

Trend Micro Reports Second Quarter 2014 Results

[Trend Micro Incorporated](#) (TYO: 4704;TSE: 4704), a global leader in security software and solutions, announced earnings results for the second quarter 2014, ending June 30, 2014.

For the second quarter, Trend Micro posted consolidated net sales of 27,807 million Yen (or US \$272 million, 102.16 JPY = 1 USD). The company posted operating income of 7,119 million Yen (or US \$69 million) and net income of 4,726 million Yen (or US \$46 million) for the quarter.

As of now, the company will not revise consolidated results for the full fiscal year ending December 31, 2014 (released on February 18, 2014). Based on information currently available to the company, consolidated net sales for the year ending December 31, 2014 is expected to be 112,000 million Yen (or US \$1,120 million, based on an exchange rate of 100 JPY = 1 USD). Operating income and net income are expected to be 30,100 million Yen (or US \$301 million) and 19,100 million Yen (or US \$191 million), respectively.

"Our industry leadership in commercial solutions is reinforced this quarter with a top score for breach detection from NSS Labs, as well as the highest overall score for corporate endpoint solutions from AV-Test," said Eva Chen, CEO, Trend Micro. "Our commercial business continues to grow with enhancements to offerings for Microsoft and VMware, and the rollout of a global partner program that will help boost sales efforts to capitalize on these announcements. Trend Micro also demonstrated innovative leadership in response to Heartbleed, and our Facebook partnership has produced a security solution now leveraged by billions of users."

Q2 2014 Business Highlights

Our Trend Micro™ Deep Discovery™ 3.5 solution earned the top score for overall breach detection rate in NSS Labs' Breach Detection Systems (BDS) Group Test. The NSS Security Value Map™ and Comparative Analysis reports evaluated threat detection appliances from six global security companies. Trend Micro also had the second lowest cost of ownership among the field.

In order to help companies transition to the cloud without compromising security, Trend Micro developed major enhancements to the Trend Micro Complete User Protection solution. Updates span PC and mobile endpoints, email and collaboration and Web security to enable integrated visibility and threat response. With mix-and-match support for cloud, hybrid and on-premise deployments, the solution updates are ideal for enterprises and mid-size businesses moving to the cloud.

In response to the Heartbleed bug that affected security features on websites worldwide, Trend Micro announced the release of two free Heartbleed scanners for computers and mobile devices designed to verify whether they are communicating with servers that have been compromised by the Heartbleed bug.

Trend Micro announced enhancements to its [Trend Micro™ Worry-Free™ Business Security](#) solution with version 9.0 that equips small businesses with enterprise-grade security capabilities which address and mitigate threats across endpoints, from desktops to mobile. The offering is the only widely available small business solution in the market that provides comprehensive user protection with integrated mobile device security with the option of cloud management.

In AV-Test's endurance evaluation of corporate endpoint solutions, Trend Micro™ [OfficeScan™](#) solution received the highest overall score. The six-month assessment reviewed a field of eight security solutions for small- and medium-sized companies. OfficeScan scored No. 1 overall across the three most important categories to IT

Security organizations including protection, performance and usability, earning 17.2 points out of a maximum score of 18. Trend Micro's product also earned the highest score in the performance category.

Trend Micro expanded its strategic relationship with Microsoft Corp to provide organizations with additional security for the Microsoft™ Cloud. This arrangement will help Microsoft users fulfill their security obligations for applications such as SharePoint™ and platforms including Microsoft™ Azure™ and Windows Server™ 2012. In addition to the secure infrastructure that Microsoft already provides, Trend Micro will deliver capabilities for securing cloud and hybrid architectures, offering centralized management and comprehensive protection for data, applications and operating systems.

In order to provide Facebook users with a more secure online experience, Trend Micro announced it expanded its partnership with [Facebook](#) to include the Trend Micro™ HouseCall™ solution, a royalty-free security solution that helps detect malware and keep devices secure, for Facebook's more than 1 billion users.

Trend Micro announced a collaboration with Broadcom Corporation to develop an integrated security solution. The solution is optimized to protect home security networks from cyber threats and improve network visibility without compromising performance.

As a long-time VMware security partner, Trend Micro announced a solution for VMware's vCloud® Hybrid Service™ that enables customers to seamlessly move their on-premise or private cloud deployment to the public cloud. Trend Micro™ Deep Security™ solution is designed to reduce cost and complexity and features a comprehensive platform for security controls and policies managed across physical, virtual and cloud environments.

Trend Micro launched its Global Partner Program, designed to further enhance the productivity and profitability of its more than 50,000 channel partners. The program combines the best elements from its regional and award-winning North American programs and enables channel partners to more quickly and fully capitalize on the growing market for Trend Micro security solutions.

Awards and Recognitions for Q2 2014

At the World Media Festival, Trend Micro earned three "2014 intermedia-globe" awards for the company's 2020 video series, including:

- Gold Award in the category of Web: Business to Consumer
- Grand Award in the category of Web & Web TV
- Grand Prix

Patents

Trend Micro was awarded the following patents in Q2 2014:

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| Patent 8699796 | Use of decision trees or neural networks to identify phrases in images for eastern Asian languages with large char-sets |
| Patent 8700913 | Detection of fake antivirus in computers |
| Patent 8707437 | Techniques for detecting keyloggers in computer systems |
| Patent 8707417 | Driver domain as security monitor in virtualization environment |
| Patent 8713312 | Method for detecting and preventing data modification across kernel of the operating system and user mode spaces |
| Patent 8725751 | Method and apparatus for blocking or blurring unwanted images |
| Patent 8739283 | Automatic generation of malware clean pattern |
| Patent 8739152 | Method and system for version independent software release management |
| Patent 8763125 | Disabling execution of malware having a self-defense mechanism |

Patent 8762295 Methods and system for determining licensing/billing fees for computer security software
Patent 8762712 Methods and system for person-to-person secure file transfer
Patent 8763085 Managed virtual machine clone and rollback detection

Notice Regarding Forward-Looking Statements

Certain statements that are made in this release are forward-looking statements. These forward-looking statements are based on 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 actual results to differ materially from those expressed in 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 new products
- The level of continuing demand for, and timing of sales of, existing products
- Rapid technological change within the antivirus software industry
- Changes in customer needs for antivirus software
- Existing products and new product introductions by competitors and 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 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

About Trend Micro

Trend Micro Incorporated, a global leader in security software, strives to make the world safe for exchanging digital information. Built on 25 years of experience, our solutions for consumers, businesses and governments provide layered [data security](#) to protect information on mobile devices, endpoints, gateways, servers and the cloud. Trend Micro enables the smart protection of information, with innovative security technology that is simple to deploy and manage, and fits an evolving ecosystem. All of our solutions are powered by cloud-based [global threat intelligence](#), the Trend Micro™ Smart Protection Network™ infrastructure, and are supported by over 1,200 threat experts around the globe. For more information, visit [TrendMicro.com](#).

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