

TRENDnews

A TRENDnet Publication

MAY 2007

President's Brief

I would like to start by taking the time to thank all of our partners and customers for your continued support. Your trust in TRENDnet is the foundation of our future success. TRENDnet more than ever, is working hard to improve your experience. With that in mind we have achieved many new milestones since our last newsletter.

TRENDnet has settled into our new 90,000 sq. ft. headquarters and soon we will celebrate our six month anniversary. TRENDnet's IP Camera line provides needed security for our warehouse and office. Our robust in-office wireless network is of course facilitated by TRENDnet products. TRENDnet's server room features all TRENDnet switches, Fiber and KVM. As well, our conference rooms are the perfect showcase for TRENDnet's first to market ClearSky™ Bluetooth VoIP Conference Phone Kit. If you will be traveling through the Los Angeles area, consider yourself invited to visit our new facility and yes, you may see one or two TRENDnet products in use.

TRENDnet sales and brand awareness continue to reach new heights. With this strong momentum in hand, TRENDnet experienced significant success attending the world's two largest consumer electronic tradeshows — CeBIT in Hannover, Germany and CES in Las Vegas, Nevada. Retail Vision, the largest event in the Americas, strictly for retailers, yielded great potential. New partners, new prospects and new ideas have emerged from the tradeshows and provide added wind to TRENDnet's already full sails.

Our Website is entering a phase of revitalization. One of our most important accomplishments was the creation of an online RMA platform. This platform provides real-time visibility for all customers throughout the RMA process. From the time a product is returned, our customers can now instantly know the status of their case and communicate in real-time with a member our RMA team. Our preliminary surveys reveal a 65% jump in customer satisfaction.

Increased partner visibility is also the theme of coming months. Look forward to a password protected online marketing site in which partners can access and download a wide range of TRENDnet marketing and training materials instantly. Increased Website localization is currently taking place as well. Changes are happening as we speak, so check our Website regularly for new features that can benefit you.

From the four corners of the world, exciting news stories abound. TRENDnet's wireless N products have won an unprecedented 14 awards to date from trusted magazines and review Websites around the world. We continue to greatly expand our North American, European and South American retail presence. Brand awareness in South Africa is also skyrocketing due to visionary partner projects. TRENDnet is teaming up with one of Russia's most popular Websites, Yandex.com, to promote TRENDnet's full line of VoIP products. These are a few examples of the many projects that TRENDnet is proud to highlight.



Pei and Peggy Huang

Currently the biggest challenge for TRENDnet is the ability to manage our growth in a way that continually provides better service to you. I hope the following pages provide a glimpse into how TRENDnet is implementing new best practices that anticipate the needs of our valued customers and partners.

Sincerely,

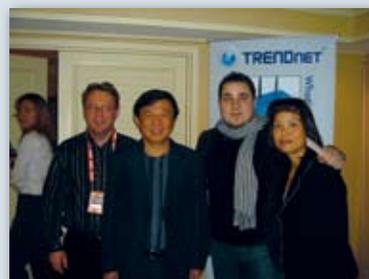
Pei Huang
President/CEO
TRENDnet

CeBIT 2007



CES 2007

TRENDnet made its official debut at this year's 2007 International Consumer Electronics Show (CES). The four day event held annually in Las Vegas, Nevada, is the largest tradeshow of its kind in North America. TRENDnet hosted visiting partners and press at its well appointed 1200 sq ft. executive suite at the Mirage Hotel and Casino. The suite provided the perfect backdrop for meetings with existing and potential customers from around the globe. It was also the site of TRENDnet's invitation-only cocktail reception. Visitors experienced the latest TRENDnet products first hand through live demonstrations. Conference calls were made with TRENDnet's first to market Bluetooth VoIP Conference Phone Kit. Partners played with live in-room pan and tilt IP Cameras, and everyone saw first hand the award winning wireless performance of TRENDnet's Wireless N products. TRENDnet is already planning for a big splash at the 2008 International CES show. If you are attending CES next year, drop by and see how TRENDnet can help network your life.



TRENDnet is celebrating its most successful CeBIT show to date. One year shy of our 15th year as an exhibitor, TRENDnet rode a wave of increased brand awareness. Located in a favorable area of Networking Hall 15, TRENDnet's 80 m² island booth displayed very well. End users were able to see and feel TRENDnet's hottest products while new and existing TRENDnet partners planned for continued 2007 growth.

TRENDnet's TEW-631BRP Wireless N Firewall Router continued its award winning streak by winning four additional awards at CeBIT 2007. Scandinavia's leading electronic magazine, Dator, reviewed 10 products and awarded TRENDnet with its highly prized Price-to-Performance award. Germany's popular Chip Magazine and PCgo independently awarded TRENDnet with similar awards in respective router round-up reviews. To cap off the CeBIT show Bit-Tech.net, a highly read online review site based out of the United Kingdom awarded TRENDnet with the top score of all routers reviewed.

Continuing the tradition of past years, TRENDnet's Munich Hall event allowed 100 of our closest partners to relax and celebrate the previous year's successes. New potential partners emerged from a plethora of European countries and we had the good fortune of welcoming them to our Munich Hall event. Given CeBIT 2007's superlative results, TRENDnet is looking forward to meet the challenges of CeBIT 2008.



TRENDnet's Growing US Retail Presence

With products stocked in retail chains such as Fry's Electronics, J&R, Micro Center and PC Club TRENDnet set its sights higher in 2007. Very early in the year TRENDnet celebrated its first victory when CompUSA, one of the most recognized retail brands, inked an agreement with TRENDnet. The computer retailer cleared out shelf space to make way for a healthy offering of Wireless, Print Server, Powerline, IP Camera and KVM products. TRENDnet's extensive and award winning product line is the perfect fit for CompUSA's customer base which values high quality yet affordable networking solutions. The

company sells over 20,000 consumer items such as computers, digital cameras, DVD players, monitors and networking products. CompUSA has over 99 stores throughout the US and Puerto Rico and maintains a popular online store.

TRENDnet quickly followed up the CompUSA success by finalizing a contract with retail powerhouse RadioShack. The \$4.6 billion retailer has over 6,000 retail outlets in the United States and over 100 locations in Mexico. RadioShack provides consumers with even greater access to TRENDnet

products with its convenient locations in neighborhoods and malls throughout America. Radio Shack will initially stock TRENDnet KVM switches in 3,000 of its US locations, beginning June 2007. As the winter holiday shopping season approaches RadioShack will evaluate the opportunity to stock TRENDnet's ever popular Wireless and Medianet products. With two new major retailers in place, 2007 is only the beginning of TRENDnet's aggressive efforts to capture U.S. retail market share.

Wireless N Awards

TRENDnet's Wireless N Firewall Router the TEW-631BRP has garnered an unprecedented 14 awards to date. The prestigious awards were from leading publications such as Laptop, CNET and CRNtech in North America and PC Professionell, Chip Magazine, PC Answers and Bit-Tech in Europe.

In a review by CRNtech, TRENDnet was awarded 1st place and CRNtech expounded "Performance and Price Leadership is a hard to beat combination." CRNtech's words were echoed in other editor's choice awards and first place finishes that our Wireless N Firewall Router has won.

"TRENDnet's Wireless N Firewall Router repeatedly outperformed other products on a variety of third party wireless throughput tests," stated Zak Wood, Senior Marketing Manager for TRENDnet. "This says a lot about our product and about TRENDnet's commitment to performance."



PC go Price/Performance Award, March 2007 – Germany
TEW-631BRP Wireless N-Draft Firewall Router

"TRENDnet's product has excellent throughput, with exceptional performance in a real home environment that contains multiple obstructions and additional competing wireless signals"



Bit-Tech.net Highest Score Award, March 2007 – U.K.
TEW-631BRP Wireless N-Draft Firewall Router

"Out of the box, the TEW-631BRP offered the best all-round performance of the four QoS routers on test....."



PC Answers Editors Choice Award, February 2007 – U.K.
TEW-631BRP Wireless N-Draft Firewall Router and TEW-621PC Wireless N-Draft PC Card

"The change in speed was instantly noticeable, putting our old 54Mbps kit firmly in the shade"



CRNtech 1st place in its Wireless-N Router Round up, January 2007 – U.S.
TEW-631BRP Wireless N-Draft Firewall Router

"Performance and price leadership is a hard-to-beat combination"

Product Expansion Sneak Preview

TRENDnet's IP camera sales continue their leading category sales growth performance. In support of future growth TRENDnet will be releasing a host of exciting new IP cameras over the coming quarters. Power over Ethernet (PoE) models of existing cameras will begin rolling out shortly. The TV-IP202E, a PoE version of our successful TV-IP201 Internet Camera Server with Audio will be the first to hit the shelves with other models to follow.

TRENDnet is also working on a compact day/night camera with two-way audio in both wired and wireless formats. The new model integrates many of the popular features of our existing TV-IP301W Advanced Day/Night Internet Camera Server with Audio. However, its compact size and two-way audio capabilities make it the ideal solution for the home and small office. As well, keep your eyes open for a new pan and tilt camera in a stylish housing that features two-way audio.

But wait that is not all! We are tirelessly working on adding additional video management software options to our IP camera product portfolio. The software will be TRENDnet IP camera optimized, have the ability to support up to 64 cameras and offer select features not currently available with TRENDnet's in-box software. TRENDnet's pro-active IP camera category development will provide partners with greater opportunities in the immediate future, so plan on using TRENDnet IP cameras today.

8/16 - Port Rack Mount USB KVM Switch
TK-803R/TK-1603R



NEW PRODUCTS

TRENDnet's robust product portfolio can meet the needs of the most demanding business and consumer environment. Discover the latest in TRENDnet solutions from KVM, Fiber, Powerline, VoIP and Switches at TRENDnet.com today.



VoIP USB Phone Adapter
TVP-SP5G



USB 2.0 IDE/SATA Storage
Enclosure
TSE-IS401



85Mbps Powerline Fast
Ethernet Bridge
TPL-202E



Intelligent 10/100Base-TX to
100Base-FX Fiber Converter
(15Km/30Km/60Km)
TFC-110S15i / TFC-110S30i/
TFC-110S60i



8-Port 10/100Mbps Fast
Ethernet Switch
TE100-S8

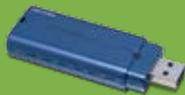


Compact Bluetooth USB 2.0
Adapter
TBW-105UB

Coming Soon



Wireless N Gigabit
Gaming Router
TEW-633GR



Wireless N USB 2.0
Adapter
TEW-624UB



200Mbps Powerline
Family
TPL-302E



Multi-Function USB
Print Server: Print,
Scan and Fax
TE100-MP1U



300Mbps Wireless N
ExpressCard
TEW-622EC



1-Port IP KVM Switch
TK-IP101



PoE Outdoor Wireless
Access Point
TEW-433APB0

Global News

Israel Bank Project



Bank Hapoalim, Israel's leading financial group will deploy 2,000 TRENDnet KVM switches throughout its retail branch. Bank Hapoalim chose to deploy a variety of 2 and 4 port models featuring USB, PS/2 and audio solutions.

Russia Government Project



TRENDnet is supplying Russia's Ministry of Internal Affairs with more than 700 gigabit switches to network its many offices throughout the country. Passing a rigorous evaluation process, TRENDnet was awarded the project based on product reliability and price-to-performance value.

United Arab Emirates School Project



Computer Care, an IT supplier in the city of Al Ain, is providing TRENDnet wireless products for use in local elementary schools. A variety of TRENDnet wireless products will be used to deliver campus-wide wireless networks. The scope of the project involves up to 60 primary schools. Installation of the projects will take place over the next few quarters.



Guatemala Corporate Surveillance Project



El Eban, a major security company in Guatemala, chose wired and wireless versions of TRENDnet's Advanced pan and tilt and day/night IP cameras (TV-IP400/400W, TV-IP301/301W) for a large-scale corporate surveillance project. The cameras will be used to provide secure video monitoring for numerous companies located in Guatemala City. The project involves over 1200 cameras that will be delivered throughout the year.



Inside TRENDnet

Employee Profile



Employee: Thea Lee
Title: International Sales Manager
Years with the Company: 7
Responsibilities: Making my customers happy
Favorite Activity:

"I love taking my twins to Disneyland"

Creative Partner Marketing

COMTRADE

Customer: Comtrade
Country: France
Channel: Retail, E-tailer, Reseller
Objectives: To Bring TRENDnet to the Top 2 in France

Comtrade, a French information technology distributor has partnered with TRENDnet for the past four years. They carry an astonishing 150 unique TRENDnet products and use their marketing development funds to aggressively advertise TRENDnet. Comtrade translated TRENDnet's entire catalog and distributed 3000 copies to its customers. Comtrade also places monthly TRENDnet advertisements in three leading French magazines: ODI, SVM and PC Direct.

Due to Comtrade's aggressive marketing efforts, the popular French television channel France 2 featured TRENDnet's Clearsky™ Bluetooth VoIP Phone Kit (for Skype™) in a segment reviewing digital and networking products.



New Channel Expansion



ABACO INTERNATIONAL (Italy)

ABACO INTERNATIONAL, a growing distributor in the Italian IT market is now an official TRENDnet distributor. The company provides PC components to Italian partners such as regional distributors, wholesalers, retail stores and corporations.



b.com AG (Germany)

TRENDnet's newest German partner, b.com is a broad line distributor that offers value added logistics, support and financing services. b.com stocks more than 7,000 products from over 150 leading IT manufacturers. The company has brought on a full line of TRENDnet IP Camera, Wireless and Switch products.



Chipco Computer Distributors, Inc. (United States)

Chipco Computer Distributors Inc., ranked as the 16th largest system builder by CRN Magazine, is now an official supplier of TRENDnet products. Chipco is a major supplier of computer parts and white box solutions for retailers and system integrators. TRENDnet expects significant growth from the Chipco partnership.



DEALINE Distribution Company (Russia)

Dealine supplies TRENDnet's full suite of products to value added resellers throughout the Russian Federation. The full line distributor serves more than 8,000 customers in 180 cities.



Dell (United States)

TRENDnet joins the world's leading technology brands on Dell.com in providing the latest networking products to corporations and home users around the world. TRENDnet products available on Dell.com include Fiber, Switch, IP Camera and Wireless solutions.



ETECH Computer Trading LLC (United Arab Emirates)

ETECH is TRENDnet's newest Middle Eastern channel partner. Based in the United Arab Emirates (UAE), ETECH maintains operations in Dubai City and the Jebel Ali Free Zone, a growing site for global commerce. The company provides a wide variety of TRENDnet products to customers in the UAE and surrounding countries.



Hantz & Partner (Germany)

Founded in 1989, Hantz & Partner distributes networking products within Germany and to select European countries. The company carries a full product assortment from popular TRENDnet categories like Wireless, Fiber and Gigabit Switches, VoIP, IP Cameras and KVM.



MCM Electronics (United States)

MCM Electronics, a computer parts, components and accessories distributor, began carrying TRENDnet products in early 2007. MCM is a subsidiary of Premier Farnell plc, an entity that offers over 400,000 products in Europe, North America and Asia Pacific. MCM carries TRENDnet Adapters, Switches, patch panels and other networking products.



PLUS COMPUTERS (Bosnia and Herzegovina)

PLUS Computers is TRENDnet's newest distributor in Bosnia Herzegovina. Founded in 1997, PLUS Computers is a well established distributor with sales offices in Tuzla and the capital city of Sarajevo. The company also operates four retail stores throughout the country which stock the latest in name brand computer and networking equipment.



POLARIS (Russia)

TRENDnet products are now available at POLARIS, one of Russia's largest computer retailers. Founded in 1997, POLARIS has more than 50 retail outlets throughout Russia. Since offering franchise opportunities in 2005, the company has captured an 18% market share in the consumer electronic retail channel.



SUNRISE - PRO (Russia)

SUNRISE-PRO, a unique Russian hypermarket retailer is now stocking TRENDnet products. The company's 25,000 sq. ft. superstores offer a huge selection of products at low prices. SUNRISE-PRO carries all of the latest digital products and home appliances. The retailer operates service centers, remote kiosks and stores in 35 cities throughout Russia.

Customer: First Distribution Pty Ltd
Country: South Africa
Channel: Distribution Channel, VARs
Objectives: Increase TRENDnet Brand Awareness in the South African Market



First Distribution, a well established South African hardware distributor began a partnership with TRENDnet two years ago. They carry more than 60 TRENDnet SKUs including Fiber, Wireless, Gigabit, KVM Switches and IP Cameras. First Distribution has five branches in South Africa which include: Cape Town (HQ), Johannesburg, Bloemfontein, Durban and Port Elizabeth. With the goal of developing brand awareness in South Africa, First Distribution will place full page TRENDnet ads in the following magazines starting in June: SA Computing, CRN, Popular Mechanic, IBM magazine, Network Times and Cable Talk. In addition, TRENDnet will have an online banner on South Africa's MSN Messenger site for 3 months.

Customer: Datanet Infrastructure Group
Country: South Africa
Channel: Distribution Channel, VARs (installers, resellers)
Objectives: Increase TRENDnet Brand Awareness in the South African Market



Datanet has imported TRENDnet products for five years. They carry more than 60 SKUs including Fiber, Wireless, Gigabit, KVM Switches and IP Cameras. They have five branches in South Africa which includes: Gauteng (HQ), Bloemfontein, Kwazulu Nata, Cape Town and Port Elizabeth. Datanet is another shining example of how joint advertisements benefit our partners. Datanet is placing full page TRENDnet ads in South Africa's Network Times, Cable Talk SA Computing and CRN.

TRENDnet Keeps Running!



On April 14, TRENDnet team members celebrated the city of Hermosa Beach's 100th birthday by participating in the Hermosa Beach Centennial 5K and City Walk/Run. The 14 team members ran the picturesque course along Hermosa Beach Pier and gathered afterwards for a celebration of accomplishment. "This is a great time to just have fun and relax and bond together as a TRENDnet family," stated Pei Huang, President and CEO of TRENDnet.

FINISH FINISH



GO TEAM!

Hermosa 5K

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