

CHECK POINT SOFTWARE TECHNOLOGIES LTD  
Form 6-K  
October 22, 2009

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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

**FORM 6-K**

**Report of Foreign Private Issuer**

**Pursuant to Rule 13a-16 or 15d-16  
of the Securities Exchange Act of 1934**

For the month of October, 2009

Commission File Number 0-28584

**CHECK POINT SOFTWARE TECHNOLOGIES LTD.**

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(Translation of registrant's name into English)

5 Ha solelim Street, Tel Aviv, Israel  
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of 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):

Note: Regulation S-T Rule 101(b)(1) only permits the submission in paper of a Form 6-K if submitted solely to provide an attached annual report to security holders.

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):

Note: Regulation S-T Rule 101(b)(7) only permits the submission in paper of a Form 6-K if submitted to furnish a report or other document that the registrant foreign private issuer must furnish and make public under the laws of the jurisdiction in which the registrant is incorporated, domiciled or legally organized (the registrant's home country), or under the rules of the home country exchange on which the registrant's securities are traded, as long as the report or other document is not a press release, is not required to be and has not been distributed to the registrant's security holders, and, if discussing a material event, has already been the subject of a Form 6-K submission or other Commission filing on EDGAR.

Indicate by check mark whether the registrant by furnishing the information contained in this Form, is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes  No

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If  Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82- \_\_\_\_\_

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**CHECK POINT SOFTWARE REPORTS RECORD FINANCIAL RESULTS FOR THE  
THIRD QUARTER 2009**

*All-Time Record Quarterly Results*

- **Revenue:** \$233.6 million, representing 17 percent year over year growth
- **Non-GAAP EPS:** \$0.52, representing 19 percent year over year growth
- **Non-GAAP Operating Income:** \$127.5 million, representing 20 percent year over year growth, and 55 percent of revenues
- **Deferred Revenues:** \$360.1 million, representing 32 percent year over year growth

**REDWOOD CITY, Calif., October 22, 2009** Check Point® Software Technologies Ltd. (NASDAQ: CHKP), the worldwide leader in securing the Internet, today announced record financial results for the third quarter ended September 30, 2009.

I am proud of our ability to execute and deliver all-time record results across key metrics for the quarter. Our revenues came in at the high-end of our projections, with 17 percent growth, while non-GAAP earnings per share were \$0.52, representing 19% growth, and exceeded our projections. This is particularly encouraging given the state of the economy and the weakness of the US dollar said Gil Shwed, Chairman and Chief Executive Officer at Check Point. Operationally, we performed well across all regions, with Asia Pacific having a particularly good quarter. We also continued to realize further synergies from our recent acquisition, which helped us to achieve these results and deliver non-GAAP operating margin of 55%.

**Financial Highlights for the Third Quarter of 2009**

**Total Revenues:** \$233.6 million, an increase of 17 percent compared to \$199.7 million in the third quarter of 2008.

**GAAP Operating Income:** \$105.5 million, an increase of 17 percent compared to \$90.4 million in the third quarter of 2008. The GAAP operating income in the third quarter of 2009 included amortization of intangible assets in the amount of \$5.4 million related to the Nokia security business acquisition.

**Non-GAAP<sup>1</sup> Operating Income:** \$127.5 million, an increase of 20 percent compared to \$106.2 million in the third quarter of 2008. Non-GAAP operating margin was 55 percent, compared to 53 percent in the third quarter of 2008, and 52 percent during the second quarter of 2009.

**GAAP Net Income and Earnings per Diluted Share:** GAAP net income was \$91.5 million, an increase of 14 percent compared to \$80.1 million in the third quarter of 2008. GAAP earnings per diluted share were \$0.43, an increase of 17 percent compared to \$0.37 in the third quarter of 2008. GAAP net income in the third quarter of 2009 included amortization of intangible assets in the amount of \$5.4 million (which represented \$0.03 in GAAP earnings per diluted share) related to the Nokia security business acquisition. Net of taxes, these charges totaled \$5.1 million (\$0.02 per diluted share).

**Non-GAAP<sup>1</sup> Net Income and Earnings per Diluted Share:** Non-GAAP net income was \$109.5 million, an increase of 16 percent compared to \$94.2 million in the third quarter of 2008, and non-GAAP EPS was \$0.52, an increase of 19 percent compared to \$0.44 in the third quarter of 2008.

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<sup>1</sup> For information regarding the non-GAAP financial measures discussed in this release, please see Use of Non-GAAP Financial Information and Reconciliation of Non-GAAP to GAAP Financial Information.



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**Deferred Revenues:** As of September 30, 2009, we had deferred revenue of \$360.1 million, an increase of 32 percent compared to \$272.9 as of September 30, 2008.

**Cash Flow:** Cash flow from operations was \$126.1 million, an increase of 10 percent compared to \$115.1 million in the third quarter of 2008. We had \$1,736.2 million in cash and investments as of September 30, 2009.

**Share Repurchase Program:** During the third quarter of 2009, we repurchased 1.8 million shares at a total cost of \$50 million.

Mr. Shwed concluded, We continued to realize good traction from our latest product introductions, including the new SMART-1 management appliances, the high-end Power-1 11000 series and low-end UTM-1 130 appliances. Our Software Blade Architecture experienced excellent adoption by our customers as they continue to recognize the benefits of a secure, flexible and easily managed security platform.

### *Conference Call and Webcast Information*

Check Point will host a conference call with the investment community on October 22, 2009 at 8:30 AM ET/5:30 AM PT. To listen to the live webcast, please visit Check Point's website at <http://www.checkpoint.com/ir>. A replay of the conference call will be available through October 29, 2009 at the company's website <http://www.checkpoint.com/ir> or by telephone at +1 201.612.7415, passcode # 335046, account # 215.

### *About Check Point Software Technologies Ltd.*

Check Point Software Technologies Ltd. ([www.checkpoint.com](http://www.checkpoint.com)), a worldwide leader in securing the Internet, is the only vendor to deliver Total Security for networks, data and endpoints, unified under a single management framework. Check Point provides customers uncompromised protection against all types of threats, reduces security complexity and lowers total cost of ownership. Check Point first pioneered the industry with FireWall-1 and its patented stateful inspection technology. Today, Check Point continues to innovate with the development of the Software Blade architecture. The dynamic Software Blade architecture delivers secure, flexible and simple solutions that can be fully customized to meet the exact security needs of any organization or environment. Check Point customers include tens of thousands of businesses and organizations of all sizes, including [all Fortune 100 companies. Check Point's award-winning ZoneAlarm solutions protect millions of consumers from hackers, spyware and identity theft.

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### *Use of Non-GAAP Financial Information*

In addition to reporting financial results in accordance with generally accepted accounting principles, or GAAP, Check Point uses non-GAAP measures of net income, operating income and earnings per share, which are adjustments from results based on GAAP to exclude non-cash equity-based compensation charges, impairment of marketable securities, amortization of acquired intangible assets, restructuring-related charges and the related tax affects. Management uses both GAAP and non-GAAP information in evaluating and operating business internally and as such has determined that it is important to provide this information to investors. Check Point's management also believes the non-GAAP financial information provided in this release is useful to investors' understanding and assessment of Check Point's on-going core operations and prospects for the future. The presentation of this non-GAAP financial information is not intended to be considered in isolation or as a substitute for results prepared in accordance with GAAP.

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**CHECK POINT SOFTWARE TECHNOLOGIES LTD.**  
**CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS**

(In thousands, except per share amounts)

|   | Three Months Ended |                  | Nine Months Ended |                   |
|---|--------------------|------------------|-------------------|-------------------|
|   | September 30,      |                  | September 30,     |                   |
|   | 2009               | 2008             | 2009              | 2008              |
|   | (unaudited)        | (unaudited)      | (unaudited)       | (unaudited)       |
| <b>Revenues:</b>  |                    |                  |                   |                   |
| Products and licenses   | \$ 86,882          | \$ 81,925        | \$ 241,427        | \$ 244,277        |
| Software updates, maintenance and services                    | 146,759            | 117,795          | 410,867           | 346,646           |
| <b>Total revenues</b>   | <b>233,641</b>     | <b>199,720</b>   | <b>652,294</b>    | <b>590,923</b>    |
| <b>Operating expenses:</b>                                    |                    |                  |                   |                   |
| Cost of products and licenses                                 | 18,598             | 10,267           | 45,061            | 28,953            |
| Cost of software updates, maintenance and services            | 10,033             | 6,941            | 26,637            | 20,792            |
| Amortization of technology                                    | 7,471              | 5,800            | 20,501            | 18,754            |
| <b>Total cost of revenues</b>                                 | <b>36,102</b>      | <b>23,008</b>    | <b>92,199</b>     | <b>68,499</b>     |
| Research and development                                      | 22,426             | 23,193           | 65,681            | 69,762            |
| Selling and marketing   | 56,379             | 50,796           | 160,390           | 161,044           |
| General and administrative                                    | 13,190             | 12,294           | 40,487            | 38,865            |
| Restructuring   | 67                 | -                | 9,101             | -                 |
| <b>Total operating expenses</b>                               | <b>128,164</b>     | <b>109,291</b>   | <b>367,858</b>    | <b>338,170</b>    |
| <b>Operating income</b>                                       | <b>105,477</b>     | <b>90,429</b>    | <b>284,436</b>    | <b>252,753</b>    |
| Financial income, net   | 7,825              | 10,039           | 24,368            | 30,351            |
| Other than temporary impairment on marketable securities      | -                  | (2,288)          | -                 | (2,288)           |
| <b>Income before income taxes</b>                             | <b>113,302</b>     | <b>98,180</b>    | <b>308,804</b>    | <b>280,816</b>    |
| <b>Taxes on income</b>  | <b>21,839</b>      | <b>18,119</b>    | <b>60,817</b>     | <b>43,324</b>     |
| <b>Net income</b>   | <b>\$ 91,463</b>   | <b>\$ 80,061</b> | <b>\$ 247,987</b> | <b>\$ 237,492</b> |
| <b>Earnings per share (basic)</b>                             | <b>\$ 0.44</b>     | <b>\$ 0.37</b>   | <b>\$ 1.18</b>    | <b>\$ 1.10</b>    |
| Number of shares used in computing earnings per share (basic) | 208,738            | 213,728          | 209,465           | 215,247           |
| <b>Earnings per share (diluted)</b>                           | <b>\$ 0.43</b>     | <b>\$ 0.37</b>   | <b>\$ 1.17</b>    | <b>\$ 1.09</b>    |
| Number of shares used in computing                            |                    |                  |                   |                   |

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|                              | Three Months Ended |         | Nine Months Ended |         |
|------------------------------|--------------------|---------|-------------------|---------|
| earnings per share (diluted) | 211,688            | 216,567 | 211,790           | 217,942 |

**CHECK POINT SOFTWARE TECHNOLOGIES LTD.**  
**RECONCILIATION OF NON-GAAP TO GAAP FINANCIAL INFORMATION**

(In thousands, except per share amounts)

|  | Three Months Ended |             | Nine Months Ended |             |
|--|--------------------|-------------|-------------------|-------------|
|  | September 30,      |             | September 30,     |             |
|  | 2009               | 2008        | 2009              | 2008        |
|  | (unaudited)        | (unaudited) | (unaudited)       | (unaudited) |
| GAAP operating income  | \$ 105,477         | \$ 90,429   | \$ 284,436        | \$ 252,753  |
| Stock-based compensation (1)   | 7,695              | 6,857       | 22,769            | 24,313      |
| Amortization of intangible assets (2)  | 14,301             | 8,893       | 36,647            | 28,090      |
| Restructuring (3)  | 67                 | -           | 9,101             | -           |
|  |                    |             |                   |             |
| Non-GAAP operating income  | \$ 127,540         | \$ 106,179  | \$ 352,953        | \$ 305,156  |
|  |                    |             |                   |             |
| GAAP net income  | \$ 91,463          | \$ 80,061   | \$ 247,987        | \$ 237,492  |
| Stock-based compensation (1)   | 7,695              | 6,857       | 22,769            | 24,313      |
| Amortization of intangible assets (2)  | 14,301             | 8,893       | 36,647            | 28,090      |
| Restructuring (3)  | 67                 | -           | 9,101             | -           |
| Other than temporary impairment * (4)  | -                  | 2,288       | -                 | 2,288       |
| Taxes on stock-based compensation, amortization of intangible assets and other than temporary impairment (5) | (4,040)            | (3,849)     | (10,662)          | (11,867)    |
|  |                    |             |                   |             |
| Non-GAAP net income  | \$ 109,486         | \$ 94,250   | \$ 305,842        | \$ 280,316  |
|  |                    |             |                   |             |
| GAAP Earnings per share (diluted)  | \$ 0.43            | \$ 0.37     | \$ 1.17           | \$ 1.09     |
| Stock-based compensation (1)   | 0.04               | 0.04        | 0.11              | 0.11        |
| Amortization of intangible assets (2)  | 0.07               | 0.04        | 0.17              | 0.13        |
| Restructuring (3)  | -                  | -           | 0.04              | -           |
| Other than temporary impairment * (4)  | -                  | 0.01        | -                 | 0.01        |
| Taxes on stock-based compensation, amortization of intangible assets and other than temporary impairment (5) | (0.02)             | (0.02)      | (0.05)            | (0.05)      |
|  |                    |             |                   |             |
| Non-GAAP Earnings per share (diluted)  | \$ 0.52            | \$ 0.44     | \$ 1.44           | \$ 1.29     |
|  |                    |             |                   |             |
| Number of shares used in computing Non-GAAP earnings per share (diluted)                                     | 211,688            | 216,567     | 211,790           | 217,942     |
|  |                    |             |                   |             |
| (1) Stock-based compensation:  |                    |             |                   |             |
| Cost of products and licenses  | \$ 14              | \$ 15       | \$ 35             | \$ 42       |
| Cost of software updates, maintenance and services   | 236                | 133         | 536               | 510         |
| Research and development   | 1,998              | 1,364       | 4,771             | 3,665       |
| Selling and marketing  | 1,769              | 1,696       | 4,485             | 5,862       |
| General and administrative   | 3,678              | 3,649       | 12,942            | 14,234      |
|  |                    |             |                   |             |
|  | 7,695              | 6,857       | 22,769            | 24,313      |



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|  | Three Months Ended |           | Nine Months Ended |           |
|--|--------------------|-----------|-------------------|-----------|
|  |                    |           |                   |           |
| (2) Amortization of intangible assets:   |                    |           |                   |           |
| Cost of products and licenses  | 7,471              | 5,800     | 20,501            | 18,754    |
| Selling and marketing  | 6,830              | 3,093     | 16,146            | 9,336     |
|  | 14,301             | 8,893     | 36,647            | 28,090    |
| (3) Restructuring  | 67                 | -         | 9,101             | -         |
| (4) Other than temporary impairment*   |                    |           |                   |           |
| Financial income, net  | -                  | 2,288     | -                 | 2,288     |
| (5) Taxes on stock-based compensation, amortization of intangible assets and other than temporary impairment | (4,040)            | (3,849)   | (10,662)          | (11,867)  |
| Total , net  | \$ 18,023          | \$ 14,189 | \$ 57,855         | \$ 42,824 |

\* Relates to impairment of Lehman Brothers bonds.

**CHECK POINT SOFTWARE TECHNOLOGIES LTD.  
CONDENSED CONSOLIDATED BALANCE SHEET DATA**

(In thousands)

**ASSETS**

|                                    | September 30,<br>2009 | December 31,<br>2008 |
|------------------------------------|-----------------------|----------------------|
|                                    | (unaudited)           | (unaudited)          |
| Current assets:                    |                       |                      |
| Cash and cash equivalents          | \$ 608,221            | \$ 543,190           |
| Short-term deposit                 | -                     | 26,302               |
| Marketable securities              | 348,898               | 344,895              |
| Trade receivables, net             | 191,156               | 251,771              |
| Other current assets               | 34,477                | 28,372               |
| Total current assets               | 1,182,752             | 1,194,530            |
| Long-term assets:                  |                       |                      |
| Marketable securities              | 779,045               | 529,445              |
| Property, plant and equipment, net | 39,956                | 40,248               |
| Severance pay fund                 | 6,315                 | 5,817                |
| Deferred income taxes, net         | 16,926                | 19,003               |
| Intangible assets, net             | 123,448               | 123,151              |
| Goodwill                           | 708,458               | 664,602              |
| Other assets                       | 21,167                | 16,820               |

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|   | September 30,<br>2009 | December 31,<br>2008 |
|---|-----------------------|----------------------|
| Total long-term assets  | 1,695,315             | 1,399,086            |
| <b>Total assets</b>   | <b>\$ 2,878,067</b>   | <b>\$ 2,593,616</b>  |
| <b>LIABILITIES AND<br/>SHAREHOLDERS' EQUITY</b>                     |                       |                      |
| Current liabilities:  |                       |                      |
| Deferred revenues   | \$ 322,764            | \$ 289,998           |
| Trade payables and other accrued liabilities                        | 145,191               | 112,556              |
| <b>Total current liabilities</b>                                    | <b>467,955</b>        | <b>402,554</b>       |
| Long-term deferred revenues   | 37,361                | 40,799               |
| Income tax accrual  | 121,138               | 101,230              |
| Deferred tax liability, net   | 15,127                | 22,225               |
| Accrued severance pay   | 11,125                | 10,943               |
| <b>Total liabilities</b>  | <b>652,706</b>        | <b>577,751</b>       |
| Shareholders' equity:   |                       |                      |
| Share capital   | 774                   | 774                  |
| Additional paid-in capital  | 512,200               | 503,408              |
| Treasury shares at cost   | (1,173,239)           | (1,105,250)          |
| Accumulated other comprehensive income (loss)                       | 16,895                | (4,673)              |
| Retained earnings   | 2,868,731             | 2,621,606            |
| <b>Total shareholders' equity</b>                                   | <b>2,225,361</b>      | <b>2,015,865</b>     |
| <b>Total liabilities and shareholders' equity</b>                   | <b>\$ 2,878,067</b>   | <b>\$ 2,593,616</b>  |
| Total cash and cash equivalents, deposits and marketable securities | \$ 1,736,164          | \$ 1,443,832         |

**CHECK POINT SOFTWARE TECHNOLOGIES LTD.**  
**SELECTED CONSOLIDATED CASH FLOW DATA**  
(In thousands)

|  | Three Months Ended |                 | Nine Months Ended |                  |
|--|--------------------|-----------------|-------------------|------------------|
|  | September 30,      |                 | September 30,     |                  |
|  | 2009               | 2008            | 2009              | 2008             |
|  | (unaudited)        | (unaudited)     | (unaudited)       | (unaudited)      |
| <b>Cash flow from operating activities:</b>  |                    |                 |                   |                  |
| Net income   | \$ 91,463          | \$ 80,061       | \$ 247,987        | \$ 237,492       |
| Adjustments to reconcile net income to net cash provided by operating activities:            |                    |                 |                   |                  |
| Depreciation and amortization of property, plant and equipment                               | 2,190              | 2,257           | 7,226             | 6,548            |
| Other than temporary impairment  | -                  | 2,288           | -                 | 2,288            |
| Decrease (increase) in trade and other receivables, net                                      | (50)               | 1,770           | 85,050            | 38,638           |
| Increase in deferred revenues, trade payables and other accrued liabilities                  | 15,494             | 20,836          | 24,769            | 25,380           |
| Amortization of intangible assets  | 14,301             | 8,893           | 36,647            | 28,090           |
| Realized loss on marketable securities   | -                  | -               | 1,896             | -                |
| Stock-based compensation   | 7,695              | 6,857           | 22,768            | 24,313           |
| Excess tax benefit from stock-based compensation   | (2,474)            | (3,531)         | (6,988)           | (9,560)          |
| Deferred income taxes, net   | (2,487)            | (4,338)         | (8,729)           | (12,661)         |
| <b>Net cash provided by operating activities</b>   | <b>126,132</b>     | <b>115,093</b>  | <b>410,626</b>    | <b>340,528</b>   |
| <b>Cash flow from investing activities:</b>  |                    |                 |                   |                  |
| Cash paid in conjunction with the acquisition of Protect Data, net                           | -                  | -               | -                 | (9,042)          |
| Cash paid in conjunction with the acquisition of Nokia                                       | -                  | -               | (57,540)          | -                |
| Investment in property, plant and equipment  | (1,043)            | (2,412)         | (3,644)           | (6,938)          |
| <b>Net cash used in investing activities</b>   | <b>(1,043)</b>     | <b>(2,412)</b>  | <b>(61,184)</b>   | <b>(15,980)</b>  |
| <b>Cash flow from financing activities:</b>  |                    |                 |                   |                  |
| Proceeds from issuance of shares upon exercise of options                                    | 20,166             | 11,504          | 62,469            | 27,276           |
| Purchase of treasury shares  | (50,000)           | (49,825)        | (152,286)         | (172,825)        |
| Excess tax benefit from stock-based compensation   | 2,474              | 3,531           | 6,988             | 9,560            |
| <b>Net cash used in financing activities</b>   | <b>(27,360)</b>    | <b>(34,790)</b> | <b>(82,829)</b>   | <b>(135,989)</b> |
| Unrealized gain (loss) on marketable securities, net   | 8,255              | (19,420)        | 25,719            | (28,824)         |
| <b>Increase in cash and cash equivalents, deposits and marketable securities</b>             | <b>105,984</b>     | <b>58,471</b>   | <b>292,332</b>    | <b>159,735</b>   |
| Cash and cash equivalents, deposits and marketable securities at the beginning of the period | 1,630,180          | 1,342,773       | 1,443,832         | 1,241,509        |
| <b>Cash and cash equivalents, deposits and marketable securities</b>                         |                    |                 |                   |                  |

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|                          | <u>Three Months Ended</u> |                     | <u>Nine Months Ended</u> |                     |
|--------------------------|---------------------------|---------------------|--------------------------|---------------------|
| at the end of the period | <u>\$ 1,736,164</u>       | <u>\$ 1,401,244</u> | <u>\$ 1,736,164</u>      | <u>\$ 1,401,244</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.

CHECK POINT SOFTWARE TECHNOLOGIES LTD.

October 22, 2009

By: /s/ Tal Payne

Tal Payne  
Chief Financial Officer

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