

Investor Fact Sheet

Q4/2010 and Full Year 2010



Company Overview

Magic Software Enterprises Ltd. (NASDAQ: MGIC) is a global provider of **on-premise and cloud-enabled application platform (uniPaaS)** and **business integration solutions (iBOLT)**. The Company has 14 offices worldwide, including 3 R&D centers, 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 our 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 and the Company has partnerships with global IT leaders including SAP AG, salesforce.com, IBM, Oracle and MicroStrategy.

Our application and integration platforms enable enterprises and software vendors to build innovative and cost effective end-to-end business solutions. We plan to leverage our 25 years of experience by adding **Cloud based development and deployment capabilities – all in a single, fully integrated service offering**. Our hybrid application platform technology will allow customers to benefit from the time-to-market advantages of building applications in the Cloud while giving them the freedom to deploy both in the Cloud and on-premise without the need to re-code from scratch.

Income Statement Highlights

(US\$, in millions)

	Q4/2010	Q4/2009	%	2010	2009	%
Revenues	25.0	14.5	73%	88.6	55.4	60%
Operating Income	3.0	1.8	72%	9.3	4.3	119%
Net Income	3.1	3.5*	-11%	9.4	6.2*	52%
Non-GAAP Net Income	3.2	3.6*	-11%	10.0	6.8*	47%
Cash Flow from Operations	2.9	0.1	2800%	11.7	4.4	166%

* Including \$2.0 million one-time capital gain from the sale of the company's headquarters office building.

2010 Cash Flow Highlights

(US\$, in millions)

Total Cash 31/12/2009*	41.9
Dividend (\$0.50 per share)	(16.0)
Payment Towards M&A	(12.1)
Proceeds From Private Placement	20.3
Other Non-Operating Activities	0.7
Net Cash Provided by Operations	11.7
Total Cash 31/12/2010*	46.5

*Including cash and cash equivalents, short term bank deposits and short term investments in marketable securities.

Investment Highlights

- Industry's **most comprehensive** application and integration platforms
- **Financial strength**
 - Solid cash position with continued rise
 - Profitable - 4 consecutive years
 - Reliable (more than 25 years; thousands of global installations)
 - History of organic growth
 - No debt
- **Global industry recognition**
 - Global partner and customer base
 - Gartner and Forrester analysts recognition
 - Product innovation and reliability
 - Technological and industry expertise
 - Highly skilled workforce

Balance Sheet Highlights - No Debt

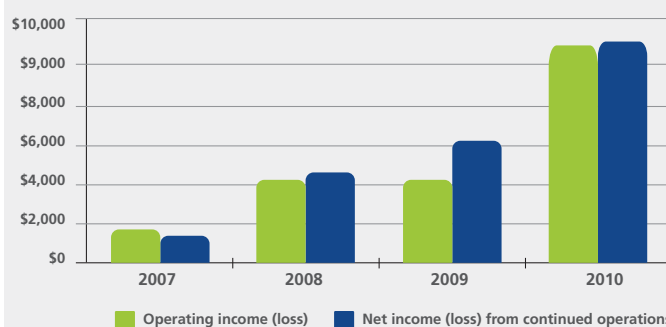
(US\$, in millions)

	31/12/2010	31/12/2009
Total Cash*	46.5	41.9
Total Assets	111.0	87.6
Equity	88.9	57.2

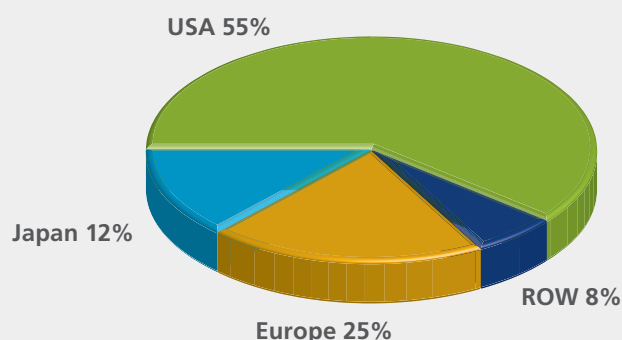
*Including cash and cash equivalents, short term bank deposits and short term investments in marketable securities.

Income Highlights

(US\$, in thousands)



Revenues by Geography - 2010



Customers

Magic Software's products are used by millions of people, in thousands of enterprises, from every industry vertical. The Company also has over 2,500 ISVs and System Integrators worldwide.

Our customers say that our core strength lies in delivering business productivity and reducing the complexity of IT projects.

Some of our customers include:

• adidas Canada • Adecco • Allstate Life Insurance • Anritsu Corporation • Bank of Cyprus UK • Bank Discount • Bank Hapoalim • Bank Leumi • Boeing • CBS Outdoor • CB Medical • Datenlotsen • Deutsche Bank • Discovery • Fortis Assurances • FMRP • Fujitsu-Ten • Genworth Financial • Grange Insurance • Guardian Life Insurance • Heller Bank • Honda Europe Power Equipment • IDF • ING Commercial Finance • Intelys • Merrill Lynch • Mitsubishi • Nespresso • Norfolk and Norwich University NHS Trust • Paradise Cruise • Rosenbauer • Sharp System Products • Sheba Medical Center • Steelcase • Sun Life Insurance • TOTO • UNHCR • United Nations • UPS • Vandrie Group • Victorinox • Vishay Intertechnology • Vodafone • Volvo Brazil • State of Washington Courts •

Executive Management Team

Guy Bernstein

Acting Chief Executive Officer

Asaf Berenstin

Acting Chief Financial Officer

Einat Silver

Corporate Financial Analyst

Eyal Pfeifel

Chief Technology Officer

Oded Lavee

Vice President, Products Development

Tania Amar

Vice President, Global Marketing

Udi Ertel

Vice President, Magic Global Services (MGS), Distribution and Operations

Regev Yativ

President and Chief Executive Officer, Magic Software Enterprises Inc. (Americas)

Amit Ben-Zvi

Executive Vice President, General Manager Europe and Japan, and CEO Hermes Logistic Technologies

Yoram Aharon

Chief Executive Officer, Magic Software Enterprises Israel

Amit Birk

Vice President M&A and General Counsel

Magic Software Quick Facts

- **Cloud/On-Premise Application Platform and Business Integration Solutions Provider**
- **Proven Technology with more than 25 Years of Experience**
- **14 Offices and Presence in over 50 Countries**
- **Thousands of Customers, in every Industry Vertical**
- **Over 2,500 ISVs and System Integrators Worldwide**
- **Alliances: SAP, Salesforce.com, IBM, Oracle**
- **Publicly Traded (NASDAQ: MGIC)**

Magic Software Value Proposition

Magic Software offers the **most productive** cloud and on-premise application platform and integration solutions on the market:

- **Fewer technologies to acquire** – comprehensive end-to-end solutions, one platform, one skill-set
- **Faster time to market** – code-free approach enables rapid project completion using fewer resources
- **More business focus** – partitioning of technical complexity from the mission-critical design and deployment process
- **Scalability & future safe** – hybrid deployment allows businesses to code once and deploy in multiple models for maximum market exposure
- **Ahead of technology competition** – innovators in enabling Client/Server, Cloud, Rich Internet Applications, Mobile Enterprise Applications and Software-as-a-Service

Contact us:

Email: ir@magicsoftware.com | Tel: +972 3 538 9284

Magic Software's Worldwide Offices

Corporate Headquarters

Magic Software Enterprises Ltd.
Tel: +972 3 538 9292

UK

Magic Software Enterprises UK
Tel: +44 1344 667 000

France

Magic Software Enterprises France
Tel: +33 1 49 10 58 58

Distribution

Magic Software Enterprises
Tel: +972 3 538 9480

North and Latin America

Magic Software Enterprises Inc.
Tel: +1 949 250 1718

Germany

Magic Software Enterprises Germany
Tel: +49 89 962 730

Hungary

Magic Software Enterprises (Onyx) Hungary Ltd.
Tel: +36 1 216 9910

South Africa

Magix Integration
Tel: +27 11 258 4442

Japan

Magic Software Japan K.K.
Tel: +81 3 5365 1600

Benelux

Magic Software Enterprises Netherlands
Tel: +31 30 65 66 266

Israel

Magic Software Enterprises Israel
Tel: +972 3 538 9389

India

Magic Software Enterprises India Pvt. Ltd.
Tel: +91 9886 455 398

SAP Certified
Integration with SAP Applications



SAP Certified
Integration with SAP NetWeaver*

SAP Innovation
Award 2005

SAP Quality
Award 2006

SAP Leadership in Innovation
2007 Global Award

salesforce.com
AppExchange Partner

CERTIFIED

Specialty
IBM SOA

IBM
Business Partner

Server
Proven

Partner
IBM Lotus

ORACLE PARTNER

MicroStrategy

Do it Once. Do it Right.
MAGIC
SOFTWARE

Magic Software provides the information in this brochure as is and without any warranties. In no event will Magic Software be liable for any loss of profit, or for any damages of any kind whether based in contract, negligence or other sort. Magic Software may make changes to this brochure and the product information and prices at any time without notice and without obligation to update the materials contained in this brochure.

© 2010 Magic Software Enterprises Ltd. Q1/2011

www.magicsoftware.com