

Good afternoon everyone. I'm Sandy Weil, the President and CEO of Proginet Corporation.

We have continued with our consistent performance in Q3 and, in fact, have achieved four straight quarters of profitable, or at least break even, results.

Before we get started, I would like Joe Christel, our Chief Financial Officer, to read a statement to ensure that everyone understands certain requirements relating to Regulation FD and the disclosure of certain information, including forward looking statements. Joe will then review our financial results for the third quarter.

(Joe)Securities laws, including Regulation Fair Disclosure, FD, regulate how material news can be released to investors and the general public. FD provides generally that material information cannot be disclosed to investment professionals and institutional investors without disclosing that information publicly. However, when material information is disclosed in a widely distributed press release, such as this morning's earnings release, and the earnings call discussing the information in and related to the release is publicized and accessible to the public, the SEC generally allows corporations, like Proginet, to discuss such information on investor conference calls.

With the exception of certain current or historical information, the matters to be discussed in today's conference call include forward-looking statements which may include, but are not necessarily limited to, financial projections or other statements of the company's plans, objectives, expectations, or intentions. These matters involve risks and uncertainties. The company's actual results may differ significantly from

those projected or suggested on this conference call due to a variety of factors, which are further described in our S.E.C. filings on Form 10-K and Form 10-Q, and include, but are not limited to:

- The ability of Proginet to grow its sales efforts domestically, our indirect channels internationally, and our OEM arrangements
- The ability of Proginet's software development team to complete its planned projects in a timely manner
- The ability of Proginet to support sales opportunities to the organizations to which it sells
- The ability of Proginet to support its distribution and OEM initiatives around the world.

Proginet disclaims any obligation to update any such forward-looking statements after the date of this conference call.

Lastly, the referenced financial information provided in this call does not contain the details and footnotes provided in our SEC filings. It is important that participants obtain and thoroughly review these when they are filed with the SEC in Proginet's 10-Q, expected to be filed on or about, May 20, 2010.

Please consider these factors throughout our discussion today.

Now, to a discussion on financial results:

(JOE)

CFO DISCUSSION

On a quarter over quarter basis, total revenues increased by 16% to \$2.1 million. This revenue increase was driven mainly by increases to maintenance revenue caused by increased sales and the effect of the last years Q1 deal with BETA Systems.

On the expense side, operating expenses decreased \$72,000 to \$2.1 million. The decrease is primarily attributed to reduced discretionary compensation, reduced headcount expense, and reduced stock based compensation offset by an increase to commission expense. Going forward, we will continue to search for ways to control expenses.

For the quarter, we reported a net profit of \$4,389 as compared to a net loss of \$350,563 in last year's third quarter.

Cash has increased slightly in the third quarter to \$1.4 million.

Now, I would like to turn the call back over to Sandy.

(SANDY) CEO PERSPECTIVE:

Thank you, Joe.

This quarter had a number of elements that contributed to our overall financial results. We closed two enterprise Slingshot deals against heavy competition in head to head comparisons. We won these deals because of our scalable and versatile architecture with efficient pricing models. We are also using alternative pricing models to differentiate

these capabilities. We had six figure contributions from two of our OEM/Distributor partner sales which are growing and we hope to see that trend continue. Similar to last quarter, we had a mix of deal shapes, sizes and product use cases across ALL of our product lines. Now, on to a review of the ten key initiatives that we are focused on and our continued progress in these areas.

First, our OEM partners continue to close deals around the world across a number of verticals. One point to note; as I committed in the past, we purposefully did not sign more than a few good partners last year as we need to be patient and invest in these relationships to see the benefits over time. We will look for more activity over the coming months.

Second, we have launched www.anyfilenow.com and have six active trials underway and in our North American and European vCloud environments. We are very happy with the amount of market interest in this service and will continue to invest in and drive this product. We are training our Distributor and OEM partners on this product and hope to see uptake through their channels.

Third, we continue to focus on our roadmap and are working on delivering a very exciting and ubiquitous client product, called the Universal Client which is based on some very interesting Microsoft technology called "ClickOnce" which allows us to provide Windows like functionality in a downloadable browser application, which can be saved on your desktop and used again.

Fourth, the latest Slingshot release has two 10,000+ user deployments won this last quarter and demonstrates what we can achieve when we listen to our customers and prospects. We also hope to conclude an important appliance based OEM discussion this coming quarter.

Fifth, we continue to capitalize on the large government rollout with five additional deals this quarter and we continue to sell to their associated business partners.

Sixth, we have been running a focused Marketing/PR campaign around www.anyfilenow.com and also continue to drive automation into our campaign and sales engine through our robust SaaS CRM application.

Seventh, we continue to focus on expense and cash management and once again kept our expenses in check even as we continue to drive innovation.

Eighth, we are working on some additional staffing in the sales and marketing area and you will see more investment in this area in the coming months.

Ninth, we will continue to participate with our distribution and OEM partners in sales and marketing events. We participated in two of our partners' global sales meetings. We will again be back in Berlin as a key partner at Beta Systems. We have been very focused on training and support of Beta's sales and technical folks with large enterprise prospects and customer visits.

Tenth, we will continue to drive innovation into our products and markets and look forward to continuing to keep that in front of our customers and prospects. We have, in conjunction with a partner, developed some sophisticated and robust conversion tools for helping large enterprises migrate to CFI from our competitors' products and outsource some of the required conversion work to inexpensive offshore resources.

Summary

In summary, we continue to work hard at being the best file transfer company in the world. We keep at this every day and will work hard to finish out the year with a good Q4.

Thank you. I would like to open up the call for questions.