SaaS Email Security and Archiving Solution Success Drives Proofpoint's Quarterly Revenue to Record Highs for Sixth Consecutive Year

Replacements, International Growth and Channel Success Drive Proofpoint to 24th Consecutive Quarter of Record Revenue

SUNNYVALE, Calif. – July 21, 2009 – Proofpoint, Inc., the leading provider of unified email security, email archiving and data loss prevention solutions, today reported that revenue for the second quarter of 2009 reached record levels, representing Proofpoint's sixth straight year (24 quarters) of increasing quarterly revenue. Strong enterprise adoption of the company's Software-as-a-Service (SaaS) offerings, increasing conversions from competing solutions, growth in international business and strong performance by OEM and channel partners contributed to the record-breaking quarter.

"Proofpoint's SaaS business more than doubled over Q2 2008 and continues to be the fastest growing part of our business," said Gary Steele, CEO of Proofpoint. "During this time of shrinking IT budgets, more and more enterprises, universities and government organizations are looking to simplify their security infrastructures, consolidate functionality and reduce costs. SaaS solutions like Proofpoint ENTERPRISE and Proofpoint ARCHIVE have proven to achieve those goals in record time."

Highlights during Q2 included:

- Proofpoint won key financial services and healthcare industry customers away from Google's Postini SaaS email security service. These enterprise customers selected Proofpoint ENTERPRISE for its superior effectiveness, security, reporting and control over enforcement of complex email security policies. The company also continued to replace incumbent appliance-based solutions from McAfee (CipherTrust/Secure Computing), Cisco (IronPort) and Trend Micro.
- A leading cable network provider selected Proofpoint's virtual appliance to protect nearly 20,000 mailboxes from spam, viruses and rising connection volumes, replacing incumbent solutions from multiple vendors including Cisco.
- One of the US's top 10 corporate and retail banks selected Proofpoint to protect more than 25,000 mailboxes, replacing an incumbent SaaS email security solution.

Proofpoint continued its outstanding customer satisfaction and retention record in Q2. Key customers, including some of the world's best-known financial services, healthcare, food and beverage, education, high-tech manufacturing, telecommunications and retail brands, renewed subscriptions to Proofpoint services or added additional services to current Proofpoint deployments.

Continuing Technology Innovation

During the quarter, Proofpoint extended its lead in SaaS email security and compliance solutions, introducing its Proofpoint on Demand™ suite of offerings at the RSA 2009 exhibition, including:

- Proofpoint ENTERPRISE™: True, enterprise-class SaaS email security and data loss prevention. Completely isolated instances assure each customer of maximum control, configurability and data security.
- Proofpoint PROTECT™: Cost-effective SaaS email security that delivers best-in-class anti-spam and anti-virus protection with zero-administration and 'lights out' operation.
- Proofpoint SHIELD™: Cloud-based connection management and front-line spam protection for any email security appliance eliminates the risks associated with unpredictable email traffic spikes, rising spam volumes and targeted attacks.
- Proofpoint MONITOR™: Remote management services and technology for Proofpoint appliances.

Additionally, the company announced an enhanced version of its on-demand email archiving solution, Proofpoint ARCHIVE™ [http://www.proofpoint.com/emailarchiving]. Proofpoint ARCHIVE makes it easy for organizations to securely archive email and solve the storage management, legal discovery and regulatory compliance challenges associated with email retention. The new version introduced features for faster and easier eDiscovery, workflow enhancements, improved support for historical email, enhanced end user search capabilities and support for Instant Message (IM) archiving.

International Channel, OEM and Technology Partner Momentum Continues
Growth in international markets continued strong in Q2 as Proofpoint's Latin American region reported record business during the quarter. The company closed its largest-ever Latin American transaction with a branch of the Brazilian government that selected Proofpoint to protect all of its email users from spam, viruses and other inbound email threats.

**Strong performance from Proofpoint's archiving and email security OEM partners including Microsoft, Symantec and F-Secure contributed to both new and renewal business during the quarter.**

Proofpoint's partnership with Blue Coat Systems, Inc. ([http://www.bluecoat.com](http://www.bluecoat.com)) continued to pay dividends with the sales and marketing cooperation playing a role in several key deals during the quarter. The companies continued to take bundled offerings—which allow enterprises to defend against both email- and web-based malware attacks—to market through their respective global channels while sharing research and data about emerging Internet threats.

**Learn More about the Cost Savings Delivered by Email Security in the Cloud**

Learn more about how Proofpoint's solutions can help your organization leverage cloud computing to improve email security and compliance while reducing costs. Register to download two Osterman Research whitepapers, Using SaaS to Reduce the Costs of Email Security and Email Archiving: Realizing the Cost Savings and Other Benefits from SaaS, which discuss the dramatic cost savings that companies can realize by adopting a SaaS model for email security and email archiving. In both cases, Osterman Research finds that the SaaS delivery model greatly reduces the total cost of ownership while providing numerous other benefits. Please visit:

[http://www.proofpoint.com/tco](http://www.proofpoint.com/tco)

**About Proofpoint, Inc.**

Proofpoint secures and improves enterprise email infrastructure with solutions for email security, archiving, encryption and data loss prevention. Proofpoint solutions defend against spam and viruses, prevent leaks of confidential and private information, encrypt sensitive emails and archive messages for retention, e-discovery and easier mailbox management. Proofpoint solutions can be deployed on-demand (SaaS) on-premises (appliance), or in a hybrid architecture for maximum flexibility and scalability. For more information, please visit [http://www.proofpoint.com](http://www.proofpoint.com).

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