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## Check Point Software Technologies Ltd. Q4 2007 Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

[Operator Instructions] Your first question is coming from Sterling Auty of J.P. Morgan.

#### Sterling Auty – J.P. Morgan

In the Data Security area if you were to normalize for the third party revenue and the loss of deferred revenue what would the growth in that area have been in 2007 and what should we be thinking about the growth rate in Data Security in '08 and beyond?

#### Eyal Desheh

I'll take the first one on normalizing; if we had normalized we would have generated gross of about 30% to 35% over the results of last year. It's never apples to apples at Pointsec requires different accounting treatment, different revenue recognition to our GAAP is a little more conservative than what they had so I would say that about 30% to 35% growth, maybe a little bit more for the normalized business and future growth rate I will defer to Gil.

#### Gil Shwed

For the future we don't break our expectations or plans according to individual products but I still expect that the growth rate from the Data Security products will be much higher than the growth rate of the rest of the business. Even though at this point if you can see we have healthy growth rates on both sides so I think that's very good news for the entire business.

#### Sterling Auty – J.P. Morgan

My follow up question would be macro is on everybody's minds, can you just give us your thoughts as to how Check Point is positioned given the current macro environment and perhaps if we see further slow down?

#### Eyal Desheh

You know I specialize in micro and not in macro. We already [inaudible] tend to be confusing nobody will take a risk in predicting how the year will turn out macro wise. I think that for different parties that we are at Check Point we are equipped with more tools in our toolbox than any year before and hopefully the market share that we added in 2007, the pipeline that we see in 2008 will be able to compensate for any foreseeable slow down in the economy. It's a complex question because right now we are not seeing much of it but it doesn't mean it doesn't exist.

**Operator**

Your next question is coming from Jonathan Doros from UBS

**Jonathan Doros – UBS**

Can you give us an estimate of what percentage appliances made up of working security, where you see that going?

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