



Trend Micro Announces Semi-Annual Results

Net income increases 40.8% in first half of 1999

TOKYO, Japan, August 19, 1999 -- Trend Micro Incorporated (Nasdaq:TMIC, Japan OTC: 4704), a leading developer of antivirus software and Internet-based security services, today announced solid gains during its fiscal first half of 1999. First half 1999 net sales rose 19.6% over the same period in 1998 on continuing strong demand for Trend Micro's software and solid sales of the company's Internet-based security services. Net income increased 40.8% over first half 1998 levels as the company saw increased sales and efficiency improvements from the Internet-based business model.

(in millions, except share data)	First Half		Growth Rate
	FY 99	FY 98	
Net sales	JPY 5,631 (\$46.5)	JPY 4,710	19.6%
Operating income	JPY 1,813 (\$14.9)	JPY 1,005	80.4%
Ordinary income	JPY 1,916 (\$15.8)	JPY 1,194	60.5%
Net income	JPY 949 (\$7.8)	JPY 674	40.8%
Earnings per share	JPY 45.19	JPY 37.47	20.6%

"Our first-half, 1999 financial results clearly show the increasing success of our Internet "VirusWall" strategy," said Steve Chang, chairman and chief executive officer of Trend Micro. "With record sales growth in both the United States and Europe, and strategic partnerships with Internet service providers (ISPs) we will strive to continue to provide our customers with breakthrough Internet-based technology and to further develop our recurring-revenue business model."

Trend Micro also expanded, during the period, its global presence by forming alliances with several multinational companies. An agreement with Lucent Technologies signed in March, 1999 was followed by the introduction of InterScan ® VirusWall® with eManager™ which integrates with the Lucent Managed Firewall and VPN Gateway to provide integrated Internet content filtering. This product was specifically designed to meet the needs of networked enterprise and Internet Service Provider (ISP) environments. In April 1999, the

company also announced a strategic partnership with Compaq Computer Corporation to deliver Trend's server-based antivirus solutions through its Compaq ActiveAnswers Program, an online resource for marketing, buying and deploying business and enterprise solutions. Further information about these strategic relationships can be found on Trend Micro's web site at us.trendmicro.com.

The first half of 1999 saw the release of several new products, squarely positioning Trend Micro as the comprehensive source for enterprise antivirus and Internet security products for companies integrating Internet technologies into their business.

- ScanMail® 2.0 for Lotus Notes for Domino R5 (Windows NT platform) – Antivirus detection for users of this industry-standard groupware application
- ScanMail® 1.8 for Lotus Notes and Domino (IBM S/390 and IBM AS/400 platforms) – The first antivirus product supporting Lotus Notes on these platforms
- InterScan® AppletTrap™ – Enterprise mobile code security software that blocks malicious Java applets, JavaScript, and ActiveX objects at the Internet gateway.
- InterScan™ WebManager™ – A tightly integrated web access security and management solution designed to ensure safe and productive web access
- InterScan® VirusWall® for Lucent Managed Firewall – The first Internet gateway virus protection for the Lucent Managed Firewall, designed to protect intranet, networked enterprise, and Internet Service Provider environments.
- ScanMail® for Microsoft Exchange 3.0 – An updated version of Trend Micro's Microsoft Exchange email virus protection with new content filtering and spam blocking functions that filter out harmful and unproductive content
- Trend Micro released its popular PC-cillin® 6 antivirus software for Windows NT, which detects viruses and malicious code on workstations. This product is primarily used by homes and small business.

Legal Notice Regarding Forward Looking Statements

Forward-looking statements in this release include, but are not limited to, statements regarding the development of Internet-based technology and a recurring-revenue business model. The forward-looking statements involve risks and uncertainties including, but not limited to, the timing of new product introductions and the lack of market acceptance for new products, and other risks indicated in the Risk Factors section of Trend Micro's prospectus dated July 7, 1999, relating to the recent offering of Trend Micro's shares and ADSs. The prospectus is on file with the SEC. Actual results could differ materially. Trend Micro assumes no obligation to update this information.

About Trend Micro

Trend Micro Incorporated (TSE: 4704), a global cloud security leader, creates a world safe for exchanging digital information with its Internet content security and threat management solutions for businesses and consumers. A pioneer in server security with over 20 years' experience, we deliver top-ranked client, server and cloud-based security that fits our customers' and partners' needs, stops new threats faster, and protects data in physical, virtualized and cloud environments. Powered by the [Trend Micro™ Smart Protection Network™](#) cloud security infrastructure, our industry-leading cloud-computing security technology, products and services stop threats where they emerge, on the Internet, and are supported by 1,000+ threat intelligence experts around the globe.

Additional information about Trend Micro Incorporated and the products and services are available at [Trend Micro.com](#) This Trend Micro news release and other announcements are available at <http://trendmicro.mediaroom.com/> and as part of an RSS feed at www.trendmicro.com/rss Or follow our news on Twitter at [@TrendMicro](#).

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