August 9, 2013

Proofpoint, Inc. to Acquire Armorize Technologies, Inc.

Cloud-Based Next-Generation Threat and Malware Detection Technology and World-Class Research Team to Further Augment Proofpoint’s Targeted Attack Protection(TM) Offering

SUNNYVALE, CA -- (Marketwired) -- 08/09/13 -- Proofpoint, Inc., (NASDAQ: PFPT), a leading security-as-a-service provider, today announced that it has agreed to acquire Armorize Technologies, Inc., a leading developer of cloud-based (SaaS) anti-malware products. The acquisition will bring a new set of real-time dynamic detection technology for next-generation threats and malware to Proofpoint's already robust capabilities, further enhancing and accelerating Proofpoint's Targeted Attack Protection™ product. Under the terms of the agreement, Proofpoint will pay approximately $25.0 million in cash. The acquisition has been approved by the Proofpoint Board of Directors and by the requisite Armorize shareholders and is expected to close in the third quarter of 2013.

"We've been leveraging key Armorize technology in our Targeted Attack Protection for almost a year, and the effectiveness has been phenomenal," said Proofpoint CEO Gary Steele. "Acquiring Armorize solidifies Proofpoint's leading position in cloud-based, next-generation threat detection technology and gives us full access to Armorize’s world-class malware research expertise."

Founded by brothers Wayne and Matt Huang, Armorize has pioneered next-generation threat protection technologies, including dynamic threat protection, anomaly detection and malware sandboxing. Armorize has applied this core technology to detect advanced and "zero day" malware across multiple threat vectors including on compromised websites, in malvertising (malware served via online advertising) and as part of Proofpoint's market leading anti-spearphishing solution Targeted Attack Protection.

Based in Nankang Software Park, Taipei, Taiwan, Armorize's staff includes more than 35 Certified Ethical Hackers (CEH) (http://www.eccouncil.org/). The staff specializes in cloud-based threat intelligence, detection of 'zero-day' attacks and unknown vulnerabilities, real-time dynamic threat protection and advanced malware detection research. Armorize's principals have decades of experience detecting and stopping some of the world's most advanced malware, including malware developed by nation states engaged in cyber threats and advanced persistent threats.

"We are proud to join forces with a company that is leading the way in the fight to keep data safe in the face of evolving attacks such as Advanced Persistent Threats," said Armorize CEO Wayne Huang, PhD. "Being part of the Proofpoint organization will definitely enable Armorize to further leverage our core technologies and research across a wider range of customers."

Huang is a frequent speaker at security conferences including BlackHat, DEFCON, RSA, SyScan, OWASP, Hacks in Taiwan, PHP and DSN. He is the first author to achieve consecutive best paper nominations at the prestigious World Wide Web (WWW) Conferences (2003, 2004), and has co-authored the Web Application Security chapter of "Computer Security in the 21st Century" (Springer US, 2005).

As a small technology start-up with a nascent customer base, Armorize brings a wealth of talent and differentiated technology but a limited set of customers and revenues. Proofpoint expects the transaction to have an immaterial impact on revenues and billings during the third quarter and full year of 2013. In regards to non-GAAP net loss, Proofpoint expects its loss to increase by approximately $0.5 million or approximately $0.01 per share during the third quarter of 2013 and by approximately $1.0 million or approximately $0.03 per share for the full year 2013, excluding one-time costs associated with the execution of the merger.

About Proofpoint, Inc.
Proofpoint Inc. (NASDAQ: PFPT) is a leading security-as-a-service provider that focuses on cloud-based solutions for threat protection, compliance, archiving & governance, and secure communications. Organizations around the world depend on Proofpoint's expertise, patented technologies and on-demand delivery system to protect against phishing, malware and spam, safeguard privacy, encrypt sensitive information, and archive and govern messages and critical enterprise information. More information is available at www.proofpoint.com.

Proofpoint and Proofpoint Targeted Attack Protection™ are trademarks of Proofpoint, Inc. in the U.S. and other countries. All other trademarks contained herein are the property of their respective owners.
Forward-looking Statements
This press release contains forward-looking statements including, among other things, statements regarding the addition of technology and a team to Proofpoint's already robust capabilities, the augmentation and accelerated development of Proofpoint's Targeted Attack Protection product, the expected closing of the acquisition and the time frame in which this would occur, the expected benefits to Proofpoint and its customers from completing the acquisition, the enablement of Armorize to further leverage its core technologies and research across a wider range of customers, and the expected financial performance of Proofpoint (including earnings projections) following completion of the acquisition. These forward-looking statements are subject to the safe harbor provisions created by the Private Securities Litigation Reform Act of 1995. Actual results could differ materially from those projected in the forward-looking statements as a result of certain risk factors, including but not limited to: certain conditions to the closing of the transaction not being satisfied; the potential impact on the business of Armorize due to the acquisition; the occurrence of any event, change or other circumstances that could give rise to the termination of the definitive agreement; the outcome of any legal proceedings related to the transaction or the definitive agreement; general economic conditions; and the ability of Proofpoint to successfully integrate Armorize's market opportunities, technology, personnel and operations and to achieve expected benefits. These forward-looking statements are based on current expectations and are subject to uncertainties and changes in condition, significance, value and effect as well as other risks detailed in documents filed with the Securities and Exchange Commission, including Proofpoint's Annual Report on Form 10-K for the fiscal year ended December 31, 2012, Proofpoint's most current quarterly report on Form 10-Q, and current reports on Form 8-K that Proofpoint may file from time to time, which could cause actual results to vary from expectations. Proofpoint assumes no obligation to, and do not currently intend to, update any such forward-looking statements after the date of this release.

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