



Trend Micro Reports Results for Q4 and 2008

Trend Micro achieves over 100,000 M Yen in global annual revenue for 2008.

Tokyo, Japan – February 17, 2009 – Trend Micro Incorporated (TSE: 4704), a global leader in Internet content security, announced earnings results for the fourth quarter and consolidated revenue for fiscal year 2008, ending December 31, 2008.

For the fourth quarter, Trend Micro posted consolidated net sales of 24,030 million Yen (or US \$250 million, 96.06 JPY = 1USD). The company posted operating income of 7,330 million Yen (or US \$76 million) and net income of 4,854 million Yen (or US \$50 million) for the quarter. These figures reflect an 8 percent decrease in net sales compared to the same period a year ago.

For 2008, Trend Micro posted consolidated net sales of 101,707 million Yen (or U.S. \$985 million, 103.25JPY=1USD), representing an annual growth rate of 2 percent. The company also reported operating income of 31,803 million Yen (or U.S. \$308 million) and net income of 19,247 million Yen (or U.S. \$186 million). Revenues from products and services sold to enterprise, mid-sized and small business customers worldwide comprised 70 percent of 2008 revenues; revenue from consumer products comprised the remaining 30 percent.

Sales in the fourth quarter were led by Japan, which experienced a 6 percent growth in sales. Latin America sales fell 28 percent; Asia Pacific sales fell 27 percent; European sales fell 24 percent; and North American sales fell 2 percent.

“In 2008, we made Trend Micro™ Smart Protection Network the industry standard for content security,” said Eva Chen, CEO. “This coming year, we will continue to further that vision by unveiling more Smart Protection Network-powered products, solutions and proof that our cloud-client architecture is the smartest way to deal with data-stealing malware. Web threats are now more complex and fast-paced than ever so we want to challenge our prospects and customers to ‘Think Again’ about their security implementation, and to understand how Trend Micro Smart Protection Network can help them combat the silent threats inside a corporate or home network.”

Based on information currently available to the company, consolidated net sales for the first quarter ending March 31, 2009 is expected to be 22,500 million Yen (or US \$250 million, based on an exchange rate of 90 JPY = 1USD). Operating income and net income are expected to be 5,200 million Yen (or US \$57 million) and 3,200 million Yen (or US \$35 million), respectively.

Growth rate figures are calculated from Japanese Yen results. Some discrepancy may therefore be noted in US Dollar comparisons owing to fluctuations in currency conversion rates.

2008 Business Highlights

- With the Trend Micro Smart Protection Network, announced in June at the company's first analyst event in NYC, Trend Micro led the security industry in cloud-client technology designed to protect customers from Web threats.
- New innovations were made in security both for the VMware Platform, as well as virtualized environments. Through Trend Micro Enterprise Security, which offers immediate protection with less complexity, Trend Micro announced a move towards software virtual appliances; and a Threat Management Solution for enterprises that discovers, mitigates and manages threats in their internal network.
- In November, Trend Micro celebrated its 20th Anniversary.
- Towards the end of 2008, Trend Micro teamed with BigFix Inc to deliver comprehensive and modular Trend Micro endpoint security management solutions that scale to the requirements of very large enterprises.
- Trend Micro established a Data Protection Group, which covers data leak protection, email encryption and message archiving. It entered the email encryption market with the acquisition of Identum, a developer of Identity-Based Encryption technology. Trend Micro Email Encryption products were introduced to the market throughout 2008. Trend Micro also launched a secure message archiving solution that helps customer securely store and quickly access archived emails.
- As part of its Global Citizenship Program, Trend Micro launched the Internet Safety for Kids & Families initiative, partnering with organizations such as Childnet International, Common Sense Media, and yourhomeworkhelp.com to further Internet safety awareness.
- Trend Micro continued to advance its service offerings through business relationships with other leading technology companies such as Cisco, Crossbeam Systems, VMWare, and Bizanga.

Awards and Recognition for Q4 2008

Corporate

- Won the 2008 CRN Award for "Best Security Vendor of the Year" as well as the 2008 CRN Channel Champion award.
- Received Ingram Micro 2008 Vendor Awards of Excellence.
- Eva Chen was named a finalist in the 5th Annual Stevie Awards for Women in Business.
- Trend Micro Japan received the "Best Security Software Award" by *Business Computing News*.
- Ranked #68 by *Software Magazine* for the 26th Annual Software 500 ranking of the world's largest software and services companies.
- Ranked first in the 2008 Taiwan "Top 10 Global Brands" survey for the fifth time since 2003.

Products

- Trend Micro's URL filtering and Web Security technologies defeated six other market-leading products tested by Cascadia Labs.
- Trend Micro LeakProof received the "Best Buy" award and five out of five stars from *SC Magazine*.
- Trend Micro Internet Security Pro received a 7.5 Editor's Rating by *Computer Shopper Magazine* and was described as having "easy-to-manage firewall levels and excellent malware detection."
- Trend Micro Worry Free Business Security received five out of five stars by Bright Hub. The reviewer stated that the product "truly lives up to its name. [Worry Free Business Security] provides a centralized server protection for your entire business."

Products and Innovation

New products Trend Micro introduced during Q4 2008 include the following:

- Trend Micro expanded its email encryption product line with the launch of Trend Micro™ Email Encryption Gateway 5.0. This most recent addition helps medium and large businesses encrypt email communication on the Internet gateway.

Patents

Trend Micro was awarded the following patents in Q4 2008:

- **U.S. Patent No. 7,448,085**, "Method and Apparatus For Detecting Malicious Content In Protected Archives"
- **U.S. Patent No. 7,461,339**, "Controlling Hostile Electronic Mail Content"
- **U.S. Patent No. 7,472,288**, "Protection of Processes Running In A Computer"

New customers for Q4 2008:

In **EMEA** – JSC "Russian Railways," KONE, Picanol, RDC Datacenter, SAB Miller, Telefonica O2 Czech Republik, a.s., Telekomunikacja Polska S.A., Vesuvius.

In **NABU** – Allegheny County, AT&T, Nationwide Children's Hospital of Columbus, Select Medical Corporation, Sunrise Medical, Inc..

Notice Regarding Forward-looking Statements

Certain statements that we make in this release are forward-looking statements. These forward-looking statements are based upon management's current assumptions and beliefs in light of the information currently available to it, but involve known and unknown risks and uncertainties. Many important factors could cause our actual results to differ materially from those expressed in our forward-looking statements. These factors include:

- Difficulties in addressing new virus and other computer security problems
- Timing of new product introductions and lack of market acceptance for our new products
- The level of continuing demand for, and timing of sales of, our existing products
- Rapid technological change within the antivirus software industry

- Changes in customer needs for antivirus software
- Existing products and new product introductions by our competitors and the pricing of those products
- Declining prices for products and services
- The effect of future acquisitions on our financial condition and results of operations
- The effect of adverse economic trends on our principal markets
- The effect of foreign exchange fluctuations on our results of operations
 - * An increase in the incidence of product returns
- The potential lack of attractive investment targets and
- Difficulties in successfully executing our investment strategy

We assume no obligation to update any forward-looking statements. For more details regarding risk factors relating to our future performance, please refer to our filings with the U.S. Securities and Exchange Commission.

About Trend Micro

Trend Micro Incorporated, a global leader in Internet content security, focuses on securing the exchange of digital information for businesses and consumers. A pioneer and industry vanguard, Trend Micro is advancing integrated threat management technology to protect operational continuity, personal information, and property from malware, spam, data leaks and the newest Web threats. Visit TrendWatch at www.trendmicro.com/go/trendwatch to learn more about the latest threats. Trend Micro's flexible solutions, available in multiple form factors, are supported 24/7 by threat intelligence experts around the globe. Many of these solutions are powered by the Trend Micro™ Smart Protection Network, a next generation cloud-client content security infrastructure designed to protect customers from Web threats. A transnational company, with headquarters in Tokyo, Trend Micro's trusted security solutions are sold through its business partners worldwide. Please visit www.trendmicro.com.

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