



August 2, 2010

SaaS Email Security and Compliance Leader Proofpoint Reports Q2 2010 Results, Seven Years of Record Quarterly Revenues

Enterprise Adoption of Privacy Protection and Email Encryption, First SaaS Adoption by Federal Agency and Email Archiving Growth Drive Proofpoint to 28th Consecutive Quarter of Record Revenue

SUNNYVALE, CA – August 2, 2010 – [Proofpoint](http://www.proofpoint.com), 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 second quarter of 2010 reached its highest levels ever, representing Proofpoint's seventh straight year (28 quarters) of increasing quarterly revenue. Growing demand for Proofpoint's data privacy and encryption solution, Proofpoint Enterprise™ Privacy, and increasing deployments of Proofpoint's [SaaS email archiving solution](#)—including the selection of Proofpoint Archive to power the first, large-scale Federal government deployment of cloud-based archiving—played a key role in driving Proofpoint's business to record levels once again.

"The second quarter of 2010 was another record breaking quarter for Proofpoint across nearly every aspect of our business," said Gary Steele, CEO of Proofpoint "There are four key issues driving enterprise IT security spend right now—an increasingly sophisticated spam and malware threat landscape, urgency around protecting consumer and data privacy, pressure to address electronic discovery issues and a realization that SaaS can greatly reduce security and compliance costs. Proofpoint's solutions are ideally suited to meeting these needs."

Business highlights from the second quarter of 2010 included:

Increasing Enterprise and Federal Adoption of SaaS Email Archiving

Adoption of Proofpoint Archive continued strong growth, driven largely by legal discovery and compliance concerns among large organizations. In a first for the archiving market, a large US Federal Government agency selected Proofpoint's secure, cloud-based solution to archive email for an initial 6000 mailboxes, with plans to extend that deployment to serve more than 70,000 employees over time.

"To date, Federal agencies have been extremely cautious about adoption of SaaS solutions and this deployment of Proofpoint Archive will be among the first and largest SaaS deployment—of any kind—in the Federal market," said Steele. "The selection of Proofpoint is a strong validation of the unique security, reliability and scalability features of our SaaS architecture and applications."

Strong growth also continued in the private sector with new clients including a leading US entertainment and communications provider selecting Proofpoint to archive mail for more than 6000 mailboxes. The number of messages managed and searches handled by Proofpoint's SaaS archiving infrastructure has doubled in the past 12 months and this trend is accelerating as Proofpoint continues to add new enterprise customers.

Growing Demand for Privacy and Encryption Solutions

Proofpoint continued to see strong traction in regulated industries such as healthcare and financial services, both traditional strengths for the company. These customers seek to comply with increasingly strict privacy regulations including various US state privacy directives that, in some cases, mandate encryption of their residents' personal information. The company saw strong adoption of its Proofpoint Enterprise Privacy solution suite and SaaS-powered [email encryption](#) solution, Proofpoint Encryption™, as a result.

Continuing Traction in EMEA: Enterprise Customer and Channel Wins Proofpoint continued to see increasing success in European markets, adding new enterprise customers including a leading French mining and minerals group—using the Proofpoint Enterprise Protection SaaS email security solution to protect 15,000 mailboxes from spam, phishing and malware threats—and a UK-based, multi-national insurance provider protecting 1,000 users.

During the quarter, Proofpoint also announced a [partnership with Swisscom](#), Switzerland's leading telecoms provider, to offer Proofpoint's SaaS email archiving solution, Proofpoint Archive as part of Swisscom's new range of Cloud Services. Swisscom Cloud Services combines best-in-class computing, storage and email archiving solutions powered by leading cloud-based solution providers including Proofpoint, Nirvanix and Verizon. Swisscom's Cloud Services gives enterprises a

cost-effective way to build up their computing and storage capacity at any time, without investments in IT infrastructure or specialized staff.

Ongoing Email Security Innovation

During Q2 2010, Proofpoint's next generation SaaS and appliance email security and data loss prevention platform [Proofpoint 6.1](#) became available. The new release offers improved multi-protocol data loss prevention capabilities (that enable Proofpoint systems to interoperate with BlueCoat's ProxySG, and other Web proxy appliances that support the ICAP protocol and block outbound Web transmissions based on policy), 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.

IT analyst firm Gartner, Inc. issued the 2010 edition of its [Magic Quadrant for Secure E-mail Gateways](#) during the quarter, positioning Proofpoint in the Leaders quadrant. To read a complimentary copy of the complete report, please visit:

<http://www.proofpoint.com/magicquadrant>

About Proofpoint, Inc.

Proofpoint focuses on the art and science of cloud-based email security, eDiscovery and compliance solutions. Organizations around the world depend on Proofpoint's expertise, patented technologies and on-demand delivery system to protect against spam and viruses, safeguard privacy, encrypt sensitive information, and archive messages for easier management and discovery. Proofpoint's enterprise email solutions mitigate the challenges and amplify the benefits of enterprise messaging. Learn more at www.proofpoint.com.

Proofpoint, Proofpoint Archive, Proofpoint Enterprise and Proofpoint Encryption are trademarks or registered trademarks of Proofpoint, Inc. in the US and other countries. All other trademarks contained herein are the property of their respective owners.