

# TRENDnews

SEPTEMBER 2005

## President's Brief

Over the past 15 Years TRENDnet has evolved into a leading worldwide manufacturer of networking products. To kick off the International Distributor's Conference held in Long Beach, California over July 14-16, Pei Huang, President of TRENDnet, highlighted the progress of the company and a few of the core strengths that have driven the company's success.

As the largest privately held networking company in the world, the snapshot of the company's recent performance was impressive. Over the last 5 Years the company grew over 490% and expanded its global customer reach from 60 to 110 countries. Productivity more than doubled over the 5 year period and the once exclusive Million Dollar Club (customers selling over \$1 million/year) expanded from 1 country 5 years ago to over 20 countries today. "We have always been realistic in our expectations, but the performance over the past 5 years has been excellent," Huang said.

Mr. Huang offered insight into the secrets behind the company's exceptional growth over the recent past. A few of the main reasons included: Broad Reliable Product Line, Consistent Management Team, Flat Organization Structure, Streamlined Logistics, Realistic Targets, a lot of Patience and a little Luck.

Mr. Huang expanded on operational strategy and how it has helped TRENDnet maintain a low-cost operation and compete aggressively. The transparency in stock levels with partners has helped TRENDnet evolve into a streamlined Just-in-Time

inventory operation. Also, to help reduce transit times TRENDnet has moved to increased drop ships from the manufacturing facility direct to select European partners. These efficiencies have allowed the company to increase available stock levels from 2 to 3 weeks resulting in increased fulfillment rates and better customer support.

As part of the evolution of the company, Mr. Huang outlined the new infusion of brand identity that is becoming part of the product lines. For many years, TRENDnet has been recognized as an engineering company providing products with good features, performance, pricing and quality. Now the company is focused on helping to reinforce the global identity with new product design and marketing. For example, so far this year the company has created 10-15 new housing designs on KVM, Print Server, Storage Server, AP and Router product lines. Over the

next two months, there will be 3 Wireless product families with TRENDnet designs including the Super G, A/G and Pre-N MIMO.

Huang added, "Our performance is tied to our open partnerships and our ability to adapt and evolve our business model. The end of 2005 will be an exciting time for our company with the new product launches. We are very optimistic about achieving another record year of sales and continue to extend the TRENDnet brand around the world."



A TRENDNET  
Publication



## TRENDnet Unites Worldwide Partners with International Distributor Conference

TRENDnet proudly announced its 15th Successful Year in Business. In honor of this great achievement, TRENDnet invited their strategic partners from around the world to participate in an International Distributor's Conference Meeting held at the Westin Hotel in Long Beach, CA from July 14-16, 2005. Over 50 customers worldwide attended, with over 30 countries and 5 continents represented.

The closed-door event provided an opportunity for the select distributors to learn successful go-to-market strategies from around the globe, in order to help make them more competitive in their home market. During the three-day event the partners exchanged ideas and business experiences through formal presentations and social events. The presentation categories included Channel Strategy, New Technologies and Marketing. A sample of the presentation topics included:

*TRENDnet Distributor Experience:* Select partners from Switzerland, Mexico, Brazil, Denmark, Germany South Africa, UK, Canada and the U.S. highlighted their best practices in working closely with the distribution channel.

*TRENDnet Retail Experience:* TRENDnet U.S. provided an overview of different strategies to enter the retail chain in different countries.

*Hot Technologies:* TRENDnet Product Managers presented Hot New Products for the coming year including Voice over IP, Power over Ethernet, Digital Home solutions, Wireless A+G, Super G, and Pre-N.

*Worldwide Special Projects:* TRENDnet touched on a number of the commercial and government projects from around the globe, where its products are used as the primary networking component.

*Marketing Strategies:* TRENDnet Marketing outlined effective ways to maximize ROI on marketing spending using a mix of product and brand

building efforts. *Web:* Attendees were also given a live demo of a number of the new features added to the redesigned and enhanced TRENDnet website. And finally, *Work Environment:* To subtly help reinforce a healthy work environment, the partners were exposed to the increasingly popular techniques of "Fung Shui".

At the end of the two-day seminar, TRENDnet distributors were treated to a variety of social events to cap the celebration of the 15 years of joint success. The lively weekend started with a sunset dinner cruise in Newport Beach Harbor with fine piano entertainment, drinks and a casino night. Saturday was reserved for an all-day tour of some of the great landmarks of Los Angeles including: Venice Beach, a Dodger game versus the San Francisco Giants, Kodak Theater and an evening dinner at the Hard Rock Café in Universal City Walk.

"The event was a great opportunity for us to show our appreciation for the trust and support our partners have extended to TRENDnet over these many years," said Pei Huang, CEO of TRENDnet. "After this weekend we feel even more confident in our partnerships and look forward to another 15 years of excellence."

The valuable ideas and information shared across the partners is expected to yield quick results. In the past, the open exchange of ideas and information from TRENDnet's partners has helped increase the commitment to the company and provided valuable feedback to refine the company's strategies. Ultimately, the transfer of tacit business knowledge between these global partners and the forging of closer relationships is the goal. By all accords, the event was a success. ■ ■ ■





## TRENDnet Gives Partners an Opportunity to Experience TRENDnet Products Hands On.

TRENDnet held for the first time, a Hands-On-Training Workshop for its partners to learn more and become better skilled in TRENDnet products. With the development and complexity of new technologies, TRENDnet felt the need to have excellent support for its products worldwide. TRENDnet certified 25 NEW TRENDnet Network Engineers during this workshop.

The workshop was held at the Hilton Hotel in Torrance, California on July 18-20, 2005. During the course of these three days, TRENDnet partners had a chance to work full hands on with TRENDnet products. Product training sessions included new technologies such as Voice over IP, Wireless A+G, Super G, Pre-N, SNMP, Digital Home, IP Cameras, Virtual Private Networks, and Powerline. Each training session included an overview of the technology, product demonstration, and the opportunity to gain hands on experience.

In addition to its New European Tech Support Center, it is TRENDnet's goal for every country to be able to provide quality pre and post technical sales support. Through the hands-on-training workshop, TRENDnet was able to achieve this while also ensuring customer satisfaction with their partners. "We want all our customers to be well trained in TRENDnet products," said Pei Huang, CEO of TRENDnet. "Providing them with this workshop will give them that opportunity where

they can take what they've learned back to their country."

Upon completion of the training, each student was awarded a TRENDnet Certified Network Engineer Certificate at a graduation ceremony dinner. This training workshop was a great chance for all TRENDnet partners to gain

knowledge of TRENDnet products and take the support of TRENDnet products in their respective country to the next level. With the great success of the training workshop, TRENDnet is considering doing yearly training that should be held in different countries in the future.







"A thoroughly rewarding and enjoyable experience, learning from and mixing with fellow distributors from around the globe. Congratulations to TRENDnet on their superb hospitality and organization."

**Mike Horn** (left)  
UK

# COMMENTS FROM INTER



"I have had the opportunity to participate in many events during the time I have spent in the networking market, but the one made by you (TRENDnet) is the most significant because of its multicultural and multilingual setting and by the International market experiences presented by each one of the invited distributors. We learn something new every day! People always talk about International organizations like the UN. For me a true UN (United Nations Organization) was made by all the people who participated in this unforgettable event. Thank you very much for taking us, the distributors, away from our daily work routines, at least for a few days."

**Andres Blas Alcantara** (left)  
Peru



"From our side, all the best about the Distributor Conference and Hands-On-Training 2005. Everything was OK, especially the organization was on the high level."

**Vladimir Georgieski**  
Macedonia



"I really spent a very good time. I was able to learn millions of nice & instructive experiences. Thank you to TRENDnet and to all countries who attended."

**Anthony Adounae** (left)  
France



"Distributor Conference and Hands-on Training is always a good time to meet the people that make TRENDnet the best player in the networking scenario today. I look forward the next event."

**Jose Motta** (right)  
Brazil



"The Distributor Conference was an eye opener for me. I also found that all other distributors were doing well in their respective markets and satisfied with the products."

**William Chua** (middle)  
*Philippines*



"It was a great pleasure having the chance to meet and share ideas with a number of International Distributors as well as with a number of TRENDnet employees. The perfect organization combined with the International spirit and the great hospitality was what made the event a big celebration. I left from the Distributor Conference with a lot of good memories and a lot of knowledge about TRENDnet and its products. I am looking forward to be at the celebration of the 20 years of TRENDnet with more and more success stories from all of us."

**Andreas Christofides** (left)  
*Cypres*



"It was great meeting all the super TRENDnet staff. Really, you made us feel so welcomed and a part of the family."

**Graham & Kay Herbert**  
*South Africa*



# NATIONAL DISTRIBUTOR CONFERENCE



"Many dynamic people, many different languages, many good senses of humor, many interesting ideas and markets, all one goal- have fun and success with TRENDnet."

**Yves & Helen Lamontagne**  
*Switzerland*



"The TRENDnet distributor conference was a mixture of world business opportunities, advanced knowledge, important information and a great time with new friends, where I have gained experiences for a lifetime."

**Andrej Zavadlav** (right)  
*Slovenia*







"It was great to renew with acquaintances which I met five years ago. I will always cherish the memorable moments at the Dodgers game."  
**Louis Belmont**  
*Canada*



"The Distributor Conference was a remarkable experience for both my family and I. We had the opportunity to take part of this enjoyable and learning event as well as being able to meet wonderful people from many different countries."  
**Jorgen Pedersen** (right)  
*Denmark*



"The distributor conference was very useful for me because I had the chance to receive a lot of information about TRENDnet sales in different countries. All presentations were very interesting and useful for me, especially about wireless products."  
**Asparouh Stambolov**  
*Bulgaria*

# COMMENTS FROM INTERNATIONAL DISTRIBUTOR CONFERENCE



"Everything was perfect! The organization, the conference, the training, the day in LA, the lunches, dinners, and the people."  
**Marco Rothen** (right)  
*Switzerland*



"Thanks to the TRENDnet team for the Conference and Training. You taught me that learning and doing business is fun. Congratulations for having a company where everybody walks in the same direction."  
**Jaime Castro** (right)  
*Mexico*



"It was very nice to meet other firms who sell TRENDnet products too. It was very interesting to hear how business is growing in other countries and what strategies they use. The workshops gave me an opportunity to install VPN routers and other products, and see their opportunities."  
**Priit Koppel & Eve Oidsalu**  
*Estonia*



## TRENDnet and Atheros Partner on Complete Wireless Solution



An ongoing challenge for TRENDnet and other technology and electronics companies is to predict which standards the world market will adopt. In the case of 802.11 wireless, there are often performance boosting technologies that are proprietary to a given chipset manufacturer such as High Speed Mode (Broadcom) or Super G

(Atheros). To help ensure compatibility across all of the different wireless standards TRENDnet has chosen to align itself with Atheros and its popular 108Mbps Super G technology. TRENDnet will launch three new full product families all with integrated Atheros chipsets: Super G, Super A/G and Pre-N MIMO.



TEW-452BRP



TEW-441PC



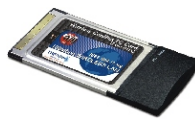
TEW-443PI



**Super G:** The base level 802.11 b/g wireless family is enhanced with 108Mbps Turbo Mode and the new eXtended Range (XR) technology which increases receiving sensitivity delivering faster speeds at further distances. The complete product line is now available including: PC Card, USB/PCI Adapters, AP and Router.



TEW-511BRP



TEW-501PC



TEW-503PI



**Super A/G:** To help ensure wireless compatibility with any of the current IEEE 802.11 standards TRENDnet offers the new A/G product line and the increasingly popular 802.11a 5Ghz frequency to avoid potential interference with 2.4Ghz devices. Both A + G clients can connect simultaneously to the Router or AP without any signal degradation. With (XR) technology as well the family is perfect for multimedia and QoS applications such as VoIP where you need a clear channel.



TEW-611BRP



TEW-601PC



TEW-610APB



**Pre-N MIMO:** The hottest wireless product family on the planet will be in stock beginning Sept. 1st. The new Pre-N standard product line includes the Multiple In, Multiple Out (MIMO) antenna technology, which allows the router to intelligently adapt to signal interference to get the best possible connection. Combined with the increased sensitivity from the XR technology you can get up to 800% more coverage and 8X the speed of regular 802.11g.

## Marketing Strategy

The growing expansion of the company to over 110 countries around the world clearly has its benefits; however, it also creates a challenge for maintaining a consistent brand identity across regions that often have their own unique market dynamics and product positioning. Over the coming months you will see a renewed focus on behalf of the TRENDnet Marketing group to infuse the brand identity with a core sense of personality and competitive positioning that reflects our global reach.

Brand consistency across all of the primary touch points for the customer is important. Whether it is retail packaging, the web, print advertising or data sheets, a consistent look and feel will be essential to building the company's long-term brand equity. The transition to distinctively TRENDnet designed products stands as an initial example of the effort being made to create a more original identity.

To help refine an image that clearly reflects the core values, culture, personality and character of the brand we need to test the temperature of how the brand is perceived in the market currently. This involves objectively comparing the internal view of the brand with how our partners and customers perceive the company. As a result, over the coming weeks we will be looking to collect feedback through online surveys and interviews to listen to our customers and create an effective marketing strategy.

In the meantime, we have already begun to help build the awareness of the company and products in the domestic market. The recent launch of the innovative TEW-429UB WiFi Detector + G USB Adapter, included full-page print ads in leading industry and end-user technology publications, PR awareness and targeted web features on major search engines and ecommerce sites. The positioning has been consistent and initial response from editors and customers around the world has been very positive.

Keep your eyes open for exciting new product launches from TRENDnet in the coming months.



## Media Highlights



August 2005 - eWeek Magazine (USA)  
TEW-429UB



May 2005 - Dealers Only Magazine (Germany)  
All TRENDnet Products



2005 - Channel Intelligence (USA)  
"Most Selling Opportunities in Networking Award"



August 2005 - CHIP Computer Magazine (Czech Republic)  
TFU-430



May 2005 - Windows Magazine Editor's Choice (Middle East)  
TEW-411BRP+



2004 - Upgrade Magazine Editor's Choice (Russia)  
TW100-BRV304



August 2005 - Computer Bild Magazine (Germany)  
TEW-429UB



March 2005 - Upgrade Magazine (Russia)  
TEW-P1U



2004 - IT Builders Magazine (Argentina)  
125Mbps Wireless



August 2005 - Infochannel Magazine (Mexico)  
TEW-429UB



March 2005 - CRN Magazine Test Center Recommended (USA)  
TEW-PS1U



2004 - Consumer Guide Recommended (USA)  
TFM-PCIV92i



July 2005 - Computer Partner Magazine (Germany)  
TEW-501PC



February 2005 - Micro Magazine (France)  
TEW-P1P



2004 - Computing Canada Magazine (Canada)  
TU2-ET200



June 2005 - PC World Magazine Best Buy (Brazil)  
TEW-424UB



February 2005 - 01net. (France)  
Wireless Antennas



2004 - PC World Magazine Best Buy (Brazil)  
TEW-231BRP

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