magic®
OUTPERFORM THE FUTURE™

About Magic

Magic Software Enterprises is a global provider of mobile and cloud-enabled application and business integration platforms and related professional services. Our powerful and versatile enterprise-grade application development and integration solutions enable enterprise mobility, enhance productivity and increase profitability.

Magic's code-free metadata approach lets organizations develop once and deploy to any device, including desktop/web, smartphones and tablets, regardless of operating system and form factor. Our solutions enable the fast, cost-effective and secure mobilization, integration, and automation of enterprise business processes (CRM, ERP, e-commerce, HR, etc.).

Magic solutions are backed by 30 years of experience, millions of installations, and strategic alliances with global mobile and IT leaders, including Samsung, IBM, Microsoft, Oracle, Salesforce.com, and SAP.
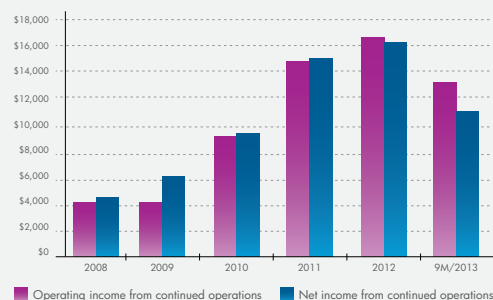
With a presence in more than 50 countries, including 15 regional offices, we collaborate closely with our customers and thousands of business partners to accelerate their business performance.

Income Statement Highlights   (US$, in millions)

	Q3/2013	Q3/2012	YOY%	9M/2013	9M/2012	YOY%	2012	2011	YOY%
Revenues	35.6	32.6	9%	103.8	90.7	14%	126.4	113.3	12%
Operating Income	5.0	4.1	21%	13.7	12.2	13%	16.4	14.7	11%
Non-GAAP Operating Income	6.0	4.6	31%	15.9	13.6	17%	18.6	14.5	29%
Net Income	4.2	4.1	2%	11.2	11.9	(6)%	16.2	15.0	8%
Non-GAAP Net Income	5.5	4.5	23%	13.5	13.1	3%	18.3	14.8	24%

Income Highlights

(US$, in thousands)

- Operating income from continued operations
- Net income from continued operations

Balance Sheet Highlights - No Debt

(US$, in millions)

	30/9/2013
Total Cash*	39.2
Total Assets	161.2
Total Equity	122.9

* Including cash and cash equivalents, short-term bank deposits and short-term investments in marketable securities
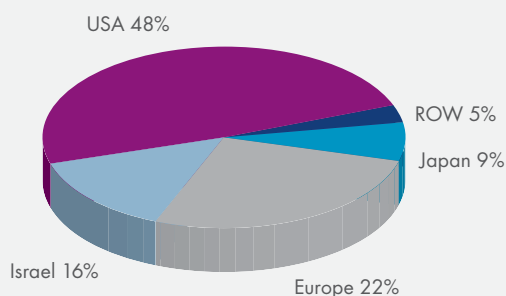
9M/2013 Cash Flow Overview

(US$, in millions)

Total Cash 31/12/2012*	38.6
Payment Towards M&A	(5.6)
Dividend Distribution	(7.7)
Other	(0.8)
Net Cash Provided by Operations	13.1
Total Cash 30/9/2013*	39.2

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

Revenues by Geography - 9M/2013

USA 48%
ROW 5%
Japan 9%
Europe 22%
Israel 16%

Customers

- adidas Canada
- Adecco
- Agricultural Bank of China
- Allstate Life Insurance
- Banco Caminos
- Bank Leumi
- BNP Paribas
- CB Medical
- Christie Digital
- Club Med
- Crane & Co
- Datenlotsen
- DHL
- Discovery
- Euroclear
- Fiskars
- FMRP
- GE Capital
- Fujitsu-Marketing
- Grange Insurance
- Guardian Life Insurance
- Hitachi Systems
- Honda
- IDF
- ING Commercial
- KDDI
- Merill Lynch
- Mitsubishi
- NHS Trust
- Nintendo
- Rosenbauer
- Sheba Medical Center
- Sony DADC
- Stallergenes
- State of Washington Courts
- Sterling Crane
- Sun Life Insurance
- TOTO
- UPS
- Vandrie Group
- Victorinox
- Vishay Intertechnology
- Vodafone
- Volvo Brazil
- WellMark

First Nine Months of 2013 Highlights

- **Strong Financial Performance**
  - Strong cash position with no debt and a healthy cash balance of $39.2 million (after cash dividends of $7.7 million paid during the first nine months of 2013)
  - Operating cash flow for the nine months ended September 30, 2013 totaled approximately $13.1 million
  - Revenues for Q3/2013 increased 9% YOY to $35.6 million; Revenues for the first nine months increased 14% YOY to $103.8 million
  - Non-GAAP operating income for Q3/2013 increased 31% YOY to $6.0 million; Operating income for Q3/2013 increased 21% to $5.0 million
  - Non-GAAP operating income for 9M/2013 increased 17% YOY to $15.9 million; Operating income for 9M/2013 increased 13% YOY to $12.2 million
  - Dividend policy provides distribution of up to 50% of annual distributable profits (cash dividend of $4.4 million for H2 2012 paid on March 14, 2013; cash dividend of $3.4 million for H1 2013 paid on September 3, 2013)
- **Exceptional Product Offering**
  - Versatile and powerful environment for rapid development and deployment of enterprise-grade applications
  - Develop once and deploy across all popular operating systems and devices – including, iOS, Android, BlackBerry, Windows Mobile, Desktop and Web. Only one skill-set needed for all
  - Certified and native connectors to integrate with virtually all enterprise systems (CRM, ERP, Finance, HR, Warehouse Management System, Documentation Management, Website, etc.)
  - High scalable, secure and future-proof technology
- **Leadership and Corporate Vision**
  - Strong and talented management team focused on efficiency and growth
  - Corporate culture of openness, ingenuity, and forward-looking determination
  - Clear strategic mission
  - Close collaboration with customers to enhance and accelerate business performance
- **Global Industry Recognition**
  - 30 years of enterprise application development and integration experience
  - Millions of successful installations worldwide
  - Listed in the NASDAQ Global Select Market, the Tel-Aviv Stock Exchange TA-100, and the Deloitte Israel Technology Fast 50
  - Israel-based company with a presence in over 50 countries, including 15 worldwide offices across North America, Europe, Japan, India, South Africa and Israel
  - Global network of thousands of ISVs, system integrators, and value-added distributors and resellers
  - Strategic partnerships with mobile and leading global enterprise mobility and enterprise software ecosystem vendors, including Samsung, SAP AG, Salesforce.com, IBM, Microsoft, MicroStrategy and Oracle

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