

FOR IMMEDIATE RELEASE

FORMULA ANNOUNCES \$20 MILLION PRIVATE PLACEMENT IN SAPIENS

Herzlia, Israel – June 10, 2007 – Formula Systems (1985) Ltd. (NASDAQ: FORTY and TASE: FORT) a leading provider of information technology products, solutions and services, announced today that its subsidiary, Sapiens International Corporation N.V. (NASDAQ and TASE: SPNS) announced a \$20 million private placement round led by institutional investors and Formula Systems. The common shares at the private placement were priced at \$3 representing 12% premium with no warrants. After closing (expected at the end of June) Formula Systems will remain the controlling shareholder of Sapiens.

Gad Goldstein, President & CEO of Formula, commented: "One of our missions for this year was to ensure that all our subsidiaries have the adequate financial resources to support accelerated growth. Sapiens' private placement complements a series of actions whereby all our subsidiaries are in excellent positions for the future."

About Formula

Formula Systems Ltd. is a global information technology company principally engaged, through its subsidiaries and affiliates, in providing software consulting services, developing proprietary software products and providing computer-based business solutions.

Statements made in this press release that are not historical facts are forward-looking statements. Such statements involve various risks that may cause actual results to differ materially. These risks and uncertainties include, but are not limited to: market demand for the company's products, dependence on strategic partners, integration of new business, successful implementation of Formula's products, economic and competitive factors, international market conditions, management of growth, technological developments, the ability to finance operations and other factors which are detailed in Formula's Securities and Exchange Commission filings, including its most recent report on Form 20-F. Formula undertakes no obligation to publicly release any revision to any forward-looking statement.

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