



WatchGuard Breaks Revenue Records

Smashes Q4 and 2009 Revenue Records as Businesses Worldwide Deploy WatchGuard Multifunction Firewalls and SSL VPN Solutions

2 February 2010 – WatchGuard® Technologies, a global leader of business security solutions, today announced that it has broken company revenue records for both Q4 2009 and for the 2009 calendar year. WatchGuard attributes this to substantial global adoption and new mid-market and enterprise customer deployments of its innovative multifunction firewalls, award-winning SSL VPN appliances and cutting-edge threat-blocking services. Notably, these record revenues do not include contributions from BorderWare Technologies, a leading developer of messaging, content and cloud-based security solutions, whose acquisition was completed in August 2009.

WatchGuard's revenue growth was seen worldwide, with numerous countries achieving double-digit, top-line revenue growth. The strong revenue performance was led by the following: U.S., U.K., France, Italy, Austria, Australia/New Zealand, China, Korea and Singapore/Malaysia, which all reported record Q4 2009 revenues, year-over-year revenue growth or both. In particular, the UK recorded a 20.7% year on year growth between 2008-2009. WatchGuard expects to see this strong momentum to carry through 2010 as new products and solutions are introduced, and as businesses respond to compliance and regulatory measures.

“Recessions aside, those who create malware, spyware and who hack into networks for sensitive business and personal information, continue to develop sophisticated threats and stealthy attacks,” said Joe Wang, CEO of WatchGuard Technologies. “Because of this, SME to large scale enterprise customers turned to WatchGuard to provide mission critical protection for their networks, applications and data. With solutions that are extremely flexible, easy to manage and that provide the best total cost of ownership, customers and their channel partners trust in WatchGuard where other vendors fail.”

Market Highlights

For Q4 2009, WatchGuard grew market share and increased top line revenue while maintaining profitability. Highlights include:

Accelerated unit shipments into mid-market and enterprise environments as evidenced by 30 percent year-over-year (YoY) unit growth of WatchGuard Firebox Peak and XTM 1050 multifunction firewall appliances;

Continued market leader performance among SME environments as demonstrated by 12 percent YoY growth for WatchGuard Firebox Core security appliances and 15 percent growth for WatchGuard Firebox Edge small office/branch office UTM's;

Profitability achieved for all four quarters in 2009;

Substantial growth of WatchGuard LiveSecurity® attach and renewal rates;

Extended its market in the UK with the addition of Sphinx, a new distributor.

Business Highlights

The year also marked several noteworthy market and business developments at the company.

Notably, these include:

Acquisition of BorderWare Technologies, a recognised Gartner Magic Quadrant “innovator” of messaging and web content security appliances and developer of ReputationAuthority, a cutting edge cloud-based security service;

Substantive channel expansion – both by geographies and by market segments;

Roll-out of new managed security service provider (MSSP) programs and technology features designed to catalyse new business models and IT platforms for delivering and managing security as a service;

Recognition of WatchGuard as a Gartner Magic Quadrant “leader” for UTM appliances.

Technology Highlights

2009 marked a year of major technology leaps for the company. Highlights of the company's technology developments include:

Launch of new mid-market and enterprise/data-center grade multifunction firewalls, the WatchGuard XTM 8 and XTM 10 Series families of appliances;

Launch of the new WatchGuard Extensible Content Security (XCS) line of messaging, data loss prevention (DLP) and web content filtering solutions;

New advancements to the WatchGuard “defense-in-depth” Fireware XTM operating system to address next generation threats, such as those cloaked via VoIP or by HTTPS;

Improved management features that allow for greater scalability, flexibility and granular end-user control;

Continued development and integration of cloud-based security technologies to provide a foundation for dynamic business and IT environments;

Wang concludes, "WatchGuard is solidly poised to build upon its financial, business and technology developments and turn 2010 into another record year. With the acquisition of BorderWare complete, WatchGuard moves to the next level of providing complete and comprehensive business security solutions to best protect business networks, applications and data."

About WatchGuard Technologies, Inc.

Since 1996, WatchGuard® Technologies, Inc. has been the advanced technology leader of business security solutions, providing mission-critical protection to hundreds of thousands of businesses worldwide. The WatchGuard family of wired and wireless unified threat management appliances, messaging, content security and SSL VPN remote access solutions provide extensible network, application and data protection, as well as unparalleled network visibility, management and control. WatchGuard products are backed by WatchGuard LiveSecurity® Service, an innovative support, maintenance, and education program. WatchGuard is headquartered in Seattle and has offices serving North America, Europe, Asia Pacific, and Latin America. To learn more, visit <http://www.watchguard.com/>.

###

WatchGuard is a registered trademark of WatchGuard Technologies, Inc. All other marks are property of their respective owners.

Natasja de Groot

WatchGuard Technologies Inc

+ 31- 70 711 2085

natasja.degroot@watchguard.com

Allie Andrews

PRPR

+ 44 (0)1442 245030

allie@prpr.co.uk