

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, 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 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 Triples Operating Profits for Third Quarter of 2010

PRESS RELEASE

Magic Software Triples Operating Profits for Third Quarter of 2010

Company reports continued strong growth with 56% year-over-year revenue increase

Or-Yehuda, Israel, November 3, 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 third quarter ended September 30, 2010. All dollar amounts are quoted in US Dollars.

Financial Highlights for the Third Quarter and Nine-Month periods ended September 30, 2010

- Third quarter revenues increased 66% year-over-year from \$13.5 million to \$22.4 million , and 4% from the second quarter of 2010;
- Operating income for the third quarter tripled to \$2.5 million compared to \$0.8 million in the same period last year;
- Operating and net income for the nine-month period of 2010 more than doubled to \$6.3 million, compared to \$2.5 million and \$2.7 million respectively in the same period last year;
- Operating cash flow for the first nine-months of 2010 increased 106% to \$8.9 million compared to \$4.3 million in the same period last year.

Results

For the third quarter ended September 30, 2010, total revenues were \$22.4 million, with net income of \$2.5 million, or \$0.08 per fully diluted share. This compares with revenues of \$13.5 million and net income of \$0.9 million, or \$0.03 per fully diluted share, for the same period last year.

Operating income was \$2.5 million, or \$0.08 per fully diluted share, for the third quarter of 2010. This compares to operating income of \$0.8 million, or \$0.03 per fully diluted share, for the same period a year ago.

For the nine-month period ended September 30, 2010, total revenues were \$63.6 million, with net income of \$6.3 million, or \$0.19 per fully diluted share. This compares with revenues of \$40.9 million and net income of \$2.7 million, or \$0.08 per fully diluted share, for the same period last year.

Operating income was \$6.3 million, or \$0.19 per fully diluted share, for the nine-month period of 2010. This compares to operating income of \$2.5 million, or \$0.08 per fully diluted share, for the same period a year ago.

Total cash, cash equivalents and short-term investments net of short term bank credit as of September 30, 2010 was \$25.7 million.

Management Commentary

Commenting on the results, Guy Bernstein, acting chief executive officer of Magic Software, said: "I am very pleased to report robust growth and continued improvement in all our operations for the third quarter. This has been driven by greater demand for our professional services and improved license sales of our uniPaaS RIA application platform that among enterprises and independent software vendors worldwide."

Summary of the Quarter

- New customers and license sales for uniPaaS and iBOLT, particularly in Japan, Netherlands and U.S have increased;
- The number of new partners continued to increase. New partners signed on in the quarter include: Pallas Athena in Netherlands, Admiral Technology, Nexus 451, Forza Consulting and SMB Group in UK, and Relational SA In Greece.
- The Company's Japanese branch reports improved revenues and profitability, which was attributed to migration projects to our flagship uniPaaS RIA application platform.
- The Company executed global customer events in Hungary and Germany and for the first time in Poland.

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 on-premise and cloud-enabled 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 13 offices worldwide and a presence in over 50 countries with a global network of ISVs, system integrators, value-added distributors and resellers, as well as 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 visit 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, and other risk factors detailed in the Company's most recent annual report and other filings with the Securities and Exchange Commission.

Magic is the trademark of Magic Software Enterprises Ltd. All other trademarks are the trademarks of their respective owners.

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MAGIC SOFTWARE ENTERPRISES LTD.
CONSOLIDATED STATEMENTS OF INCOME
U.S. dollars in thousands (except per share data)

	Three months ended September 30,		Nine months ended September 30,	
	2010	2009	2010	2009
	Unaudited		Unaudited	
Revenues	22,372	13,504	63,551	40,869
Cost of Revenues	13,191	6,625	37,104	19,805
Gross profit	9,181	6,879	26,447	21,064
Research and development, net	526	358	1,566	957
Selling, marketing and general and administrative expenses	6,151	5,709	18,555	17,600
Total operating costs and expenses	6,677	6,067	20,121	18,557
Operating income	2,504	812	6,326	2,507
Financial income (expenses), net	32	154	(284)	140
Other income (expenses), net	68	(63)	148	223
Income before taxes on income	2,604	903	6,190	2,870
Taxes on income	66	1	(102)	167
Net income	2,538	902	6,292	2,703
Net earnings per share attributable to Magic Software:				
Basic	0.08	0.03	0.20	0.08
Diluted	0.08	0.03	0.19	0.08
Weighted average number of shares used in computing net earnings per share				
Basic	<u>32,056</u>	<u>31,894</u>	<u>31,993</u>	<u>31,894</u>
Diluted	<u>32,596</u>	<u>32,169</u>	<u>32,485</u>	<u>32,038</u>

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

	Three months ended September 30,		Nine months ended September 30,	
	2010	2009	2010	2009
	Unaudited		Unaudited	
GAAP operating income	2,504	812	6,326	2,507
Amortization of capitalized software and other intangible assets	759	950	2,716	2,700
Capitalization of software development	(783)	(771)	(2,350)	(2,356)
Stock-based compensation	106	64	165	189
Total adjustments to GAAP	82	243	531	533
Non-GAAP operating income	2,586	1,055	6,857	3,040
GAAP net income	2,538	902	6,292	2,703
Total adjustments to GAAP as above	82	243	531	533
Non-GAAP net income	2,620	1,145	6,823	3,236
Non-GAAP basic net earnings per share	0.08	0.04	0.21	0.10
Weighted average number of shares used in computing basic net earnings per share	32,056	31,894	31,993	31,894
Non-GAAP diluted net earnings per share	0.08	0.04	0.21	0.10
Weighted average number of shares used in computing diluted net earnings per share	32,647	32,276	32,533	32,115

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

	<u>September 30,</u> <u>2010</u> (Unaudited)	<u>December 31,</u> <u>2009</u>
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	22,071	24,350
Short-term bank deposits	477	13,838
Available-for-sale marketable securities	3,480	3,680
Trade receivables, net	16,987	12,004
Other accounts receivable and prepaid expenses	3,060	3,869
Current assets of discontinued operation	-	27
<u>Total current Assets</u>	<u>46,075</u>	<u>57,768</u>
LONG-TERM RECEIVABLES:		
Severance pay fund	319	404
Other Long-term receivables	1,405	749
<u>Total other long-term receivables</u>	<u>1,724</u>	<u>1,153</u>
PROPERTY AND EQUIPMENT, NET	1,800	1,762
IDENTIFIABLE INTANGIBLE ASSETS AND GOODWILL, NET	<u>37,121</u>	<u>26,868</u>
TOTAL ASSETS	<u>86,720</u>	<u>87,551</u>
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Short-term credit and current maturities of long term loans	341	43
Trade payables	2,368	2,662
Accrued expenses and other accounts payable	12,439	25,159
Deferred revenues	3,654	1,569
Current liabilities of discontinued operation	-	314
<u>Total current liabilities</u>	<u>18,802</u>	<u>29,747</u>
NON CURRENT LIABILITIES:		
Long-term loans	3	10
Liability due to acquisition activities	2,965	-
Accrued severance pay	531	606
<u>Total non-current Liabilities</u>	<u>3,499</u>	<u>616</u>
EQUITY	<u>64,419</u>	<u>57,188</u>
TOTAL LIABILITIES AND EQUITY	<u>86,720</u>	<u>87,551</u>

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 3, 2010

Magic Software Enterprises Ltd

By: /s/ Amit Birk

Amit Birk
VP, General Counsel

EXHIBIT INDEX

Exhibit Number Description of Exhibit

10.1 Magic Software Triples Operating Profits for Third Quarter of 2010

Exhibit 10.1