SaaS Security and Compliance Leader Proofpoint Reports Q4 2010 Results: SaaS Business Doubles Over 2009, 30 Consecutive Quarters of Record Revenue

Key drivers for the record-breaking quarter included increasing demand for data loss prevention, privacy protection and email encryption solutions.

SUNNYVALE, Calif. – February 8, 2011 – Proofpoint, Inc. (http://www.proofpoint.com), the leading provider of security and compliance solutions, today reported its 30th consecutive quarter of record-breaking revenue. Key drivers for the record-breaking quarter included increasing demand for the company’s Proofpoint Enterprise Privacy™ data loss prevention and privacy protection solution and Proofpoint Encryption™ email encryption solutions, large enterprise adoption of SaaS solutions and ongoing displacements of competing solutions.

"As in the previous year, Proofpoint's SaaS business more than doubled in 2010, setting a new quarterly record in Q4," said Gary Steele, CEO of Proofpoint. "Growth in our SaaS email archiving and encryption solutions were especially strong as more large organizations look to the cloud for secure, cost-effective solutions for the complex compliance, data protection and eDiscovery challenges they face."

While SaaS solutions continued to represent Proofpoint's fastest-growing product lines during 2010, the company also saw accelerating adoption of its virtual appliance solutions. The company's virtual appliance business grew by more than 50% in 2010, as an increasing number of customers deployed Proofpoint's VMware-compatible virtual appliances as part of the move toward secure, private clouds. Today, 25% of all Proofpoint workloads are now handled in private cloud environments.

Proofpoint's traditional strength with large enterprise customers continued during Q4 2010. Displacements and wins against competing solutions from vendors including Google (Postini), Cisco (IronPort), McAfee, PGP Corporation and ZixCorp helped drive revenues to record levels once again. Large enterprise wins—ranging from 2500 to more than 150,000 users—during the quarter included:

- **Large enterprise adoption of email security and data loss prevention solutions:** A "Fortune 50" provider of industrial, building and aerospace technology switched from Google's Postini service to Proofpoint Enterprise Protection™ deployed in the cloud. The new solution will deliver superior protection against spam, viruses, phishing and other email-borne threats.
- A "Fortune 50" pharmaceuticals company selected Proofpoint Enterprise Privacy and Proofpoint Enterprise Protection, deployed as SaaS, to protect employees from inbound email threats, while meeting HIPAA and other regulatory requirements for outbound email.
- One of the largest nonprofit healthcare organizations in the US selected Proofpoint Enterprise email security appliances to stop spam and viruses for tens of thousands of email users, while ensuring HIPAA compliance and protecting private healthcare information.
- A leading US regional bank selected Proofpoint Enterprise email security appliances to protect email users from inbound threats, while meeting financial regulatory compliance requirements and ensuring the privacy and security of account holders’ personal financial information in outbound email.
- A leading provider of electronic signage selected the SaaS deployments of Proofpoint Enterprise Protection and Proofpoint Enterprise Privacy to provide comprehensive inbound email security, outbound data privacy and email encryption capabilities.
- **Continued strong growth in SaaS email archiving and eDiscovery:** In one of Proofpoint's largest deals to date, a diversified global manufacturer extended its deployment of the Proofpoint Enterprise Archive™ SaaS archiving and eDiscovery solution from a single division to its entire global organization, now using Proofpoint for cloud-based email retention and search capabilities.

Other new customers that contributed to Proofpoint's record email archiving business in the quarter included a Fortune 500 leader in chemicals and materials, a Global 500 leader in healthcare and electronics and a large US university.

- **Continued international growth:** Strong performance in EMEA and Latin American markets contributed to a record quarter for Proofpoint's international business. Key international customer wins included one of the world's largest shipping firms, serviced in partnership with IBM.
Ongoing Security and Compliance Technology Innovation
During Q4, Proofpoint introduced new versions of its Enterprise Protection and Privacy suites, delivering a wide variety of email security, anti-spam, data loss prevention and email encryption capabilities including Proofpoint Smart Send™ DLP technology and Proofpoint Encryption™ enhancements.

In the 2010 edition of its Magic Quadrant for Secure Email Gateways, analyst firm Gartner positioned Proofpoint in the Leaders quadrant. To read the complete report, compliments of Proofpoint, 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.

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