

FORM 6-K
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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, 2004

Commission File Number 0-28584

CHECK POINT SOFTWARE TECHNOLOGIES LTD.

(Translation of registrant's name into English)

3A Jabotinsky Street, Ramat-Gan 52520, Israel

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F...X.... 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 by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No ..X...

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



FOR IMMEDIATE RELEASE

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CHECK POINT SOFTWARE REPORTS Q3 2004 RESULTS – ACHIEVES 25% LICENSE REVENUE GROWTH OVER LAST YEAR

Experienced Strong Growth in Core VPN-1/FireWall-1 Products

REDWOOD CITY, Calif. - October 18, 2004 - Check Point Software Technologies Ltd. (NASDAQ: CHKP), the world leader in securing the Internet, today announced its financial results for the third quarter ended September 30, 2004. Revenues for the third quarter were \$129.3 million, an increase of 22% compared to \$106.3 million in the third quarter of 2003.

Net income for the third quarter of 2004 was \$66.8 million, and \$69.1 million, excluding net acquisition related charges¹, an increase of 18% compared to \$58.4 million in the third quarter of 2003.

Earnings per diluted share for the third quarter of 2004 were \$0.26, and \$0.27, excluding net acquisition related charges, an increase of 17% compared to \$0.23 in the third quarter of 2003.

Operating income, excluding acquisition related charges, improved to \$71.9 million from \$62.1 million in the third quarter of 2003.

Operating margin for the third quarter of 2004, excluding acquisition related charges, was 56% in the third quarter of 2004, compared to 54% in the second quarter of 2004.

Deferred revenues in the quarter ended September 30, 2004 were \$124.8 million, an increase of \$25.6 million and 26% over the third quarter of 2003.

¹ “Acquisition related charges” refer to the impact of the amortization of intangible assets and deferred stock compensation resulting from the acquisition of Zone Labs

The company generated cash flow from operating activities of \$64.4 million, an increase of 10% compared to the third quarter of 2003. Days Sales Outstanding improved to 49 days, compared to 51 days in the third quarter of 2003.

As part of the company's share repurchase program the company purchased 6.8 million shares during the quarter at a total cost of close to \$122 million. In 2004 the company repurchased a total of 10.1 million shares at an aggregate cost of \$200 million.

"This quarter our team achieved exceptional results driven by strong performance of our core products, with increased sales both sequentially and compared to the third quarter last year," said Gil Shwed, chairman and chief executive officer of Check Point Software.

Third quarter highlights include:

- **Delivered Check Point Integrity SecureClient** – Embarked on the first step in the Check Point endpoint security strategy of Total Access Protection (TAP) by enabling an easy install and automatic configuration of best-of-breed remote access, endpoint security and policy enforcement.
- **SmartDefense Defeated Latest Attacks** – Via the Check Point SmartDefense™ Service our customers were protected against potential vulnerabilities and dynamic threats, such as those announced in the Microsoft July 2004 Security Bulletin Summary.
- **Check Point Continues to Enhance Partners and Users Expertise** – Hosted a series of premier business and networking events to educate users and partners on Check Point solutions. Over 1,000 partners and end users participated in Check Point Experience™ events in Asia and benefited from valuable technology and market information via presentations, technical and business-focused tracks and product demonstrations from Check Point and its partners.
- **Enhanced Security Level for PC Users** – Announced support of Microsoft Windows XP Service Pack 2 for Integrity™ and Integrity Clientless Security™ endpoint security solutions and the ZoneAlarm family of products to provide all levels of Internet users with trusted and easy-to-use security.

Industry Accolades: Recognition for Check Point Leadership and Innovation

- Check Point was placed in the leader quadrant of Gartner's IPSec VPN Equipment Magic Quadrant report based on the company's ability to execute and the completeness of the corporate vision.
- A poll of 1,400 CIOs ranked Check Point's security administration skills as the top security skill set desired by IT departments, according to findings published in the Robert Half Technology Information Technology Hiring Index and Skills Report.
- *Windows IT Pro* readers designate Check Point security solutions Best in the Industry: Check Point Next Generation™ with Application Intelligence™ was named the best firewall, and VPN-1® SecureClient™

and ZoneAlarm® Pro 4.5 were named the best remote access VPN and the best spyware blocker, respectively.

Mr. Shwed continued: "Our recent introduction of new intelligent security solutions such as Connectra, Web Intelligence, InterSpect and Integrity, together with the success of our core products this quarter, continued to generate growth and enables our customers to use the best available technologies and keep their networks secured."

Conference Call Information

Check Point will host a conference call with the investment community on October 18, 2004 at 8:30 AM ET/5:30 AM PT. To listen to the live Web cast, please visit Check Point's Web site at <http://www.checkpoint.com/ir>. A replay of the conference call will be available through November 1, 2004, at the Company's website or by telephone at (973) 341-3080, confirmation code 5241054.

Safe Harbor Statement

Certain statements in this press release are forward-looking statements. Because such statements deal with future events, they are subject to various risks and uncertainties and actual results could differ materially from Check Point's current expectations. Factors that could cause or contribute to such differences include, but are not limited to: Check Point's ability to integrate Zone Lab's operations effectively, the impact on revenues of economic and political uncertainties and weaknesses in various regions of the world, including the commencement or escalation of hostilities or acts of terrorism; the inclusion of network security functionality in third-party hardware or system software; any unforeseen developmental or technological difficulties with regard to Check Point's products; changes in the competitive landscape, including new competitors or the impact of competitive pricing and products; a shift in demand for products such as Check Point's; unknown factors affecting third parties with which Check Point has formed business alliances; timely availability and customer acceptance of Check Point's new and existing products, and other factors and risks discussed in Check Point's Annual Report on Form 20-F for the year ended December 31, 2003, which is on file with the Securities and Exchange Commission. Check Point assumes no obligation to update information concerning its expectations.

About Check Point Software

Check Point Software Technologies Ltd. (www.checkpoint.com) is the worldwide leader in securing the Internet. It is the confirmed market leader of both the worldwide VPN and firewall markets. Through its Next Generation product line, the company delivers a broad range of intelligent Perimeter, Internal and Web security solutions that protect business communications and resources for corporate networks and applications, remote employees, branch offices and partner extranets. The company's Zone Labs (www.zonelabs.com) division is one of the most trusted brands in Internet security, creating award-winning endpoint security solutions that protect millions of PCs from hackers, spyware and data theft. Extending the power of the Check Point solution is its Open Platform for Security (OPSEC), the industry's framework and alliance for integration and interoperability with "best-of-breed" solutions from over 350 leading companies. Check Point solutions are sold, integrated and serviced by a network of more than 2,300 Check Point partners in 92 countries.

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Check Point, Application Intelligence, Check Point Express, the Check Point logo, AlertAdvisor, ClusterXL, Cooperative Enforcement, ConnectControl, Connectra, CoSa, Cooperative Security Alliance, FireWall-1, FireWall-1 GX, FireWall-1 SecureServer, FloodGate-1, Hacker ID, IMsecure, INSPECT, INSPECT XL, Integrity, InterSpect, IQ Engine, Open Security Extension, OPSEC, Policy Lifecycle Management, Provider-1, Safe@Home, Safe@Office, SecureClient, SecureKnowledge, SecurePlatform, SecurRemote, SecurServer, SecureUpdate, SecureXL, SiteManager-1, SmartCenter, SmartCenter Pro, Smarter Security, SmartDashboard, SmartDefense, SmartLSM, SmartMap, SmartUpdate, SmartView, SmartView Monitor, SmartView Reporter, SmartView Status, SmartViewTracker, SofaWare, SSL Network Extender, TrueVector, UAM, User-to-Address Mapping, UserAuthority, VPN-1, VPN-1 Accelerator Card, VPN-1 Edge, VPN-1 Pro, VPN-1 SecureClient, VPN-1 SecurRemote, VPN-1 SecureServer, VPN-1 VSX, Web Intelligence, ZoneAlarm, Zone Alarm Pro, Zone Labs, and the Zone Labs logo, are trademarks or registered trademarks of Check Point Software Technologies Ltd. or its affiliates. All other product names mentioned herein are trademarks or registered trademarks of their respective owners. The products described in this document are protected by U.S. Patent No. 5,606,668, 5,835,726 and 6,496,935 and may be protected by other U.S. Patents, foreign patents, or pending applications.

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, | |
| | 2004 | 2003 | 2004 | 2003 |
| | (unaudited) | (unaudited) | (unaudited) | (unaudited) |
| Revenues: | | | | |
| Licenses | \$67,627 | \$54,042 | \$198,535 | \$167,074 |
| Subscriptions | 50,365 | 41,566 | 143,059 | 119,212 |
| Total product revenues | <u>117,992</u> | <u>95,608</u> | <u>341,594</u> | <u>286,286</u> |
| Services | 11,338 | 10,714 | 30,717 | 30,986 |
| Total revenues | <u>129,330</u> | <u>106,322</u> | <u>372,311</u> | <u>317,272</u> |
| Operating expenses: | | | | |
| Cost of revenues | 6,187 | 4,597 | 17,564 | 14,331 |
| Research and development | 11,665 | 7,670 | 31,171 | 21,791 |
| Selling and marketing | 33,294 | 27,598 | 96,309 | 81,054 |
| General and administrative | 6,283 | 4,369 | 17,607 | 13,294 |
| Amortization of intangible assets and deferred stock compensation | 2,925 | - | 6,069 | - |
| Acquisition related in-process R&D | - | - | 23,098 | - |
| Total operating expenses | <u>60,354</u> | <u>44,234</u> | <u>191,818</u> | <u>130,470</u> |
| Operating income | 68,976 | 62,088 | 180,493 | 186,802 |
| Financial income, net | <u>11,459</u> | <u>10,921</u> | <u>32,807</u> | <u>32,761</u> |
| Income before income taxes | 80,435 | 73,009 | 213,300 | 219,563 |
| Income taxes | <u>13,677</u> | <u>14,643</u> | <u>41,351</u> | <u>40,940</u> |
| Net income | <u>\$66,758</u> | <u>\$58,366</u> | <u>\$171,949</u> | <u>\$178,623</u> |
| Net income excluding in-process R&D and amortization of intangible assets and deferred stock compensation | <u>\$69,141</u> | <u>\$58,366</u> | <u>\$200,032</u> | <u>\$178,623</u> |
| Earnings per share (basic) | <u>\$0.27</u> | <u>\$0.24</u> | <u>\$0.68</u> | <u>\$0.72</u> |
| Number of shares used in computing earnings per share (basic) | <u>251,423</u> | <u>248,172</u> | <u>252,130</u> | <u>247,216</u> |
| Earnings per share (fully diluted) | <u>\$0.26</u> | <u>\$0.23</u> | <u>\$0.66</u> | <u>\$0.70</u> |
| Earnings per share (fully diluted) excluding in-process R&D and amortization of intangible assets and deferred stock compensation | <u>\$0.27</u> | <u>\$0.23</u> | <u>\$0.76</u> | <u>\$0.70</u> |
| Number of shares used in computing earnings per share (fully diluted) | <u>258,341</u> | <u>256,106</u> | <u>261,657</u> | <u>254,833</u> |

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

(In thousands)

ASSETS

| | September 30, 2004 | December 31, 2003 |
|--|---------------------------|---------------------------|
| | <u>(unaudited)</u> | <u>(unaudited)</u> |
| Current Assets: | | |
| Cash and cash equivalents | \$117,643 | \$327,188 |
| Marketable securities and deposits | 887,903 | 809,158 |
| Trade receivables, net | 68,171 | 72,754 |
| Other receivables and prepaid expenses | 25,570 | 19,667 |
| Total current assets | <u>1,099,287</u> | <u>1,228,767</u> |
| Long-term assets: | | |
| Long-term investments | 533,736 | 467,264 |
| Property and equipment, net | 8,225 | 7,394 |
| Intangible assets | 27,268 | - |
| Goodwill | 172,528 | - |
| Deferred income taxes | 19,667 | 5,519 |
| Total long-term assets | <u>761,424</u> | <u>480,177</u> |
| Total assets | <u><u>\$1,860,711</u></u> | <u><u>\$1,708,944</u></u> |

**LIABILITIES AND
SHAREHOLDERS' EQUITY**

| | | |
|--|---------------------------|---------------------------|
| Current liabilities: | | |
| Deferred revenues | \$124,779 | \$105,889 |
| Trade payables and other accrued liabilities | 139,618 | 139,345 |
| Total current liabilities | <u>264,397</u> | <u>245,234</u> |
| Accrued severance pay, net | 2,568 | 2,165 |
| Deferred tax liability | 7,866 | - |
| Total liabilities | <u>274,831</u> | <u>247,399</u> |
| Shareholders' Equity: | | |
| Share capital | 758 | 747 |
| Additional paid-in capital | 358,764 | 193,662 |
| Deferred stock based compensation | (12,490) | - |
| Treasury shares | (200,237) | - |
| Retained earnings | 1,439,085 | 1,267,136 |
| Total shareholders' equity | <u>1,585,880</u> | <u>1,461,545</u> |
| Total liabilities and shareholders' equity | <u><u>\$1,860,711</u></u> | <u><u>\$1,708,944</u></u> |
| Total cash and cash equivalents, deposits and marketable securities | <u><u>1,538,288</u></u> | <u><u>1,602,724</u></u> |

**CHECK POINT SOFTWARE TECHNOLOGIES LTD.
SELECTED CONSOLIDATED CASH FLOW DATA**

(In thousands)

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|-------------------------------------|-------------------------|------------------------------------|-------------------------|
| | 2004 (unaudited) | 2003 (unaudited) | 2004 (unaudited) | 2003 (unaudited) |
| Cash flow from operating activities: | | | | |
| Net income | \$66,758 | \$58,366 | \$171,949 | \$178,623 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | | |
| Depreciation and amortization | 1,456 | 1,343 | 4,137 | 4,340 |
| Decrease (increase) in trade and other receivables, net | 1,626 | (1,342) | 2,589 | 9,030 |
| Increase (decrease) in trade payables and other accrued liabilities | (6,041) | (2,556) | 3,003 | (354) |
| Other adjustments | (2,303) | 2,594 | 141 | 11,368 |
| Amortization of intangible assets and deferred stock compensation | 2,925 | - | 6,069 | - |
| Acquisition related in-process R&D | - | - | 23,098 | - |
| Net cash provided by operating activities | <u>64,421</u> | <u>58,405</u> | <u>210,986</u> | <u>203,007</u> |
| Cash flow from investing activities: | | | | |
| Cash paid in conjunction with the acquisition of Zone Labs, net | - | - | (95,343) | - |
| Investment in property and equipment | (1,004) | (713) | (3,331) | (2,347) |
| Net cash used in investing activities | <u>(1,004)</u> | <u>(713)</u> | <u>(98,674)</u> | <u>(2,347)</u> |
| Cash flow from financing activities: | | | | |
| Proceeds from issuance of shares upon exercise of options | 3,692 | 5,103 | 23,489 | 14,716 |
| Purchase of treasury shares | (121,588) | - | (200,237) | - |
| Net cash provided by (used in) financing activities | <u>(117,896)</u> | <u>5,103</u> | <u>(176,748)</u> | <u>14,716</u> |
| Increase (decrease) in cash and cash equivalents, deposits and marketable securities | (54,479) | 62,795 | (64,436) | 215,376 |
| Cash and cash equivalents, deposits and marketable securities at the beginning of the period | <u>1,592,767</u> | <u>1,467,333</u> | <u>1,602,724</u> | <u>1,314,752</u> |
| Cash and cash equivalents, deposits and marketable securities at the end of the period | <u><u>1,538,288</u></u> | <u><u>1,530,128</u></u> | <u><u>1,538,288</u></u> | <u><u>1,530,128</u></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.

By: /s/ Eyal Desheh

Eyal Desheh
Chief Financial Officer

October 18, 2004