

FAQ: Frequently Asked Questions

Google acquires Postini

September 13, 2007

BACKGROUND

Q. What is Postini?

A. Postini is a company that provides on-demand solutions that help protect businesses worldwide from malicious internet-based attacks, and help ensure compliance with government, industry, and internal mandates. Postini's services can be used with e-mail, instant messaging, web filtering and security, as well as a variety of compliance applications including message archiving, encryption, and policy enforcement.

Q. Why did Google acquire Postini?

A. We realized we needed a more complete solution that addresses the information security and compliance issues facing larger businesses. While enterprises want to deliver simple, useful hosted applications to their employees, they're also required to support complex business rules, information security mandates, and an array of legal and corporate compliance issues. As such, many businesses have been forced to choose between innovation on one hand, and these back office mandates on the other. In effect, many businesses use legacy systems not because they are the best for their users, but because they are able to support complex business rules. We agreed to acquire Postini in order to create a more complete Google Apps solution that addresses the information security and compliance issues facing businesses of all sizes.

Q. How did Google come to the value of \$625 million?

A. We determined the value based upon, among other things, the synergies between Postini's security and compliance solutions and Google's simple, powerful communication and collaboration tools.

Q. Are all Postini employees now Google employees?

A. Postini is now a wholly owned subsidiary of Google and as such, Postini employees are part of the Google family. We are now working to integrate the two teams. We anticipate needing the next few months to finalize.

Q. Will Postini be integrated into Google or will it remain a separately operating entity?

A. Postini is a wholly owned subsidiary of Google. We expect that Postini will operate independently. We are currently working on an integration plan for the company and products.

Q. Did this acquisition require regulatory approval?

A. The transaction was subject to normal pre-merger notification procedures in the United States and Germany.

POSTINI BUSINESS & PRODUCTS

Q. How will this acquisition benefit consumer users of Google Apps?

A. Postini's spam and virus protection combined with Google's strong spam protection system will make users more productive by helping to eliminate unwanted and malicious messages.

Q. How will it benefit business users of Google Apps?

A. Businesses will be able to more easily and cost effectively maintain the security and corporate compliance of their messaging systems, enabling them to deploy simple, useful hosted applications to their employees.

Q. How will it benefit Postini customers?

A. Postini customers will benefit from Google's stability, global reach and innovation. We will also introduce Postini customers to Google Apps, a complete, hosted communication and messaging solution.

Q. Are Postini's customers now subject to Google policies?

A. Postini customers will continue to receive the service and support they are accustomed to. In addition, we plan to announce new service offerings soon.

Q. What are Postini's products?

A. Postini provides a variety of on-demand solutions in the areas of communications security and compliance. These services can be used with e-mail, IM, web filtering and security, as well as a variety of compliance applications including message archiving, encryption, and policy enforcement. As an on-demand service, there is no software or hardware to buy, install, maintain, or upgrade. Administrators use standard web browsers to manage the system, and users continue to use their existing email, IM, and web software.

Q. Will Google change the name of the company and of Postini's products?

A. Postini will continue business as usual. Google will continue to support Postini products, and we expect to have even more product announcements in the near future.

Q. What is Postini's business model?

A. Postini offers their products as low cost, yearly, per-user subscriptions, with the ability to purchase additional message storage as needed.

Q. How many customers does Postini have? Could you characterize their customer base?

A. More than 35,000 businesses worldwide are Postini customers, across a wide range of industries. The set of customers vary from small and medium-sized businesses to the largest enterprises. Some of the most prominent customers include Merrill Lynch, Invesco, LSI Logic, Johnson Controls, Mitsubishi, and United Technologies. A more complete list of prominent customers can be found [here](#).

Q. Will Postini services continue to be available? Are they available now?

A. Yes, not only will we continue to offer Postini services, without interruption, but we're going to invest in their further development. You can [request a demo](#) or [sign up for a test drive](#) right now. Additionally, we expect to have more product announcements in the near future.

Q. What will happen to Postini's current customers? Will they have to sign up for Google Apps or other Google services?

A. Postini's current users will remain unaffected by this transaction. We will continue to develop and support Postini's services, including support for multiple messaging platforms, independent of whether customers opt for other Google services.

Q. How will this acquisition affect users of Microsoft Exchange and IBM Lotus Domino?

A. Both Google and Postini believe in and design products to support open standards that foster customer choice. We will continue to support customers with Microsoft Exchange, IBM Lotus Domino, as well as other mail server platforms that support the SMTP protocol.

Q. Doesn't Google already have anti-spam and virus technology?

A. Google already has world-class spam and virus protection as part of the Gmail service. Postini's technology will augment this and will also give organizations a higher degree of control over how messages are filtered both into and out of the company.

Q. Doesn't Gmail already have archiving capabilities?

A. The archive function in Gmail operates on an individual basis, but not for the entire domain. Postini Message Archiving offers secure message storage and a centralized access point for the retrieval of email and IM communications.

Q. What are your plans for incorporating Postini's technologies into Gmail?

A. Google and Postini are looking at a variety of ways to integrate our technologies, and there are many possibilities. We expect to have product announcements in the near future.

Q. What are your plans for incorporating Postini's products into Google Apps Standard and Premier Editions? Will Postini products be free?

A. Google and Postini are looking at a variety of ways to integrate our products. We don't have any details to announce right now, but expect to have product news in the near future.

Q. Will data from Postini's current customers be transferred to Google datacenters?

A. Postini's current customers will keep their existing services using the existing Postini datacenters at this time.

Q. Will there be any changes to Postini's product roadmap?

A. Postini will continue to develop its products as per its current committed roadmap. We don't anticipate any changes at this time.

INDUSTRY & BUSINESS

Q. Have Google and Postini partnered together previously?

A. Postini is part of the Google Enterprise Partner program, and has worked with Google to create solutions that augment Google Apps for business users. Postini has a set of offerings that integrate well with Google Apps, and has been a popular addition for Google Apps customers.

Q. Why purchase this technology? Couldn't Google have built these security and compliance features on its own?

A. Postini has solid domain knowledge of the types of regulations and compliance requirements that businesses of all sizes are faced with, and the market has validated that their products fit the needs of businesses. The combination of Postini's messaging security and compliance expertise with Google's strong core spam filtering, storage technology, and applications will create a product more effective and cost efficient than anything available today.

Q. Could you provide us with some of Postini's financial metrics?

A. Postini has been profitable since 2004. We are not disclosing their historical financial performance.

Q. How big is this industry? How much market share does Postini have?

A. The demand for e-mail security and archiving options has grown rapidly in the last several years, and Postini has done well by providing superior products and services. The latest Gartner Magic Quadrant on e-mail security recognized Postini as the industry participant with the most complete vision.

Q. How does this acquisition broaden Google's market opportunity? What is the revenue opportunity?

A. We're committed to having Google Apps help users at companies of all sizes communicate and share information more easily. This acquisition will enable Google to serve the needs of the largest organizations that have complex security and compliance requirements as well as bring the benefits of Google Apps to users in more regulated industries such as health care and financial services.

Q. You've stated in the past that Google's online productivity suite does not compete with Microsoft Office. How does this acquisition affect your position?

A. Google Apps is focused on collaboration and easy sharing of information. Users can choose any tool to create content and upload it to Google Apps so that it can be easily and securely shared with others.

CAUTION CONCERNING FORWARD LOOKING STATEMENTS

This document includes certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, the ability of the companies to successfully and efficiently integrate, the expected benefits or synergies of the acquisition, the expected performance and features of Postini's or Google's products and any Google and Postini combined products, the impact of the acquisition on the future innovation of Google and Postini products, the future product roadmap for Postini products, the continued availability of and support for Postini's products, Google's expectation with respect to investment in existing Postini products, the impact of the acquisition on, and the expected benefits of the acquisition for, users of Google and Postini products, Google's and Postini's ability to serve certain market segments, and Google's and Postini's expectation about whether Postini will operate as an independent company or be integrated into Google. These statements are based on the current expectations or beliefs of management of Google Inc., and are subject to uncertainty and changes in circumstances. Actual results may vary materially from those expressed or implied by the statements herein due to (1) changes in economic, business, competitive, technological and/or regulatory factors, (2) failure to compete successfully in this highly competitive and rapidly changing marketplace, (3) failure to retain key employees, and (4) other factors affecting the operation of the respective businesses of Google and Postini. More detailed information about these factors may be found in filings by Google, as applicable, with the Securities and Exchange Commission, including its most recent Annual Report on Form 10-K and Quarterly Report on Form 10-Q. Google is under no obligation to, and expressly disclaims any such obligation to, update or alter their respective forward-looking statements, whether as a result of new information, future events, or otherwise.