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Proofpoint Signs Definitive Agreement to Acquire Emerging Threats; Enhances Threat Intelligence, Detection and Response

Acquisition of Leading Threat Intelligence Company Will Extend Proofpoint's Solutions for Detecting and Responding to Advanced Threats

SUNNYVALE, CA -- (Marketwired) -- 03/02/15 -- Proofpoint, Inc., (NASDAQ: PFPT), a leading next-generation security and compliance company, has entered into a definitive agreement to acquire Emerging Threats, a leading provider of advanced threat intelligence, for approximately \$40 million in cash and stock. Proofpoint will integrate Emerging Threats' advanced threat intelligence with its existing Targeted Attack Protection and Threat Response security solutions to deliver another significant step forward in advancing the state of the art for advanced threat detection and response, across the complete attack chain.

Emerging Threats uses an automated collection and analysis system, along with a team of expert threat researchers, to produce actionable threat intelligence for detecting, blocking and remediating advanced cyberattacks. The combined technology will provide customers with deeper insight into cyberthreats, enabling them to react faster to inbound cyberattacks, and to identify, block, and disable previously undetected malware already embedded in their organizations.

"Better cyberattack intelligence enables better cybersecurity," said Gary Steele, CEO at Proofpoint. "Proofpoint's market-leading advanced threat detection and response products for email and social media security and compliance will be further enhanced by pairing them with Emerging Threats' deep research and intelligence capabilities. We believe that the combination of Proofpoint and Emerging Threats provides the most timely, actionable end-to-end attack intelligence and protection available in the industry."

Emerging Threats' systems gather millions of malware samples and other global threat indicators per day to develop intelligence about advanced cybercriminal malware distribution and command and control (C&C) infrastructure. This system collects, validates, filters and prioritizes malware samples into actionable intelligence; intelligence which provides immediate benefits to a customer's security infrastructure.

The combination of Emerging Threats' threat intelligence with Proofpoint's existing big data platform and threat analytics systems will provide compounded benefits in both detection and response capabilities. The integrated offerings extend Proofpoint's market-leading capabilities in detecting advanced malware propagated through email and social media messaging systems. The result is a unique, end-to-end view into the entire kill chain of cyberattacks and cyberattackers. This unmatched insight into the attack chain provides improved threat detection and faster, automated incident response and remediation for organizations worldwide.

"Emerging Threats has a proven track record of effectively detecting and responding to today's advanced cyberattacks," said Ken Gramley, Emerging Threats chief executive officer, who will become vice president of Emerging Threats for Proofpoint upon consummation of the acquisition. "Our suite of threat intelligence products delivers actionable, correlated threat intelligence necessary to security teams. We're excited to integrate with Proofpoint's solutions to bring our industry-leading advanced threat detection and remediation capabilities to an even larger market."

Emerging Threats' suite of threat intelligence products is delivered as a subscription-based cloud service. IQRisk Suite includes three products: ETPro Ruleset, IQRisk Rep List and IQRisk Query. ETPro Ruleset provides accurate and complete coverage for malware C&C communications for intrusion detection systems and intrusion protection systems. IQRisk Rep List delivers categorized and scored threat intelligence. In addition, IQRisk Query provides history and supporting observed activity via a web portal or API directly from a central datastore of threat intelligence. Emerging Threats also sponsors, maintains and releases the industry's leading open source IDS/IPS ruleset, ETOpen Ruleset, used by more than 20,000 organizations worldwide. Proofpoint intends to continue to support and invest in these products and the open source community.

As part of the acquisition, Emerging Threats' team of renowned threat researchers, software engineers and sales personnel will join Proofpoint's team, continuing to operate from the Emerging Threats headquarters in Indianapolis. Proofpoint currently expects the transaction to have no material impact on revenue, billings, and non-GAAP profitability for the first quarter and full year 2015.

About Proofpoint, Inc.

Proofpoint Inc. (NASDAQ: PFPT) is a leading next-generation security and compliance company that provides cloud-based solutions for comprehensive threat protection, incident response, secure communications, social media security, compliance, archiving and governance. Organizations around the world depend on Proofpoint's expertise, patented technologies and on-demand delivery system. Proofpoint protects against phishing, malware and spam, while safeguarding privacy, encrypting sensitive information, and archiving and governing messages and critical enterprise information. More information is available at www.proofpoint.com.

Proofpoint is a registered trademark of Proofpoint, Inc. in the U.S. and/or 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 capabilities, the launch of new Proofpoint products related to the acquisition, the expected benefits to Proofpoint and its customers and the acquired company and its customers from the acquisition, increased opportunity via the acquisition to further leverage Proofpoint's core technologies and research across a wider range of customers, integrated development between Proofpoint's solutions and the acquired products and the expected financial performance of Proofpoint (including earnings projections). 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: the potential impact on the business relationships and current and prospective customers of Emerging Threats Pro due to the acquisition; general economic conditions; and the ability of Proofpoint to successfully integrate Emerging Threats Pro'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, 2014 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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