

Trend Micro Reports Second Quarter Results

Strong consumer sales combined with higher-than-expected operating income

Tokyo, Japan – August 12, 2008 – Trend Micro Incorporated (TSE: 4704), a global leader in Internet content security, announced earnings results for the second quarter 2008.

Trend Micro posted consolidated net sales of 26,105 million Yen (or US \$249 million, 104.72 JPY = 1USD). The company posted operating income of 8,552 million Yen (or US \$81 million) and net income of 3,936 million Yen (or US \$37 million) for the quarter. These figures reflect a 4 percent growth in net sales compared to the same period a year ago.

Sales revenues were led by a 9 percent sales revenue increase in Europe. This was followed by a 7 percent sales revenue increase in Japan. Despite strong Japanese yen, North America experienced a 4 percent revenue growth. In Asia Pacific, sales decreased by 16 percent. In the Latin America regions, sales decreased by 5 percent.

“It has been an exciting quarter for us -- we recently hosted our first analyst event in New York City where we announced our vision for fighting Web threats with drastically new, in-the-cloud methods through the Trend Micro Smart Protection Network,” said Eva Chen, CEO. “Security vendors need to evolve alongside a changing threat landscape and Trend Micro is taking the lead in this evolution.”

Based on information currently available to the company, consolidated net sales for the third quarter ending September 30, 2008 is expected to be 26,400 million Yen (or US \$251 million, based on an exchange rate of 105 JPY = 1USD). Operating income and net income are expected to be 7,600 million Yen (or US \$72 million) and 4,900 million Yen (or US \$46 million), respectively.

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

Second Quarter Business Highlights

Corporate

- During the annual RSA Conference in April, Trend Micro unveiled the **TrendTracker**, the company’s first Internet pollution tracker that counts Web attacks and preventions; demonstrated a prototype technology that secures virtualized environments; introduced the **Trend MicroWeb Protection Add-On** intended to not only catch malware at the earliest possible point of infection (in-the-cloud), but also to provide bot-behavior analysis that helps prevent PCs from being infected with malicious software and then taken over by an attacker; and

announced an integration of Trend Micro's Web security solutions into Cisco Integrated Services Routers.

- In June, Trend Micro launched an entire new line of **Worry-Free™ Security** solutions for the SMB market that includes: **Worry Free Business Security 5.0** in Standard and Advanced; and **Trend Micro SecureSite™**, a Web-application vulnerability monitoring service designed to protect small business online retailers from cybercrime.
- Also in June, Trend Micro held its first analyst event in New York City and announced the **Trend Micro Smart Protection Network**, a next-generation cloud-client content security infrastructure designed to protect customers from Web threats.
- The company introduced **Trend Micro Enterprise Security**, a new strategy to minimize time to protect against Web threats and offer ease of security management. In addition to introducing future products and solutions to be powered by the Smart Protection Network, the enterprise business unit also unveiled its gateway appliance strategy with a move towards software virtual appliances. It introduced two new software virtual appliances: **InterScan™ Web Security Software Virtual Appliance (IWSVA)** and **InterScan™ Messaging Security Software Virtual Appliance (IMSVa)**.
- As part of its corporate-citizenship initiative, Trend Micro established **Internet Safety for Kids & Families** to raise awareness among parents, youth, educators and caregivers about the Internet safety and security issues young people face.

New customers in the second quarter include:

In **Japan** – KDDI Corporation

In **EMEA** – Intesa San Paolo

In **NABU** – International Aluminum

Product Awards and Recognition

- Eva Chen was named one of the top 100 most influential people in technology by the editors of eWeek, CIO Insight and Baseline magazines, all published by Ziff Davis.
- Both Trend Micro™ Mobile Security 5.0 and InterScan Web Security Appliance were named as SearchSecurity.com 2008 Readers' Choice Award bronze winners within the mobile and Web security categories.
- Trend Micro™ NeatSuite was named eWeek Channel Insider's "Product of the Year" for security server software.
- Trend Micro™ ScanMail for Microsoft Exchange was named "Best of Tech-Ed 2008 IT Pro Awards Winner" by Windows IT Pro and SQL Server Magazine.
- Trend Micro™ Internet Security Pro received a positive review by Laptop Magazine, which stated "Trend Micro's Internet Security Pro brings together

antivirus, anti-spyware, a two-way firewall, and parental controls into one well-designed interface.”

Products and Innovation

Other new products Trend Micro introduced during the second quarter included the following:

- The **Trend Micro™ Email Encryption** solution portfolio currently includes Trend Micro Email Encryption Client 5.0 and email encryption for InterScan™ Messaging Hosted Security (IMHS). The solution, which is based on the technology acquired from the purchase of Identum in January 2008, enables small, medium and large businesses to encrypt email communication to any valid email address without recipient pre-registration or the need for certificate management, making it easy for the intended recipient to open the encrypted email.
- The **Trend Micro Threat Management Solution** designed for enterprises that discovers, mitigates and manages threats in their internal network. With this solution, enterprises can respond much faster to risk of data loss from malware activities, thereby significantly reducing their damage containment costs and improving their overall security posture.

Patents

During the second quarter, Trend Micro was awarded the following patents:

- **U.S. patent No. 7,370,361**, entitled “System and Method for Securing Computers Against Computer Virus.”
- **U.S. patent No. 7,373,423**, entitled “Network Infrastructure Management and Data Routing Framework and Method Thereof.”
- **U.S. patent No. 7,376,955**, entitled “Server Communication Channel Architecture and Implementation Method.”
- **U.S. patent No. 7,382,779**, entitled “Method and Apparatus for Configuring a Network Component,”
- **U.S. patent No. 7,386,888**, entitled “Network Isolation Techniques Suitable for Virus Protection.”

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 IR site: <http://us.trendmicro.com/us/about/financeinfo/index.html>

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 threats. Trend Micro's flexible solutions, available in multiple form factors, are supported 24/7 by threat intelligence experts around the globe. 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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