Security and Compliance Leader Proofpoint Reports Record Q2 2011 Results

Partnership Expands Proofpoint's Presence in Asia

Singapore – August 4, 2011 – Proofpoint, Inc., the leading provider of cloud-based security and compliance solutions for enterprise messaging and collaboration, today reported record quarterly revenue for the second quarter of 2011, representing Proofpoint's eighth year (32 sequential quarters) of increasing quarterly revenue. Several dynamics contributed to the growth, including a renewed focus on security and threat management, competitive displacements and an increase in cloud-based deployments.

The increase in sophisticated message-borne security threats and data breaches has caused many enterprises to reevaluate their current solutions. This trend is driving a wave of competitive displacement deals for Proofpoint. In Q2 2011 alone, Proofpoint added more than one million mailboxes under protection as companies replaced solutions from competitors including McAfee (Cipher Trust, IronMail, McAfee Email Gateway), Google (Postini) and Cisco (IronPort) with Proofpoint's email security, data loss prevention, email encryption and email archiving solutions.

“Recent high-profile attacks and data breaches such as those that have struck RSA, Epsilon, U.S. National Laboratories and the International Monetary Fund, among others, have prompted organizations in every industry to re-evaluate their current solutions with an eye toward increasing effectiveness, better securing private data and improving compliance with regulations,” said Gary Steele, CEO of Proofpoint. “Our solutions meet all of those requirements, which is why – in head-to-head evaluations against competitors – Proofpoint wins nearly 100 percent of the time.”

Proofpoint's data loss prevention solutions, including Proofpoint Enterprise Privacy™ and Proofpoint Encryption™, saw especially strong growth. Q2 2011 represented a record quarter for new and add-on business for those solutions, which help organizations ensure the security and privacy of confidential and regulated information in email.

Large Enterprises Continue to Switch to Proofpoint Email Security and DLP Solutions

Large enterprise customers across Proofpoint's key verticals, including financial services, healthcare, energy and retail, continued to move to Proofpoint Enterprise Protection and Proofpoint Enterprise Privacy during the quarter, replacing solutions from competitors such as McAfee, Google and Cisco. A sampling of large enterprise wins during Q2 2011 included the following:

- A Fortune 100 global retailer selected Proofpoint Enterprise Protection to provide inbound email security for more than 70,000 users, replacing its previous deployment of McAfee email security appliances.
- A Fortune 500 provider of tax, banking and other business services switched from Google’s Postini service to the SaaS version of Proofpoint Enterprise Protection, providing 10,000 email users with superior protection from spam, malware and other email-borne threats.
- The financial services division of one of the world’s leading automotive manufacturers selected Proofpoint Enterprise Privacy, deployed as SaaS, to provide data loss prevention and email encryption capabilities for 5,000 employees, displacing McAfee.
- A leading regional grocery chain selected Proofpoint Enterprise Protection and Proofpoint Enterprise Privacy, deployed as SaaS, to protect both inbound and outbound email for 5,000 users.

New Cloud Security and Compliance Innovations

Proofpoint continues its momentum in cloud deployments as more and more companies seek alternatives to costly and rigid on-premise systems. For example, one of the largest electric utility operators in the U.S. moved email security functions to the cloud, deploying Proofpoint Enterprise Protection for more than 30,000 email users. Proofpoint's SaaS solution replaces the company’s legacy appliance-based solution from McAfee.

The company also introduced the industry's first cloud-based compliance solution for Microsoft Office 365, which delivers enhanced regulatory compliance, archiving, encryption and data loss prevention capabilities for Microsoft's next-generation hosted business application suite.

Proofpoint Compliance for Microsoft Office 365 allows organizations using Microsoft Office 365 to better comply with privacy, data protection and supervisory regulations (including HIPAA/HITECH, SOX, GLBA, PCI, FERPA, FINRA and SEC regulations) while also simplifying electronic discovery.
Hyatt Hotels Corporation is employing this new solution:

As part of its move to Microsoft's next-generation hosted communication and collaboration platform, Hyatt Hotels Corporation is deploying the new Proofpoint Compliance for Office 365 solution for 30,000 email users worldwide. The solution will help Hyatt ensure that email complies with PCI and other regulatory standards, protecting credit card and other private customer information. Mike Blake, CIO of Hyatt Hotels Corporation, describes his organization's work with Proofpoint and Microsoft in a web seminar replay available at http://www.proofpoint.com/id/webinarOffice365/index.php.

Continued Strength in Regulated Industries
Proofpoint's traditional strength in the healthcare market – where organizations require strong data protection and policy-based encryption capabilities to enable compliance with HIPAA/HITECH regulations and secure the privacy of patient data – continued to grow in Q2 2011. New and add-on customers in healthcare added more than 100,000 seats:

- A multi-state, nonprofit healthcare organization selected Proofpoint Enterprise Protection and Proofpoint Enterprise Privacy solutions for all of its 50,000 email users, protecting employee inboxes from inbound threats while ensuring the privacy and security of HIPAA-regulated patient data in outbound email.
- A leading Eastern U.S. university medical center greatly expanded its Proofpoint deployment, extending the security and compliance features of Proofpoint Enterprise Protection and Proofpoint Enterprise Privacy to an additional 18,000 users across multiple campuses.
- A leading provider of diagnostic imaging services extended its 2,500-user deployment of Proofpoint from outbound data loss prevention and email encryption to include the inbound email security features of Proofpoint Enterprise Protection, displacing Google Postini.

Strong Growth in SaaS Email Archiving and eDiscovery
Compliance and legal discovery concerns continued to drive strong enterprise adoption of Proofpoint's SaaS email archiving solution, Proofpoint Enterprise Archive™. A sampling of archiving wins during the quarter included the following:

- A Fortune 100 multinational foods company selected Proofpoint Enterprise Archive as part of its hosted Microsoft Exchange deployment, archiving email for thousands of email users.
- A multi-billion-dollar Canadian investment management organization selected Proofpoint Enterprise Archive to enable archiving and eDiscovery for more than 1,000 email users.

During the quarter, Proofpoint also announced that it had received FISMA certification from the United States Department of Agriculture (USDA) for its SaaS email archiving service. That certification was issued in conjunction with the agency's cloud-based Enterprise Messaging Services (EMS) project to provide compliant email archiving for 120,000 Microsoft Exchange users spread throughout 21 departments.

The USDA project is the largest federal government implementation of cloud-based enterprise email archiving technology to date. Proofpoint Enterprise Archive allows the USDA to easily access archived email for regulatory requests, retention policy adherence and legal discovery.

Continuing International Momentum
Proofpoint continued to grow its international business during Q2, with especially strong traction across both Western and Eastern Europe. Highlights from the quarter included these new international enterprise customers:

- A leading French broadcast concern selected Proofpoint Enterprise Protection, deployed as SaaS, to protect more than 4,000 employee inboxes from spam, viruses and other inbound threats.
- A German industrial equipment manufacturer selected Proofpoint Enterprise Protection email security appliances to protect 5,000 mailboxes.
- In Proofpoint's first enterprise deal from the Russian Federation, a Moscow-based investment bank selected Proofpoint Enterprise Protection and Proofpoint Enterprise Privacy, deployed in a “private cloud” configuration using virtual appliances, to provide email security and data loss prevention for more than 6,000 users, displacing Cisco IronPort.

Learn more about Proofpoint's solutions for security and compliance by attending a live, online demonstration. To register for an upcoming live demo session, please visit:

http://www.proofpoint.com/livedemo

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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