



OUTPERFORM THE FUTURE™

Financial Fact Sheet

Q4 and Full Year 2013
NASDAQ, TASE: MGIC

About Magic

Magic Software Enterprises is a global provider of mobile and cloud-enabled application and business integration platforms and related professional services for enterprises. 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.).

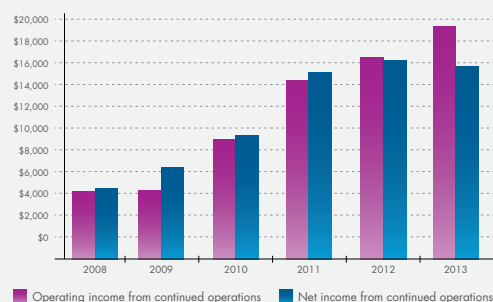
Magic solutions are backed by 30 years of experience, millions of installations, and strategic alliances with global mobile and IT leaders, including Samsung, IBM, Microsoft, Oracle, Salesforce.com, Sage, SugarCRM, SYSPRO and SAP. With a presence in more than 50 countries, including 19 regional offices, we collaborate closely with our customers and thousands of business partners to accelerate their business performance.

Income Statement Highlights (US\$, in millions)

	Q4/2013	Q4/2012	YOY%	2013	2012	YOY%	2011	YOY%
Revenues	41.2	35.7	15%	145.0	126.4	15%	113.3	12%
Operating Income	5.4	4.3	26%	19.1	16.4	17%	14.7	11%
Non-GAAP Operating Income	6.8	5.1	34%	22.7	18.6	22%	14.5	29%
Net Income	4.7	4.3	10%	15.9	16.2	(2)%	15.0	8%
Non-GAAP Net Income	6.0	5.1	17%	19.5	18.3	6%	14.8	24%

Income Highlights

(US\$, in thousands)



Balance Sheet Highlights - No Debt

(US\$, in millions)

	31/12/2013	31/12/2012
Total Cash*	36.0	38.6
Total Assets	167.0	153.0
Total Equity	129.1	118.4

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

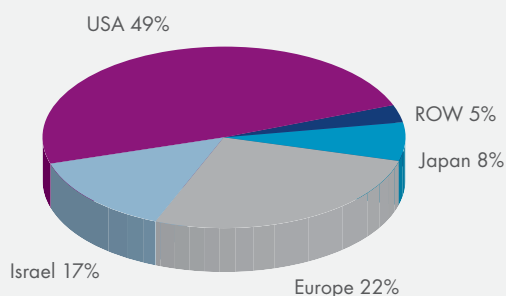
2013 YTD Cash Flow Overview

(US\$, in millions)

Total Cash 31/12/2012*	38.6
Payment Towards M&A	(13.9)
Dividend Distribution	(7.7)
Other	1.0
Net Cash Provided by Operations	18.0
Total Cash 31/12/2013*	36.0

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

Revenues by Geography - 2013



Customers

- Able B.V.
- 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
- Discovery
- Euroclear
- Fiskars
- FMRP
- GE Capital
- Fujitsu-Marketing
- Grange Insurance
- Guardian Life Insurance
- Hitachi Systems
- Honda
- IDF
- ING Commercial
- KDDI
- Merrill 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

2013 Highlights

• Strong Financial Performance

- Strong cash position with no debt and a healthy cash balance of \$36.0 million (after cash dividends of \$7.7 million paid during 2013)
- Operating cash flow for year ended December 31, 2013 totaled approximately \$18.0 million
- Revenues for Q4/2013 increased 15% YOY to \$41.2 million. Revenues for 2013 increased 15% YOY to \$145.0 million
- Non-GAAP operating income for Q4/2013 increased 34% YOY to \$6.8 million; Operating income for Q4/2013 increased 28% to \$5.4 million
- Non-GAAP operating income for 2013 increased 22% YOY to \$22.7 million; Operating income for 2013 increased 17% YOY to \$19.1 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.)
- Highly 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 and the Tel-Aviv Stock Exchange TA-100
- Israel-based company with a presence in over 50 countries, including 19 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, Sage, SugarCRM, SYSPRO, MicroStrategy and Oracle

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