FORM 6-K

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 May, 2008

Commission File Number: 0-19415

MAGIC SOFTWARE ENTERPRISES LTD.

(Translation of Registrant's Name into English)

5 HaPlada Street, Or-Yehuda, Israel 60218
(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 the Form 6-K in paper as permitted by RegulationS-T Rule 101(b)(1): N/A

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

Indicate by check mark whether by furnishing the information contained in this Form, 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

CONTENTS

This report on Form 6-K of MAGIC SOFTWARE ENTERPRISES Ltd. consists of the following documents, which are attached hereto and incorporated by reference herein:

1. Magic Software Reports Financial Results for Q1 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.

Date: May 21, 2008   Magic Software Enterprises Ltd

           By: /s/ David Zigdon
           _____

           David Zigdon
           Chief Financial Officer

EXHIBIT INDEX

Exhibit Number   Description of Exhibit

10.1   Magic Software Reports Financial Results for Q1 2008

Exhibit 10.1

PRESS RELEASE

Magic Software Reports Financial Results for Q1 2008

-- Sharp Rise in Cash & Equivalents to $32 million; 9% Revenue Growth with Continued Strong Gross Margin --

Or Yehuda, Israel, May 21, 2008 -- Magic Software Enterprises Ltd. (NASDAQ: MGIC), a leading provider of business integration, application development and deployment tools, today announced financial results for the first quarter ended March 31, 2008.

Results for the First Quarter
Revenues for the first quarter increased by 9% to $15.1 million compared with $13.8 million in the first quarter of 2007. Gross margin for the quarter rose to 55% from 51% in the first quarter of 2007.

On the basis of U.S. GAAP, net profit for the quarter totaled $52,000, or $0.0 per share. This compared with a net profit of $1.0 million, or $0.03 per share, for the first quarter of 2007, which included a $0.5 million contribution from discontinued operations.

GAAP results include amortization expense as well as non-cash charges taken for the capitalization of intangible assets and stock-based compensation. Excluding these expenses, non-GAAP net profit for the quarter was $0.3 million, or $0.01 per share compared to $0.6 million, or $0.03 per share, in the first quarter of 2007.

As of the end of the quarter, the Company's net cash equivalents (including cash, short term bank deposits and marketable securities) totaled $32.2million compared to $16.4 million at the end of the fourth quarter of 2007. The increase reflected the contribution of approximately $4 million from the Company's operations, with the remainder derived from the payment received in respect of the Company's sale of its wholly-owned subsidiary, Advanced Answers On Demand (AAOD) in the fourth quarter of 2007. In accordance with U.S. GAAP (Generally Accepted Accounting Principles), AAOD's results have been recorded as discontinued operations in the first quarter of 2007, with operating results excluding AAOD's contribution.

Comments of Management
Commenting on the results, Guy Bernstein, Active Chairman of Magic Software Enterprises, said, "Our first quarter results represent a solid beginning for 2008. Our divestment of AAOD in the fourth quarter has strengthened our cash position significantly while allowing us to increase our focus on core activities.

"On the product development front, we have just announced our exciting Rich Internet Application Platform, a comprehensive platform designed to accelerate the development of complex, advanced-functionality client/server and rich internet applications. We have also been active in the Software-as-a-Service (SaaS) field, a market niche that has entered a rapid growth phase. We officially entered this market a few weeks ago at Dreamforce Europe when we launched a special edition of our flagship iBOLT business integration solution for Salesforce.com users, a significant market on its own," concluded Bernstein.

Highlights of the First Quarter

- Announcement of the application development roadmap for the Company's next-generation eDeveloper composite application platform.
- Introduction of iBOLT for Salesforce.com, the Company's first offering for the Software-as-a-Service (SaaS) market. Introduced at Dreamforce Europe 2008 conference.

Non-GAAP Financial Measures
This release includes non-GAAP basic and diluted earnings per share and other non-GAAP financial measures, including cost of service, research and development, selling, general and administrative, operating income, income taxes and net income. These non-GAAP measures exclude the following items:

- Amortization of purchased intangible assets;
- In-process research and development capitalization and;
- Equity-based compensation expense.

Magic's management believes that the presentation of non-GAAP measures provide useful information to investors and management regarding financial and business trends relating to the company's financial condition and results of operations as well as the net amount of cash generated by its business operations after taking into account capital spending required to maintain or expand the business.

For its internal budgeting process and in monitoring the results of the business, Magic's management uses financial statements that do not include amortization of purchased intangible assets, in-process research and development capitalization and equity-based compensation expense. Magic's management also uses the foregoing non-GAAP financial measures, in addition to the corresponding GAAP measures, in reviewing the company's financial results.

These non-GAAP financial measures are not in accordance with, or an alternative for, generally accepted accounting principles and may be different from non-GAAP financial measures used by other companies. In addition, these non-GAAP financial measures are not based on any comprehensive set of accounting rules or principles. Magic believes that non-GAAP financial measures have limitations in that they do not reflect all of the amounts associated with Magic's results of operations as determined in accordance with GAAP and that these measures should only be used to evaluate Magic's results of operations in conjunction with the corresponding GAAP measures.

Please refer to the Reconciliation of Selected Financial Metrics from GAAP to Non-GAAP tables below.

Conference Call
Magic Software's management will also host a conference call today at 10:00 am EDT and 5:00 pm in Israel.

To participate in the conference call, please call the appropriate number listed below at least five to ten minutes prior to the start of the call:

From the US: 1-800-994-4498
From Canada: 1-866-485-2399
From UK: 0800-0323367
From Israel: 1-800-270-345
All others: +972-3-9180620

Callers should reference the Magic Software Earnings Conference Call.

For those unable to listen to the conference call, there will be a replay available from the investor relations part of Magic's web-site at: www.magicsoftware.com.

About Magic Software

Magic Software Enterprises Ltd. (NASDAQ: MGIC) is a leading provider of business integration, application development and deployment tools. Magic Software has a presence in over 50 countries as well as a global network of ISV's, system integrators, value-added distributors and resellers, and OEM partners. The company's award-winning code-free solutions give partners and customers the power to leverage existing IT resources, enhance business agility and focus on core business priorities. Magic Software's technological approach, product roadmap and corporate strategy are recognized by leading industry analysts. Magic Software has partnerships with global IT leaders including SAP, salesforce.com, IBM and Oracle. For more information about Magic Software Enterprises and its products and services, visit www.magicsoftware.com.

Magic Software is a subsidiary of Formula Systems in the Emblaze Group of companies.

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.

Contacts
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Magic Software Enterprises Ltd
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands of U.S. dollars, except per share data)

	Three months ended March 31,	
	2008	**2007**
	(unaudited)	(unaudited)
Sales	15,069	13,831
Cost of sales	6,785	6,766
Gross profit	8,284	7,065
Software development costs, net	560	626
Selling, general and administrative expenses	7,860	5,971
Total operating expenses	8,420	6,597
Operating income (loss)	(136)	468
Financial income, net	180	106
Other income, net	39	25
Income before taxes	83	599
Taxes on income	23	142
	60	457
Equity gain (loss)	(8)	10
Net income before discontinued operation	52	467
Net income from discontinued operation	0	537
Net income after discontinued operation	52	1,004
Basic net earnings per ordinary share	0	0.03
Diluted net earnings per ordinary share	0	0.03
Weighted average number of ordinary shares used in computing basic net earnings per ordinary share	31,763	31,306
Weighted average number of ordinary shares used in computing diluted net earnings per ordinary share	32,001	31,990

Magic Software Enterprises Ltd
RECONCILIATION OF GAAP TO NON-GAAP RESULTS
(In thousands of U.S. dollars, except per share data)

	Three months ended March 31,	
	2008	**2007**
	(unaudited)	(unaudited)
GAAP operating income (loss)	(136)	468
Amortization of intangibles	578	822
Capitalization of software development	(856)	(764)
Stock-based compensation	491	34
Total adjustments to GAAP	213	92
Non-GAAP operating income (loss)	77	560
GAAP net income (loss) before discontinued operation	52	468
Total adjustments to GAAP as above	213	92
Non-GAAP net income (loss) before discontinued operation	265	560
GAAP net income (loss)	52	1,004
Total adjustments to GAAP as above	213	92
Non-GAAP	265	1,096
Non-GAAP basic earnings per share	0.01	0.04
Weighted average number of ordinary shares used in computing basic net earnings per ordinary share	31,763	31,306
Non-GAAP diluted earnings per share	0.01	0.03
Weighted average number of ordinary shares used in computing diluted net earnings per ordinary share	32,001	31,990

Magic Software Enterprises Ltd
CONSOLIDATED BALANCE SHEETS
(In thousands of U.S. dollars)

	As of March 31, 2008	As of December 31, 2007
	(unaudited)	(unaudited)
ASSETS		
Current Assets		
Cash and cash equivalents	29,139	12,178
Short term bank deposits	102	89
Marketable securities	2,994	4,090
Trade accounts receivable	13,591	12,941
Other receivables and prepaid expenses	2,824	2,010
Debtors from a subsidiaries sale		16,000
Current assets of discontinued operations	35	41
Total Current Assets	48,685	47,349
Non-Current Assets		
Severance pay fund	2,093	1,925
Long term deposits	511	472
Investment in affiliated companies	119	127
Fixed assets, net	5,755	5,758
Goodwill	16,514	15,986
Other assets, net	10,995	10,681
Total Non-Current Assets	35,987	34,949
Total Assets	84,672	82,298
Current Liabilities		
Short-term credit from banks	175	3,621
Trade accounts payable	2,933	2,999
Accrued expenses and other liabilities	7,943	9,169
Deferred Revenues	8,096	2,314
Current Liabilities of discontinued operation	465	503
Total Current Liabilities	19,612	18,606
Non-Current Liabilities		
Long-term loans	140	132
Accrued severance pay	2,330	2,316
Minority interests	4	-
Total Non-Current Liabilities	2,474	2,448
Shareholders' Equity	62,586	61,244
Total Liabilities and Shareholders' Equity	84,672	82,298