

March 24, 2014

Dear Customer,

You may have seen that today we announced our intent to acquire Cyvera, a privately held cyber security company that has been laser focused on developing unique zero-day exploit prevention technology for endpoints. We want to take this opportunity to provide you with a little background on how this can benefit you.

Each year, we see thousands of new software vulnerabilities emerge and millions of new malware derivatives. It's become virtually impossible for traditional endpoint defenses to stay on top of every potential threat. We've witnessed this firsthand with WildFire where as much as 70% of the malware detected was not captured by leading anti-virus vendors.

With this acquisition, we are pleased to add Cyvera's next-generation technology to the Palo Alto Networks enterprise security platform. While there is a growing supply of vulnerabilities and limitless supply of malware, bad guys are limited to using a very small number of exploit techniques. Cyvera is the only company focused on detecting and preventing these core exploit techniques targeting endpoints. The close integration of this unique capability with our network security platform, including our next-generation firewall and threat intelligence cloud, creates the market's most advanced, highly integrated and automated enterprise security platform. This translates into the most sophisticated threat protection, with decreasing operational burden, for your entire organization.

The Cyvera technology and future vision will be featured at the upcoming <u>Ignite Conference</u>, March 31st to April 2nd, at the Cosmopolitan in Las Vegas, Nevada. We invite you to come join us as we showcase the next generation in endpoint protection and the unveiling of the next generation of enterprise security. Until then please take a few minutes to watch the brief introductory videos on our website of our founder Nir Zuk and senior vice president of product management, Lee Klarich.

See you at Ignite!

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Mark McLaughlin CEO Palo Alto Networks