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SaaS Email Security and Compliance Leader Proofpoint Reports Q1 2010 Results, Achieves 27th Consecutive Quarter of Record Revenue

Email Archiving Growth, Strong International Traction, Performance in Key Vertical Markets Including Financial Services, Healthcare and Government Sector Drives Revenues to Highest Levels Ever

SUNNYVALE, CA – May 4, 2010 –Proofpoint, Inc. (http://www.proofpoint.com), the leading provider of SaaS email security, email archiving and data loss prevention solutions, today reported that revenue for the first quarter of 2010 reached its highest levels ever, representing Proofpoint's 27th sequential quarter of record revenue. Growing demand for the Proofpoint ARCHIVE™ SaaS email archiving solution, combined with increasing international business and continued strong performance in customer renewals, drove Proofpoint's business to record levels.

"Proofpoint is off to an extremely strong start in 2010," said Gary Steele, CEO of Proofpoint. "Large enterprises and government organizations worldwide continue to look for ways to improve email security while reducing costs. At the same time, the global trend toward stricter, more complex data privacy regulations are driving interest in our data loss prevention, email encryption, compliance and eDiscovery solutions. As a result, we're seeing accelerated growth in our email archiving business and increased uptake of our DLP and email encryption solutions with both new and existing customers."

Year-on-year, business from Proofpoint's DLP and encryption solutions grew by more than 150%. Performance in highly regulated industries including financial services, healthcare and the government sector was particularly strong during the quarter. Notable trends from Q1 2010 included:

- Accelerating growth in SaaS email archiving: An increasing number of large global organizations adopted Proofpoint ARCHIVE to solve email storage management, legal discovery and regulatory compliance challenges. New customers included one of the world's largest pharmaceutical manufacturers (5000 mailboxes), a global energy services provider (29,000 mailboxes) and an international provider of postal and logistics services (30,000 mailboxes).
- Increasing government sector traction: Notable wins included a US federal government agency that is deploying Proofpoint ENTERPRISE™ on appliances to protect 40,000 agency mailboxes from spam and viruses while protecting confidential and regulated information against unauthorized exposure. Internationally, government adoption of Proofpoint also increased with new customer wins in Brazil, Mexico, the United Arab Emirates and the UK.
- Accelerating demand for email encryption: Driven by the global trend toward more stringent data protection regulations and a growing awareness of best practices for protecting private data, Proofpoint continued to see rapid adoption of its Proofpoint Encryption™ SaaS-powered email encryption solution. Enterprises in both regulated (e.g., healthcare and financial services) and non-regulated industries selected Proofpoint Encryption to better protect confidential and sensitive data in email during the quarter.
- Strong customer renewals and up-sell: Proofpoint's customer satisfaction and loyalty rates remained among the highest in the industry. Add-on business from existing customers increased and some of the company's largest customers in industries including automotive, communications, financial services and healthcare.

Continuing Email Security Technology Innovation

At the RSA Conference 2010, Proofpoint introduced Proofpoint 6.1, an update to the company's next-generation SaaS and appliance email security and data loss prevention platform. Highlights of Proofpoint 6.1 include improved multi-protocol (email and Web) data loss prevention capabilities, a new data loss prevention dashboard for Proofpoint ENTERPRISE™ Privacy, an Outlook plug-in for easier access to on-demand email encryption (via Proofpoint Encryption) and other security and performance enhancements.

Whether deployed as SaaS or on-premises, Proofpoint 6.1 simplifies today's complex email environments by combining inbound anti-spam and anti-virus, outbound data loss prevention, email encryption and policy enforcement features into one affordable, easy-to-use and easy-to-manage platform for taking control of email.

International Channel Growth

During the quarter, Proofpoint rolled out an enhanced channel partner program to distributors and resellers in the US, Canada and EMEA regions. Featuring an improved pricing structure and deeper discounts for qualifying partners, the program rewards reseller efforts and supports partner sales of Proofpoint products and services.

Proofpoint added several pan-European systems integrators to its channel roster during Q1 including Integralis, Telindus and Telecom Systems.

Learn More about Proofpoint's Email Security and Compliance Solutions

Gartner, Inc. positions Proofpoint in the Leaders quadrant of the 2010 Magic Quadrant for Secure E-mail Gateways. View a complimentary copy of this report by visiting:

http://www.proofpoint.com/magicquadrant

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. Learn more at www.proofpoint.com.

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