

FOR IMMEDIATE RELEASE

Proofpoint Systems Awarded Navy Contract for Manpower Strategic Planning

WASHINGTON, DC – November 1, 2006 – Proofpoint Systems, Inc. today announced the award of a three-year, cost-plus-fixed-fee contract from the United States Navy to support strategic planning in the Manpower, Training, and Education arena.

This contract culminates in the design of a predictive manpower requirements system based on Proofpoint's globally recognized performance analysis support systems. The initial strategic planning effort will ensure processes are aligned and documented, and then readied for integration into existing Proofpoint systems. The approach will lead to standardized methods for manpower and training resource allocation. It will also lead to the capture and retention of key data that are easily accessible.

"This contract award represents a significant development in our longstanding relationship with the Navy and sets the stage for the advancement of our performance analysis systems across the Naval environment," said Dr. Jim Hill, Proofpoint's CEO. "As operational demands on the Navy increase, the ability to predict and program future manpower and training requirements is an essential element of the Nation's maritime readiness. Proofpoint is committed to supporting the Navy in their quest for resource optimization and ability to respond to an increasing complex array of global mission requirements."

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