

Trend Micro Announces Record FY2000 Earnings Results

Net income surges 91% from 1999 as sales grow by 59%

Tokyo, JAPAN, February 15, 2001-Trend Micro Incorporated (Tokyo Stock Exchange: 4704) (Nasdaq: TMIC), a global leader in network antivirus and Internet content security solutions, today announced record net income of 4,722 million yen for the year 2000, reflecting a 91% increase from 1999. Operating income climbed 75% year-on-year to 7,443 million yen for the year. Net sales reached a record high of 21,834 million yen in 2000, up 59% from 1999.

The strong gains were driven largely by an ongoing surge in the sales of high-end Internet-related products, including InterScan VirusWall and ScanMail for Microsoft Exchange and Lotus Notes. The results also reflected income from Nippon Unisoft which was acquired by Trend Micro's 100%-owned subsidiary, ipTrend Inc., in February, 2000. Excluding income from ipTrend, sales climbed 50% year-on-year to 20,616 million yen in 2000. The net income figure also includes extraordinary income associated with a license fee received in connection with the settlement of a patent dispute.

(in millions, except earnings share data)	Full Fiscal Year Ended		
	FY 00	FY 99	Change
Net sales	¥21,834 (208.0 million US \$)	¥13,740	59%
Operating Income	¥7,443 (70.9 million US \$)	¥4,253	75%
Ordinary Income	¥7,322 (69.7 million US \$)	¥4,465	64%
Net income	¥4,722 (45.0 million US \$)	¥2,466	91%
Earnings per share	¥72.44 (0.69 US \$)	¥38.82	87%

(Exchange rate 1US\$=105JPY)

"The solid results show that we are well-positioned in our core enterprise market," said Steve Chang, Trend Micro's President, Chairman and CEO. "We will continue to gain worldwide gateway market share and apply our expertise to emerging platforms such as broadband. But in a time of economic uncertainty, we want to focus on the basics - our "best of breed" products and our customer service. We are working to boost the productivity of each employee and leverage our ISO 9002-certified service infrastructure."

The company reported significant growth in all major markets, as sales of its Internet gateway and groupware solutions remained robust. Europe led all regions in terms of sales growth with a 126% annual increase in net sales to 4,126 million yen. Net sales in the United States grew by a 63% from a year ago to reach 6,258 million yen. Japan remained the largest market, with net sales rising 41% from 1999 to 8,447 million yen. Net sales in Taiwan climbed 16% year-on-year to 1,869 million yen, and net sales from all other regions increased 135% to 1,133 million yen in 2000.

Highlights From 2000 Include:

Internet Gateway Market Leadership--An IDC report named Trend Micro the world leader in the Internet gateway antivirus market, giving InterScan VirusWall a 54% share of global antivirus software sales for web servers and validating a market shift in favor of Trend Micro's business model.

Internet Outsourcing Strategy -- Trend Micro continued to execute its outsourcing strategy, signing agreements with such leading service providers as Internet Security Systems (ISS), PSINet, Equant, TeleRelay, CyberPATROL, Postini, Grupo Intercom, CTM, USA.NET, Netstore, Taiwan Telecommunications Network Services (TTN), Telstra, Syntegra, Qwest, USi, World Online, and InterNoded.

TrendLabs Service and Support -- Trend Micro's global antivirus research and support center earned ISO 9002 certification for its quality management standards.

Global Alliances – Achieved stronger cooperation and closer product integration with alliance partners such as Check Point, Cisco, Lucent, Sun Microsystems, Microsoft, Compaq Professional Services. Formed new strategic alliances with IBM Global Services, NetIQ, Sendmail, OpenWave, GE Access, Zone Labs, Network Appliance and Stonesoft, among others.

"Best of breed" Product Strategy – Announced new versions of award-winning InterScan VirusWall and eManager content security solutions for various Linux platforms; updated InterScan eManager to add stronger file blocking tools that can avert email virus storms; launched NeatSuite for Lotus Notes antivirus package and comprehensive protection for Microsoft Exchange with ScanMail for Exchange 3.51 and 3.6. Announced "carrier-class" gateway virus scanning solution designed specifically for ISP, ASP, and telco environments.

New Business -- Trend Micro acquired Nippon Unisoft, a Japanese Linux/Unix software solution provider, and launched a new subsidiary, ipTrend, which offers Linux-based Internet appliances to small and medium-sized enterprises which seek want to deploy ecommerce systems.

New Customers - Trend Micro boosted its Fortune 1000 client base by securing many new enterprise customers, including British Airways, Canon, NTT Telecom, PepsiCo, ExxonMobil, DHL, Hilton Hotels, Household International, SAP, Toshiba, Charles Schwab, Fidelity Investments and Duke Power, to name a few. New government accounts included Germany's Bundes Anstalt fuer Arbeit and several departments of the US Federal government.

New Share Listing - Trend Micro's share listing moved from the Japan OTC market to the first section of the Tokyo Stock Exchange.

Awards and Recognition -- Enterprise and desktop products recognized by numerous publications including SC Magazine, eWeek and Windows Magazine. InterScan VirusWall voted Best Virus Protection by users to capture the W2Knews Target Awards 2000, while ScanMail for Exchange 2000 won Best Tool or Utility at the Microsoft Exchange Conference 2000. For a complete list, see http://www.antivirus.com/corporate/press_coverage/awards.htm

About Trend Micro

Trend Micro, an Internet infrastructure software and services company, provides centrally controlled server-based virus protection and content-filtering solutions. Trend Micro's corporate headquarters is located in Tokyo, Japan, with business units in North and South America, Europe, Asia, and Australia. Trend Micro's products are sold directly and through a network of corporate, value-added resellers and managed service providers. Evaluation copies of all of Trend Micro's products may be downloaded from its award-winning website, <http://www.antivirus.com>.

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