

Palo Alto Networks Completes Acquisition of LightCyber

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Brings Award-Winning Automated Behavioral Analytics to the Palo Alto Networks Next-Generation Security Platform

SANTA CLARA, Calif., Feb. 28, 2017 /PRNewswire/ -- Palo Alto Networks® (NYSE: PANW), the next-generation security company, today announced its acquisition of LightCyber®, a privately held cybersecurity company that has developed award-winning, highly automated and accurate behavioral analytics technology. Under the terms of the agreement, Palo Alto Networks has acquired LightCyber for \$105 million in cash.

Recognized by Gartner in two recent market guides*, LightCyber has been leading the industry in the development of automated behavioral analytics capabilities, using sophisticated machine learning to quickly, efficiently and accurately identify attacks based on identifying behavioral anomalies inside the network.

Palo Alto Networks will continue to offer the LightCyber products and support existing customer implementations while it engineers the technology into the Palo Alto Networks Next-Generation Security Platform by the end of the calendar year. Bringing behavioral analytics to the platform will enhance its automated threat prevention capabilities and the ability for customer organizations to prevent cyber breaches throughout the entire attack life cycle.

QUOTES:

- "The LightCyber team's vision to bring automation and machine learning to bear in addressing the very difficult task of identifying otherwise undetected and often very sophisticated attacks inside the network is well-aligned with our platform approach. This technology will complement the existing automated threat prevention capabilities of our platform to help organizations not only improve but also scale their security protections to prevent cyber breaches."
 - Mark McLaughlin, chairman and CEO of Palo Alto Networks
- "Palo Alto Networks has been driving a paradigm shift in the security industry with its natively engineered and highly automated Next-Generation Security Platform designed to change the equation in how organizations prevent cyber breaches. We are pleased to join the Palo Alto Networks team, combining our technology innovations and accelerating adoption of behavioral analytics to help organizations bolster their defenses against the advanced and sophisticated adversaries they are facing today."
 - Gonen Fink, CEO of LightCyber

Automated Attack Behavior Analytics Enhances Breach Prevention

According to a report by the Ponemon Institute**, when attackers successfully find their way into a network, there is an industry average dwell time of approximately five months to discover their activity. During that time, an advanced attacker can initiate command and control, lateral movement, and data exfiltration. This kind of dwell time and advancement in the attack lifecycle can lead to extensive damage and loss of confidential data.

Common approaches to this problem include third-party, log-based collection and analysis tools that are often error-prone, limited in visibility, lack important context, are labor-intensive, require a data scientist to investigate false positives and tune for accurate outcomes, and lack enforcement capabilities.

To address these challenges, reduce attacker dwell time, minimize damage done and prevent breaches, the LightCyber technology employs highly accurate and automated machine learning techniques to analyze user and entity activity and then identifies and protects against anomalous activities that are indicative of an active attack.

This behavioral attack detection capability complements the existing protections delivered by the Palo Alto Networks platform to help security team members focus on only the most meaningful alerts and improve the time to breach

response and prevention.

- To learn more about the LightCyber technology and how it will enhance the Palo Alto Networks platform, visit: <https://www.paloaltonetworks.com/technologies/automated-behavioral-analytics>.
- To learn more about the Palo Alto Networks security platform, visit: <https://www.paloaltonetworks.com/products/designing-for-prevention/security-platform>.

About Palo Alto Networks

Palo Alto Networks is the next-generation security company, leading a new era in cybersecurity by safely enabling applications and preventing cyber breaches for tens of thousands of organizations worldwide. Built with an innovative approach and highly differentiated cyberthreat prevention capabilities, our game-changing security platform delivers security far superior to legacy or point products, safely enables daily business operations, and protects an organization's most valuable assets. Find out more at www.paloaltonetworks.com.

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This press release contains "forward-looking" statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act that are based on the beliefs and assumptions of Palo Alto Networks and on currently available information. Forward-looking statements include information concerning the expectations, beliefs, plans, intentions and strategies of Palo Alto Networks relating to its acquisition of LightCyber. Such forward-looking statements include statements regarding expected benefits to Palo Alto Networks and its customers and the impact of the acquisition on Palo Alto Networks' offerings. These statements reflect the current beliefs of Palo Alto Networks and are based on current information available to Palo Alto Networks as of the date hereof, and Palo Alto Networks does not assume any obligation to update the forward-looking statements to reflect events that occur or circumstances that exist after the date on which they were made. The ability of Palo Alto Networks to achieve these business objectives involves many risks and uncertainties that could cause actual outcomes and results to differ materially and adversely from those expressed in any forward-looking statements.

There are a significant number of factors that could cause actual results to differ materially from statements made in this presentation, including the failure to achieve expected synergies and efficiencies of operations between Palo Alto Networks and LightCyber; the ability of Palo Alto Networks and LightCyber to successfully integrate their respective market opportunities, technology, products, personnel and operations; the failure to timely develop and achieve market acceptance of combined products and services; the potential impact on the business of LightCyber as a result of the acquisition; the ability to coordinate strategy and resources between Palo Alto Networks and LightCyber; the ability of Palo Alto Networks and LightCyber to retain and motivate key employees of LightCyber; Palo Alto Networks limited operating history and experience with integrating acquired companies; risks associated with Palo Alto Networks' rapid growth, particularly outside the United States; rapidly evolving technological developments in the market for network security products; and general market, political, economic and business conditions. Additional risks and uncertainties are included under the captions "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations," in the company's quarterly report on Form 10-Q filed with the SEC on November 22, 2016, which is available on the company's website at investors.paloaltonetworks.com and on the SEC's website at www.sec.gov. Additional information will also be set forth in other filings that the company makes with the SEC from time to time. All forward-looking statements in this presentation are based on information available to the company as of the date hereof, and Palo Alto Networks does not assume any obligation to update the forward-looking statements provided to reflect events that occur or circumstances that exist after the date on which they were made or to update the reasons why actual results could differ materially from those anticipated in the forward-looking statements, even if new information becomes available in the future.

* Gartner Market Guide for User and Entity Behavioral Analytics (G00292503), December 2016 and Gartner Market Guide for Endpoint Detection and Response Solutions (G00298289), November 2016.

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** Ponemon report: "The State of Malware Detection & Prevention"; Ponemon Institute Research Report, March 2016.

To view the original version on PR Newswire, visit:<http://www.prnewswire.com/news-releases/palo-alto-networks-completes-acquisition-of-lightcyber-300415249.html>

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