment.



IBM has always been a major component of the Fantoni Group's technological infrastructure. IBM's AS/400 platform,

today known as the IBM iSeries, is the strategic core of the company's information systems. A constant internal evolution drove Fantoni's EDP IT division to build an informative proprietary system and keep it up-to-date with the latest IT trends. When EDP had to adapt a critical part of the information system to Y2K compatibility and provide a new graphical interface, they sought out a new development solution.

EDP chose eDeveloper based on the tool's core strengths, short development time even with complex solutions, integration with existing databases, same development environment for Client/Server and Web

solutions, reliability, rapid maintenance, and ongoing

support of emerging technologies. eDeveloper also allowed the rapid updating of applications and management processes from a green-screen

environment to a Client/Server solution, maintaining the integrity of the database.

Since 1997, EDP, with initial assistance from Magic Italy and later from local Magic partners, has improved and updated the company's information systems, while maintaining efficiency and dramatically reducing maintenance and new process development costs. The Fantoni Group's IT architecture, based on a head office and three remote locations, consists of one IBM AS/400 machine, two IBM iSeries machines and 25 Servers on remote and local networks, with over 280 Clients. The Web application's infrastructure is managed by internal personnel and uses advanced technologies for security, such as LDAP, iChain, and centralized anti-virus.

The solution

The company requirements were to create a Web-based solution for developing its information systems and to integrate the company's back-end systems. eDeveloper's extensive and proven expertise in this area convinced Fantoni that this was the best solution. Solution partners Jo Soft and 2B Soft, strategic advisers in Fantoni Group's applicative and management area, developed in a short time a solution answering all the "supply chain management" challenges, significantly

IN FOCUS

MEDWAY PORTS CHARTS A CLEAR COURSE WITH eDeveloper

W ith a throughput of almost three million tonnes of vehicles, timber, produce,

and general cargo each year, Medway Ports' Sheerness and Chatham docks are a vital shipping distribution artery for the south east of England.

Medway Ports is the Port Authority for the 27 mile stretch of the Medway River – from it's mouth to Allington Lock – controlling the movement of all shipping in and out of the river.



As one of the UK's most frequently used ports, Medway Ports needs reliable backend systems in place to help it control and manage the river. With off-the-shelf products not fitting the bill, the company opted to develop their own applications to replace mainly paper-based systems.

Although Medway Ports were already using an application development tool, this was specifically designed for the IBM AS400. This did work at the time, but the company was keen to find a development tool which could be used on multiple

platforms and integrate with external systems.

"Medway Ports needed a rapid application tool that could help us write programs quickly, in a completely controlled way, and develop our support system internally. We had to make no assumptions about what software was being used on the receiver's PC," Medway's MIS Manager, Mike Dendor, says.

"But speed and productivity of the development application was vital as well.

We wanted to create an event driven

We wanted to create an event driven program that could run as things were

happening. I needed our programmers to be able to write objects very quickly that could react to problems and events very quickly, but doing this without using lots of different applications."



which developing tool to use, they looked at three companies. However, they had already had a demonstration from Magic Software and Magic's eDeveloper had consistently won on the speed front. "As well as seeing the obvious productivity benefits with Magic Software, we



MPLEMENTATION AROUND THE



improving the existing processes. The solution's success and the Supply Chain application's impressive output and performance persuaded EDP to choose eDeveloper to develop its Web applications.

The presence of a SAP application was an additional test in which eDeveloper showed powerful integration capabilities in a complex structure. eDeveloper enabled SAP processing with many complex and advanced IBM iSeries technologies.

The new technologies and functionality that are available with the latest eDeveloper version, V9.4, convinced EDP to study the feasibility of upgrading to the new release. Till recently, 90% of EDP's Client/Server programs were developed in Magic 8.3.

particularly liked the people and were interested in their future strategy and where they were going with the eDeveloper product," Mike says.

Using eDeveloper, Magic set up a pilot project for the programmers at Medway Ports to use over six months. eDeveloper allowed the four dedicated programmers to rapidly write programs in small blocks while at the same time giving them an opportunity to design and analyse efficiently.

Having used previous versions of Magic within the organisation, the initial application that Medway developed using eDeveloper was a web-based berthing system for ships travelling in and out of the port, now known as the Vessel Movement Display (VMD).

VMD provides full transparency of what is being shipped in and out to Medway Ports' customer base, partners, agents and shippers, local people and authorities.

The success of the testing allowed EDP to immediately begin the upgrade process.

G. Rossi, Fantoni Group IT manager concludes: "Thanks to eDeveloper, Magic's technologically advanced powerful and versatile tool developed for the iSeries platform, and supported by professional solution partners, the company can work in a more integrated way and offer quick and efficient service to the end user".

PAZ GAS

Magic Software Announces New Contract To Computerize Gas Distribution Systems For Paz Gas With eDeveloper

Initial deal valued at around \$500K

agic Software, announced that it has won a new contract to computerize the gas distribution systems for Paz Gas, the largest gas company in Israel. The initial value of the deal is around \$500K. In conjunction with long-term partner, Bashan Software Systems, which



specializes in the gas sector, Magic will provide Paz Gas with an automated eDeveloper-based system for distribution and agent management. The solution will handle the distribution of gas to customers across the country. It manages the entire process from the point of order, through delivery and invoicing.

The distribution solution will provide services for eight regional offices and around one hundred and fifty users, and will integrate with existing Paz Gas systems.

"This win is an excellent example of how we join forces with our partners, such as Bashan Software, to bring quality solutions to leading companies such as Paz Gas," said Eran Kaplan, Managing Director of Magic Software's Asia/Pacific operation, "Our partners provide excellent domain expertise, Magic provides project management and technical expertise, and the customer receives the solution they need to maximize their business efficiencies."

Since, Medway Ports has used eDeveloper to create numerous other applications, and currently uses accounting, credit

control, and three stock management systems developed using Magic in addition to the VMD river management system.

"Magic, in our eyes, is the best kept secret in the IT world," Mike says. "Magic's eDeveloper has delivered Medway Ports a significant increase in productivity by dramatically reducing programming effort and the number of instructions and rules needed, while

simplifying the maintenance process.

"The integrated development environment for both e-business and client/server has meant that we have eliminated the time and expense of having to either retrain existing staff or outsource Web development efforts instead. Using Magic allows us to

develop client/server and Web-based applications without recourse to any other development tool no other technology could offer this and it is a tremendous benefit to us."



Medway Ports is now looking to the future with eDeveloper and are developing a Despatch Order Entry solution to replace an aging AS/400 based legacy system which will save them hours of administration time. The

new Despatch system is just the start, Medway plan to use eDeveloper to help them improve other sub-systems to reflect new business processes within the port.

to be continued on back page >



The theme of the 2004 Summit is

"Improving Best Practices... Strengthening Standards".

If integration is your interest, and you are a leader (or aspire to be one), and you have a bias for action, this event is for you!

Located in the heart of the Canadian Rockies. May 24th - May 28th, 2004

Visit www.globaleaisummit.com

Presented by the EAI Industry Consortium www.eaiindustry.org

Medway Ports Charts a Clear Course with eDeveloper Continued from page 15

> "We are really pleased with the way we work with Magic, they are hugely supportive to us. Our philosophy is one of service – first class service is what has grown the port and Magic helps us do this and keep our customers very happy," concludes Mike.

Register to receive the Magic Link:

Keep up to date on all of the latest Magic News with the Magic Link -The Magic Link is a free bi-weekly newsletter that provides exciting news, useful information, and upcoming events specifically geared to the Magic Community.



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