



April 26, 2011

SaaS Security and Compliance Leader Proofpoint Reports Q1 2011 Results

Competitor Displacements and Demand for DLP and Encryption Solutions Drive Revenues to Record Levels for 31 Consecutive Quarters

SUNNYVALE, CA – April 26, 2011 – [Proofpoint, Inc.](#), the leading provider of SaaS security and compliance solutions, today reported that the first quarter of 2011 was the company's 31st consecutive quarter of record-breaking revenue. Competitive displacements in large enterprise accounts and increasing demand for [data loss prevention](#) solutions (including [email encryption](#)) helped drive revenues to record levels once again.

“Proofpoint continues to win away the biggest accounts from competing solutions such as Google's Postini and McAfee's Email Gateway and IronMail offerings. Many large organizations are finding their legacy email security solutions suffer in terms of performance, support and new-feature development. They are looking for high-performance, low-TCO alternatives such as those delivered by Proofpoint's cloud-enabled solutions,” said Gary Steele, CEO of Proofpoint. “Proofpoint's ability to support any desired customer deployment, including SaaS, virtual or private cloud, and hybrid deployments, continues to be an extremely important differentiator.”

SaaS solutions continued to represent Proofpoint's fastest-growing solution segment in Q1 2011 and set another quarterly record for SaaS-based business.

Adoption of Proofpoint's data-loss-prevention solutions, including [Proofpoint Enterprise Privacy](#)[™] and Proofpoint Encryption[™], continued to drive strong growth. A heightened awareness of data-loss and privacy-protection issues — driven in part by widely publicized and high-profile data breaches during Q1 — helped drive increased enterprise urgency about addressing data-loss risks. More than 1.4 million enterprise email accounts are now protected by the latest generation of the Proofpoint Enterprise Privacy solution, which includes Proofpoint Encryption technology, ensuring the security and privacy of confidential and regulated information in email.

Large enterprises adopt email security and data loss prevention solutions

Proofpoint's traditional strength with large enterprise customers in healthcare, financial services, retail and government continued during the quarter. A sampling of large enterprise wins during Q1 2011 – ranging from 3,000 to more than 100,000 users — included the following.

- | A large multinational retailer switched from Google's Postini service to [Proofpoint Enterprise Protection](#)[™] deployed in the cloud, based on Proofpoint's superior availability, performance and support. Proofpoint's SaaS email security solution now protects this client's inboxes from spam, viruses, phishing and other email-borne threats.
- | A leading insurer switched from McAfee's IronMail solution to Proofpoint Enterprise Protection and [Proofpoint Enterprise Privacy](#)[™], deployed in the cloud, to protect email users against inbound threats while ensuring the privacy of customer data in outbound email.
- | A multi-billion-dollar reinsurer moved from McAfee's IronMail solution to the SaaS editions of Proofpoint Enterprise Protection and Proofpoint Enterprise Privacy to protect thousands of mailboxes from inbound threats and prevent data loss via outbound email.
- | A Fortune 500 utility company selected Proofpoint Enterprise Protection, Proofpoint Enterprise Privacy and Proofpoint [Secure File Transfer](#)[™] to provide comprehensive email security for its email users. Proofpoint's flexible deployment options were a key differentiator against competitors including McAfee, Cisco, Google and Symantec. The client chose to deploy Proofpoint in a private-cloud configuration, using the virtual appliance version of Proofpoint's security and compliance solutions.
- | A leading regional community bank switched from McAfee's IronMail solution to Proofpoint Enterprise Protection and Proofpoint Enterprise Privacy, deployed as virtual appliances, to protect inbound and outbound email. The customer selected Proofpoint over competing solutions from Cisco and Lotus in part because of the solution's superior accuracy in detecting personal financial information in email.
- | A leading healthcare diagnostics vendor moved from McAfee IronMail to Proofpoint Enterprise Protection and Proofpoint Enterprise Privacy, deployed on virtual appliances.

Continued strong growth in SaaS email archiving and eDiscovery

Among other archiving wins during the quarter, a U.S. state government selected the [Proofpoint Enterprise Archive](#)[™] SaaS

archiving and eDiscovery solution to archive email communications. The solution will be rolled out to 7,000 state workers initially.

Renewal and add-on business from existing Proofpoint customers continued strong in Q1, as in previous quarters.

Strong International Performance in Japan

Even in the face of the unprecedented earthquake and tsunami disaster that affected Japan in March 2011, Proofpoint's Tokyo-based subsidiary, Proofpoint Japan K.K., turned in impressive quarterly results.

“On the international front, our Japanese team deserves special recognition for their extraordinary dedication and outstanding performance during an extremely difficult period,” said Steele. “The Japanese team not only met their business goals but also went to great personal lengths to ensure that our operations in Japan continued with minimal disruption. We are grateful for the safety of the entire staff of Proofpoint Japan K.K. and commend them for their continued efforts.”

Ongoing Security and Compliance Technology Innovation

During the quarter, Proofpoint introduced [Proofpoint Mobile](#), a family of features and applications that extends Proofpoint's industry-leading email security, compliance and archiving capabilities to mobile devices. Components of Proofpoint Mobile include two iOS apps (for Apple iPhone and iPad devices), [Proofpoint Mobile Archive](#) and [Proofpoint Mobile Dashboard](#), as well as mobile-specific enhancements for Proofpoint Encryption.

The company also announced its cloud-based security and compliance platform, [Proofpoint CloudControl](#), which employs a three-tiered architecture that includes secure infrastructure, shared cloud services and a series of enterprise application suites for security and compliance.

A new version of the Proofpoint Enterprise email security and data-loss-prevention solutions also became generally available during the quarter. New features include improved scalability and search performance; Proofpoint Mobile Encryption™ features including Decrypt Assist for iOS, Android, BlackBerry and Windows Phone 7 mobile devices; new end-user encryption key management capabilities and support for VMware ESX 4.1.

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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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