

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 November, 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 Regulation S-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 Regulation S-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 Strong Q3 2008 Results with Continued Revenue Momentum and Increased Profits

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: November 10, 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 Strong Q3 2008 Results with Continued Revenue Momentum and Increased Profits

PRESS RELEASE

Magic Software Reports Strong Q3 2008 Results with Continued Revenue Momentum and Increased Profits

- Q3 Revenues Up 8% YOY to \$15.8M; non GAAP Net Income Up to \$1.9M or \$0.06 per share -
- 9 Mo. Revenues Up 10% to \$46.9M; non GAAP Net Income Up to \$3.6M or \$0.11 per share -

Or Yehuda, Israel, November 10, 2008 -- Magic Software Enterprises Ltd. (NASDAQ: MGIC), a leading provider of application platform and business and process integration solutions, today announced financial results for the third quarter ended September 30, 2008.

Financial Results for the Third Quarter

Revenues for the third quarter of 2008 were \$15.8 million, an increase of 8% compared to \$14.7 million for the third quarter of 2007. Gross margin for the third quarter rose to 58% from 52% in the same period of 2007, reflecting an increasing proportion of higher-margin license sales in the mix of revenues.

On the basis of U.S. GAAP (Generally Accepted Accounting Procedures), operating income for the third quarter of 2008 was \$1.6 million, an eight-fold increase compared to \$0.2 million recorded in the third quarter of 2007. Net income for the third quarter of 2008 totaled \$1.7 million, or \$0.05 per share. This compared to net income of \$0.8 million, or \$0.02 per share, for the parallel period of 2007, which included a contribution of \$0.7 million, or \$0.02 per share, from discontinued operations.

In accordance with U.S. GAAP, the results of the Company's divested subsidiary, Advanced Answers On Demand (AAOD) (sold in the fourth quarter of 2007) were excluded from the operating results of the third quarter of 2007, and recorded instead as "Net income from discontinued operations."

On a non-GAAP basis, operating income for the third quarter was \$1.8 million, an increase of 385% compared to operating income of \$0.4 million in the same period of 2007. Net income for the third quarter was \$1.9 million, or \$0.06 per share. This compared to net income of \$0.9 million, or \$0.03 per share, recorded in the third quarter of 2007, which included a contribution of \$0.7 million, or \$0.02 per share, from discontinued operations.

Results for the Nine-Month Period

Revenues for the nine month period ended September 30, 2008 were \$46.9 million, an increase of 10% compared with \$42.8 million recorded in the first nine months of 2007.

On the basis of U.S. GAAP, operating income for the nine month period ended September 30, 2008 more than doubled to \$3.1 million compared to \$1.1 million recorded in the same period of 2007. Net income for the nine month period increased by 32% to \$3.4 million, or \$0.11 per share, compared to \$2.6 million, or \$0.08 per share, recorded in the parallel period of 2007. Net income for the nine month period of 2007 included a contribution of \$1.7 million, or \$0.06 per share, from discontinued operations.

On a non-GAAP basis, operating income for the nine month period was \$3.3 million, an increase of 190% compared to operating income of \$1.1 million in the same period of 2007. Net income for the period was \$3.6 million, or \$0.11 per share, compared to net income of \$2.8 million, or \$0.09 per share, in the comparable period of 2007, which included a contribution of \$1.9 million, or \$0.06 per share, from discontinued operations.

Comments of Management

Commenting on the results, Guy Bernstein, Active Chairman of Magic Software said, "We are pleased to report another strong quarter for Magic Software, a period during which we achieved on-track growth in both our top-line and bottom-line results despite the volatility of the global economy and our target markets."

"These positive results validate our strategy of developing cost-effective, value-added solutions that maximize the return of existing IT investments, making them attractive to customers in all types of macroeconomic cycles. Now, with good financials and a healthy balance sheet, we have expanded our strategic avenues and are well positioned to pursue options for organic and/or inorganic growth. At the same time, although we are pleased with our financial momentum and remain optimistic regarding the future, we continue to closely monitor the economic climate and to consider ways to address the specific needs of our partners and customers," concluded Mr. Bernstein.

uniPaaS: Successful Launch and Initial Adoption

In July, the Company introduced its new flagship uniPaaS platform to existing ecosystems and top-tier industry players. By providing an increased level of customer support and mentoring, the Company has succeeded in securing a significant and growing base of partners and customers who are now migrating their solutions from client/server to RIA architecture. The Company has also succeeded in generating a significant level of interest from new prospects. This is particularly visible in Japan where the product was first introduced. Today, a number of top-tier Japanese corporations have adopted Magic Software's RIA platform.

Magic Software's Added Value: Maximizing Return from Existing Investments

The underlying concept behind each of Magic Software's solutions is to increase the return on existing IT investments, unlocking revenue potential through better data management, reuse and re-composition. Magic Software's groundbreaking uniPaaS brings state-of-the-art web innovation and cloud computing technology to markets that continue to deal with traditional platforms and applications.

Establishing Thought Leadership in RIA and SaaS Application Platforms

During the quarter, the Company carried out a number of activities designed to promote Magic Software as the undisputed "Thought Leader" of the RIA and SaaS Application Platform environment. These included:

- Platinum Sponsor at Gartner Web Innovation Summit in the US on ways to profit from Web 2.0, SaaS and cloud computing
- Magic Software Speaking Sessions on RIA and SaaS Platforms and Application Portfolios in industry conferences
- Carrying out customer events globally

iBOLT Gaining Momentum

iBOLT automates the process of integrating off-premise and on-premise applications, enabling accounting, ERP, supply chain management, human resource management and logistics systems to work together. During the third quarter, iBOLT's momentum continued to expand, as illustrated by the following:

- **License sales continue to grow** as customers become more aware of the potential of code-free integration to improve the return of existing IT system investments.
- **Oracle Open World.** New customers continue to be added from the JD Edwards, Salesforce.com and SAP ERP R3 ecosystems.
- **Dreamforce 2008.** The Company received highly positive feedback from the event, confirming the recognition that integration is critical for maximizing the value of on-demand CRM solutions.

Non-GAAP Financial Measures

This release includes non-GAAP operating income, net income, basic and diluted earnings per share and other non-GAAP financial measures. These non-GAAP measures exclude the following items:

- Amortization of purchased intangible assets;
- In-process research and development capitalization and amortization 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.

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 EST / 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: 1-888-407-2553
From Canada: 1-866-958-6867
From Israel: 1-800-227-297
All others: +972-3-918-0685

Callers should reference the Magic Software Earnings Conference Call.

An archive of the online broadcast will be available on the investor relations part of Magic Software's web-site, from the following day, at: <http://www.magicsoftware.com/40-en/Magic.aspx>

A replay of the call will be available from 1:00 p.m. EST on November 11, 2008 through 12:00 p.m. EST on November 18, 2008. To access the replay, please call:

From the U.S.: 1-877-456-0009
From Canada: 1-866-500-4964
From Israel: 1-800-286-285
All others: +972-3-925-5929

About Magic Software

Magic Software Enterprises Ltd. (NASDAQ: MGIC) is a leading provider of multiple-mode application platform solutions – including Full Client, Rich Internet Applications (RIA) or Software-as-a-Service (SaaS) modes - and business and process integration solutions. Magic Software has offices in 10 countries and a presence in over 50, as well as a global network of ISV's, system integrators, value-added distributors and resellers, and consulting 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 AG, 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 September 30,		Nine months ended September 30,	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>
Sales	15,809	14,666	46,909	42,749
Cost of sales	<u>6,648</u>	<u>7,078</u>	<u>20,216</u>	<u>20,728</u>
Gross profit	9,161	7,588	26,693	22,021
Software development costs, net	676	681	1,697	1,879
Selling, general and administrative expenses	6,873	6,669	21,922	19,015
Total operating expenses	7,549	7,350	23,619	20,894
Operating income	1,612	238	3,074	1,127
Financial income (expenses), net	123	(51)	482	25
Other income, net	<u>42</u>	<u>25</u>	<u>24</u>	<u>75</u>
Income before taxes	1,777	212	3,580	1,227
Taxes on income	<u>70</u>	<u>64</u>	<u>145</u>	<u>313</u>
Minority interest	(1)	(7)	(3)	(5)
Equity in loss of affiliates	<u>-</u>	<u>(31)</u>	<u>(8)</u>	<u>(51)</u>
Net income before discontinued operation	<u>1,706</u>	<u>110</u>	<u>3,424</u>	<u>858</u>
Net income from discontinued operation	<u>-</u>	<u>659</u>	<u>-</u>	<u>1,732</u>
Net income after discontinued operation	<u>1,706</u>	<u>769</u>	<u>3,424</u>	<u>2,590</u>
Basic net earnings per ordinary share	<u>0.05</u>	<u>0.02</u>	<u>0.11</u>	<u>0.08</u>
Diluted net earnings per ordinary share	<u>0.05</u>	<u>0.02</u>	<u>0.11</u>	<u>0.08</u>
Weighted average number of ordinary shares used in computing basic net earnings per ordinary share	<u>31,829</u>	<u>31,486</u>	<u>31,727</u>	<u>31,417</u>
Weighted average number of ordinary shares used in computing diluted net earnings per ordinary share	<u>32,159</u>	<u>31,831</u>	<u>32,039</u>	<u>31,970</u>

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

	Three months ended September 30,		Nine months ended September 30,	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>
GAAP operating income	1,612	238	3,074	1,127
Amortization of intangibles	767	698	1,817	2,125
Capitalization of software development	(421)	(698)	(2,031)	(2,310)
Stock-based compensation	<u>(168)</u>	<u>131</u>	<u>412</u>	<u>186</u>
Total adjustments to GAAP	<u>178</u>	<u>131</u>	<u>198</u>	<u>1</u>
Non-GAAP operating income	<u>1,790</u>	<u>369</u>	<u>3,272</u>	<u>1,128</u>
GAAP net income before discontinued operation	1,706	110	3,424	858
Total adjustments to GAAP as above before discontinued operation	<u>178</u>	<u>131</u>	<u>198</u>	<u>1</u>
Non-GAAP net income before discontinued operation	<u>1,884</u>	<u>241</u>	<u>3,622</u>	<u>859</u>
	<u><u>1,706</u></u>	<u><u>769</u></u>	<u><u>3,424</u></u>	<u><u>2,590</u></u>
GAAP net income				
Total adjustments to GAAP from discontinued operation	<u>-</u>	<u>38</u>	<u>-</u>	<u>167</u>
Total adjustments to GAAP as above	<u>178</u>	<u>131</u>	<u>198</u>	<u>1</u>
Non-GAAP net income	<u>1,884</u>	<u>938</u>	<u>3,622</u>	<u>2,758</u>
	<u><u>0.06</u></u>	<u><u>0.03</u></u>	<u><u>0.11</u></u>	<u><u>0.09</u></u>
Non-GAAP basic earnings per share				
Weighted average number of ordinary shares used in computing basic net earnings per ordinary share	<u>31,829</u>	<u>31,486</u>	<u>31,727</u>	<u>31,417</u>
	<u><u>0.06</u></u>	<u><u>0.03</u></u>	<u><u>0.11</u></u>	<u><u>0.09</u></u>
Non-GAAP diluted earnings per share				
Weighted average number of ordinary shares used in computing diluted net earnings per ordinary share	<u>32,159</u>	<u>31,831</u>	<u>32,039</u>	<u>31,970</u>

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

	<u>September 30,</u> <u>2008</u> <u>(Unaudited)</u>	<u>December 31,</u> <u>2007</u>
ASSETS		
Current Assets		
Cash and cash equivalents	25,903	12,178
Short term bank deposits	3,291	89
Marketable securities	3,598	4,090
Trade accounts receivable, net	12,293	12,941
Other accounts receivables and prepaid expenses	2,686	2,010
Receivables from a sale of subsidiary	-	16,000
Current assets of discontinued operations	32	41
Total Current Assets	<u>47,803</u>	<u>47,349</u>
Non-Current Assets		
Severance pay fund	2,058	1,925
Long-term lease deposits	312	472
Investment in an affiliated company	-	127
Property and equipment, net	5,507	5,758
Goodwill	16,244	15,986
Other intangible assets, net	10,889	10,681
Total Non-Current Assets	<u>35,010</u>	<u>34,949</u>
Total Assets	<u><u>82,813</u></u>	<u><u>82,298</u></u>
Current Liabilities		
Short-term credit from banks	120	3,621
Trade payables	2,354	2,999
Deferred revenues	3,814	2,314
Accrued expenses and other accounts payable	8,581	9,169
Current liabilities of discontinued operations	406	503
Total Current Liabilities	<u>15,275</u>	<u>18,606</u>
Non-Current Liabilities		
Long-term loans	59	132
Accrued severance pay	2,253	2,316
Minority interests	3	-
Total Non-Current Liabilities	<u>2,315</u>	<u>2,448</u>
Shareholders' Equity	<u>65,223</u>	<u>61,244</u>
Total Liabilities and Shareholders' Equity	<u><u>82,813</u></u>	<u><u>82,298</u></u>