Trend Micro Reports First Quarter 2014 Results

Trend Micro Incorporated (TYO: 4704; TSE: 4704), a global leader in security software and solutions, announced earnings results for the first quarter 2014, ending March 31, 2014.

For the first quarter, Trend Micro posted consolidated net sales of 27,517 million Yen (or US $267 million, 102.77 JPY = 1 USD). The company posted operating income of 8,937 million Yen (or US $86 million) and net income of 6,038 million Yen (or US $58 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.

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.

"With the start of a new year, it was essential that Trend Micro continue to invest in cloud and mobile security research, as well as strengthen its existing partnerships with companies such as HP and AWS," said Eva Chen, CEO, Trend Micro. "These initiatives, along with our efforts to boost corporate social responsibility by providing students with vital security tools, demonstrate Trend Micro's commitment to our communities and customers to make the world safe for exchanging digital information."

Q1 2014 Business Highlights

As part of the company's Internet Safety for Kids and Families program, Trend Micro announced the 12 U.S. schools that were awarded its Education Technology Grant. Each school was awarded a $25,000 gift including cash, technology and professional services to help educate students on online safety, while preparing them for the technology-focused careers of the future.

At the AWS Summit 2014, Trend Micro announced new initiatives to help organizations fulfill their shared security responsibilities for protecting data and applications within their deployments on AWS. New initiatives include: certification of Trend Micro™ Deep Security for Web Apps™ as a Pre-Authorized Scanner and an updated version of the Trend Micro Test Drive of Deep Security on AWS.

Trend Micro announced its collaboration with HP that combines Trend Micro Deep Discovery™, a critical capability of the Trend Micro Smart Protection Platform that goes beyond the limitations of standard defenses to protect and analyze attacks in real-time, with HP TippingPoint, a market-leading solution that actively protects against network intrusion and contains threats, to help enterprises achieve a new level of defense against advanced threats.

At RSA 2014, Trend Micro announced the latest enhancements to the Trend Micro Smart Protection Platform, building upon a set of unified threat defense capabilities that already enable customers to protect their organization against known threats, while also detecting and responding to new targeted attacks, immediately guarding against future intrusion. The announced Trend Micro Smart Protection Platform enhancements included: Trend Micro™ Smart Sensor, Trend Micro Deep Discovery Email Inspector™ and Trend Micro Deep Discovery Inspector™ v3.6.

Trend Micro announced that Deep Security for Web Apps is being used by forward-thinking organizations such as Adventist Health System (AHS), a faith-based health care organization, to provide vulnerability detection and protection for Web applications, helping keep data safe while helping with regulatory compliance. As a result, the organization realized lower costs and increased efficiencies while securing sensitive Web applications from escalating attacks.

At the Mobile World Congress, Trend Micro revealed a set of solutions to fight against the unprecedented array of cyber attacks that continually victimize individuals and enterprises via mobile platforms. The solutions help mitigate threats to mobile networks and devices, including product enhancements to support enterprises and consumers alike; the solutions include: Trend Micro™ Safe Mobile Workforce, Trend Micro Mobile Security™ and Trend Micro™ Mobile App Reputation.

Trend Micro announced it was named a leader in the Gartner Magic Quadrant for Endpoint Protection Platforms – a position it has held every year the report has been published. The report evaluates endpoint protection solutions based on completeness of vision and ability to execute. Trend Micro's Complete User Protection solution integrates security across all layers to reduce risk, protect business reputation and ensure compliance.

Awards and Recognitions for Q1 2014

Trend Micro named one of the 20 Coolest Cloud Security Vendors of the 2014 Cloud 100 by*CRN*

CRN awarded Trend Micro the 2014 Channel Champion Award

Trend Micro named a 5 STAR Winner of *CRN*'s 2014 Partner Program Guide

China Information World named Trend Micro™ Deep Security 9.0 the Best Innovative Product

Trend Micro™ SafeSync for Enterprise was named the Storage Product of the Year by Network Computing Awards

Network Computing Awards recognized Rik Ferguson, vice president of security research, for his Contribution to IT

Patents

Trend Micro was awarded the following patents in Q1 2014:

Patent	8677118	Automated kernel hook module building
Patent	8656488	Method and apparatus for securing a computer network by multi-layer protocol scanning
Patent	8677481	Verification of webpage integrity
Patent	8677466	Verification of digital certificates used for encrypted computer communication
Patent	8667590	Method and apparatus for protecting high availability devices from computer viruses and other malicious content
Patent	8649522	Electronic data communication system
Patent	8661434	Migration of computer security modules in a virtual machine environment
Patent	8649515	Controlled sharing of media data that are retrievable over a public computer network
Patent	8667154	Authentication of unknown parties in secure computer communications
Patent	8640251	Methods and systems for classifying computer documents into confidential levels using log information
Patent	8677495	Dynamic trap for detecting malicious applications in computing devices
Patent	8634808	Mobile device loss prevention

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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