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## Check Point Software Technologies, Ltd. Q2 2006 Earnings Conference Call Transcript (CHKP)

### Question-and-Answer Session

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#### Operator

Thank you. (Operator Instructions) Your first question is coming from Robert Breza of RBC Capital Markets. Please go ahead.

#### Robert Breza - RBC Capital Markets

Hi. Good afternoon. Talking about the operating expenses, you did increase operating expenses this quarter. Clearly, the partner events played a part in that. How shall we think about it as a baseline going forward, as you continue to evolve the pricing and packaging of the new products?

#### Eyal Desheh

I think the level of operating expenses that we have this quarter is a good basis for the future. There will be some activities that won't take place in the third quarter. At the same time, we are investing a lot and adding people and having the right infrastructure, especially around the sales force, hiring many people and so on. So that will have some impact there, moving forward.

The pricing, the packaging that we have right now should have a small impact on expenses. They will have a pricing that will hopefully have an effect on the revenue line.

#### Robert Breza - RBC Capital Markets

Gil, as you look at the investments you're making in sales and marketing, when do you think we see the inflection point? Should we think about that more on the core products side or more on the emerging side?

#### Gil Shwed

I think the investments that we are doing is on both sides. Our sales force is a single sales force for all our products, so that shouldn't have much. Usually when you hire a salesperson, you should expect results in roughly six months. But that also depends on the market condition and on many, many other things.

We do believe there's reasonable potential in the marketplace and that's why we are accelerating the hiring of salespeople. We actually, for the first time that I can remember, we are ahead of our hiring plan for salespeople and I think that says something about our belief in the market opportunity and the fact that we want to capture as big a portion as we can out of it.

**Robert Breza - RBC Capital Markets**

Okay. One last housekeeping item. Eyal, the \$38 million in expenditures on the cash flow statement, what was that for?

**Eyal Desheh**

For the building in Tel Aviv. Our new headquarters.

**Robert Breza - RBC Capital Markets**

Okay. Thank you.

**Jerry Ungerman**

You're welcome.

**Operator**

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