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 February, 2010

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 Q4 and Full Year 2009 Results: Annual Net Profits Increased to $6.2 million along with Improved Operations

Magic Software Reports Q4 and Full Year 2009 Results: Annual Net Profits Increased to $6.2 million along with Improved Operations

Or-Yehuda, Israel, February 10, 2010 – Magic Software Enterprises Ltd. (NASDAQ: MGIC), a global provider of application platforms and business and process integration solutions, today announced its financial results for the fourth quarter and full year ended December 31, 2009.

Financial Highlights for the Fourth Quarter

- Revenues were $14.5 million (Q4 2008: $15.1 million; Q3 2009 $13.5 million).

- Operating income was $1.8 million (Q4 2008: $1.2 million; Q3 2009: $0.8 million).

- Net income reached $3.5 million, a three-fold increase compared to $1.1 million for the fourth quarter of 2008 and $0.9 million for the third quarter of 2009.

- Total cash, cash equivalents and short-term investments as at December 31, 2009 amounted to $42 million compared to $33 million as at December 31, 2008.

- During the fourth quarter the Company declared a cash dividend in the amount of US$0.50 per share and in the aggregate amount of approximately US$16.0 million.

Financial Highlights for the Full Year ended December 31, 2009

- Operational cash flow for the year amounted to $4.5 million.

- Revenues reached $55.4 million, compared to $62.0 million in 2008.

- Operating income was maintained at $4.3 million, despite a relative decline in revenues.

- Net income reached $6.2 million, an increase of 38% compared to $4.5 million in 2008.

- Net income for 2009 included a $2.0 million capital gain from the sale of the Company's headquarters building.

Comments of Management

Commenting on the results, Guy Bernstein, Chairman of Magic Software, said: "During a difficult year for global markets, I am pleased to report that we have improved efficiency, maintained our operating profits, and implemented structural, management and operational changes to serve our future growth.

"Towards the tail end of 2009 we began to see greater sales of our uniPaaS and iBOLT platforms. We are continuing to improve our business performance by focusing on greater efficiency and more license sales," concluded Mr. Bernstein.

Summary of the Year and the Quarter

- Eyal Pfeifel was appointed as the Company's new CTO, in August. Eyal brings with him previous Magic Software experience and 20 years in planning and managing large-scale and innovative technology projects.

- The Company has seen an increasing number of new customers worldwide.

- A growing emphasis on projects that use both uniPaaS and iBOLT platforms, particularly in the fields of mobile applications and specific industry verticals.

- The uniPaaS application platform continues to be adopted worldwide. The Company is now implementing close to 100 uniPaaS RIA projects in Japan alone. Other significant uniPaaS deals include uniPaaS RIA for KLAFS, Europe's leading sauna and spa manufacturer; Bank Leumi, Israel's

leading commercial bank, which is migrating 60 of its applications to uniPaaS, and the Norfolk and Norwich University NHS Trust in the UK.

- Growth in the use of iBOLT in new ecosystems including SAP R/3, Lotus Notes, HL7, Microsoft SharePoint and Microsoft Dynamics CRM.

- The Company has won a number of significant iBOLT business, including a SaaS/on-premise integration for Clinical Financial Services in the US; a Lotus Notes integration for MintWave in Japan; a Salesforce.com - SAP R/3 integration for AVL in Austria; two SAP R/3 integration deals for KLAFS and Tecan in Germany. The Company also entered into new partnership agreement with Astadia.

- The Company's uniPaaS and iBOLT solutions gained significant media coverage throughout the year from specialist and general IT media publications including FT.com, San Francisco Business Times, MWD Advisors, BCS, banking technology, Enterprise Systems, FierceBiotec IT, FineExtra, Dr.Dobb's, IT Business and ebizQ. For a full listing of our media coverage read here.

- Magic Software was included in five Gartner and Forrester industry analyst reports in the last two quarters. Magic Software's uniPaaS was recently added to Gartner's Magic Quadrant for Enterprise Application Servers, (Gartner Report, 24 September 2009, Yefim V. Natis, Massimo Pezzini, Kimihiko Iijima).

- Hermes Logistics technologies, the company's fully owned subsidiary, signed new customers including Zagreb Airport, Toll Dnata Air Services in Australia and SCSC in Vietnam (in partnership with Loedige Systems).

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 Software'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 Software believes that non-GAAP financial measures have limitations in that they do not reflect all of the amounts associated with Magic Software's results of operations as determined in accordance with GAAP and that these measures should only be used to evaluate Magic Software'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.

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About Magic Software
Magic Software Enterprises Ltd. (NASDAQ: MGIC) is a global provider of multiple-mode application platform solutions – including Full Client, Rich Internet Applications (RIA), Mobile or Software-as-a-Service (SaaS) modes - and business and process integration solutions. Magic Software has 10 offices worldwide and a presence in over 50 countries with 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 and its products and services, visit www.magicsoftware.com, and for more about our industry related news, business issues and trends, read the Magic Software Blog.

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, the integration of newly acquired IT services assets 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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MAGIC SOFTWARE ENTERPRISES LTD.
CONSOLIDATED STATEMENTS OF OPERATIONS
U.S. dollars in thousands (except per share data)

	Three months ended			Year ended	
	December 31,		September 30,	December 31,	
	2009	**2008**	**2009**	**2009**	**2008**
		Unaudited		**Unaudited**	
Revenues	14,481	15,071	13,504	55,350	61,980
Cost of Revenues	6,459	6,923	6,625	26,264	27,139
Gross profit	**8,022**	**8,148**	**6,879**	**29,086**	**34,841**
Research and development, net	353	653	358	1,310	2,350
Selling, general and administrative expenses	5,918	6,302	5,709	23,518	28,224
Total operating expenses, net	**6,271**	**6,955**	**6,067**	**24,828**	**30,574**
Operating income	**1,751**	**1,193**	**812**	**4,258**	**4,267**
Financial income (expenses), net	98	(34)	154	238	448
Other income (expenses), net	1,791	(24)	(63)	2,014	-
Income before taxes on income	**3,640**	**1,135**	**903**	**6,510**	**4,715**
Taxes on income	167	54	1	334	199
Income after taxes on income	**3,473**	**1,081**	**902**	**6,176**	**4,516**
Minority interest	-	3	-	-	-
Equity in losses of affiliates	-	-	-	-	(8)
Net income	**3,473**	**1,084**	**902**	**6,176**	**4,508**
Basic net earnings per share	0.11	0.03	0.03	0.19	0.14
Diluted net earnings per share	0.11	0.03	0.03	0.19	0.14
Weighted average number of shares used in computing net earnings per share					
Basic	31,915	31,894	31,894	31,899	31,769
Diluted	32,314	32,010	32,169	32,107	32,032

MAGIC SOFTWARE ENTERPRISES LTD.
RECONCILIATION BETWEEN GAAP AND NON-GAAP
STATEMENTS OF OPERATIONS FOR COMPARATIVE PURPOSES
U.S. dollars in thousands (except per share data)

	Three months ended December 31,		Year ended December 31,	
	2009	**2008**	**2009**	**2008**
	Unaudited		**Unaudited**	
GAAP operating income	1,751	1,193	4,258	4,267
Amortization of intangibles	950	783	3,650	2,600
Capitalization of software development	(772)	(546)	(3,128)	(2,577)
Stock-based compensation	(59)	(168)	130	244
Total adjustments to GAAP	119	69	652	267
Non-GAAP operating income	1,870	1,262	4,910	4,534
GAAP net income	3,473	1,084	6,176	4,508
Total adjustments to GAAP as above	119	69	652	267
Non-GAAP net income	3,592	1,153	6,828	4,775
Non-GAAP basic net earnings per share	0.11	0.04	0.21	0.15
Weighted average number of shares used in computing basic net earnings per share	31,915	31,894	31,899	31,769
Non-GAAP diluted net earnings per share	0.11	0.04	0.21	0.15
Weighted average number of shares used in computing diluted net earnings per share	32,371	32,010	32,179	32,032

MAGIC SOFTWARE ENTERPRISES LTD.
CONSOLIDATED BALANCE SHEETS
U.S. dollars in thousands

	December 31, 2009	December 31, 2008
	(Unaudited)	
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	24,350	27,309
Short-term bank deposits	13,838	1,810
Available for sale marketable securities	3,680	3,469
Trade receivable, net	12,004	13,140
Other accounts receivable and prepaid expenses	3,869	1,933
Current assets of discontinued operation	27	31
Total current Assets	57,768	47,692
LONG-TERM ASSETS:		
Severance pay fund	404	316
Long-term assets	749	235
Total long-term investments	1,153	551
Property and equipment, net	1,762	5,436
Goodwill	16,735	16,829
Other intangible assets, net	10,133	10,656
TOTAL ASSETS	87,551	81,164
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Short-term credit and current maturities of long term loans	43	147
Trade payables	2,662	2,988
Deferred revenues	1,569	1,643
Accrued expenses and other accounts payable	25,159	8,691
Current liabilities of discontinued operation	314	372
Total current liabilities	29,747	13,841
Long-term loans	10	33
Accrued severance pay	606	535
Total non-current Liabilities	616	568
SHAREHOLDERS' EQUITY	57,188	66,755
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	87,551	81,164

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: February 10, 2010   Magic Software Enterprises Ltd

                                                            By: /s/ Amit Birk
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                                                            Amit Birk
                                                            VP, General Counsel

EXHIBIT INDEX
Exhibit Number Description of Exhibit

10.1 Magic Software Reports Q4 and Full Year 2009 Results: Annual Net Profits Increased to $6.2 million along with Improved Operations