

President's Brief

Inside this edition of TRENDnews we hope to update you on some of the noteworthy developments regarding the company's growth since March 2006. While there is plenty to share, it is the coming quarters that will stand as watershed moments in TRENDnet's history. The first major event will be our upcoming move to our new 90,000 sq. ft. headquarters. As of December 1, TRENDnet will begin operating from the new facility which still resides in the city limits of Torrance, California. The new headquarters will have two floors, with a mix of office space (20,000 sq. ft.) and warehouse space (70,000 sq. ft.). By expanding our warehouse capacity by four times, we now have room to expand our operations to meet the global demand for TRENDnet solutions for at least the next 5 years.



New TRENDnet building in Torrance, California, USA.

With partners in over 113 countries worldwide, geographic expansion has been a cornerstone to TRENDnet's success. Similar to our recent investments in Eastern Europe and Asia, the Middle East will be a focus for growth in the coming months. Combined with our ongoing business

development efforts to build partnerships in the region, we will be exhibiting at the 2006 GITEX show in Dubai from November 18 – 22. The show is among the top three technology exhibitions in the world with over 1,200 exhibitors and over 127,000 attendees. TRENDnet will be located at booth E7, 31 Hall 7 for those attending.

Our North American growth is poised to accelerate with the addition of several leading national channel partners in distribution and retail including: D&H, Best Buy Canada and Micro Center. D&H is the third largest distributor in the U.S. with a strong focus in both computer and consumer electronic brands. Micro Center is one of the largest retail computer electronic chains in the U.S. and will add a wide mix of TRENDnet skus to its shelves across Wireless, KVM, IP Cameras and USB/Firewire. Best Buy is the leading electronics retailer in the U.S. and one of the largest in Canada. The chain will initially add TRENDnet's Super G product line to its shelves across all of their Canadian stores. These three new additions come as we head into the peak season for Back-to-School and end-of-the year holidays. Rest assured, everyone will be kept very busy over the coming months as we fulfill the spike in demand.

As we move into 2007 we will also have our first-ever presence at the Consumer Electronics Show (CES) held in Las Vegas, Nevada. Over the four day period, we look forward to hosting our existing partners who will be attending the show and also facilitate new business in our 1,200 sq. ft. suite in the

Mirage Casino Hotel. As one of the largest technology shows in the world, in one of the best destination spots, we hope to expand our presence with key retail partners in North America.

From product development, we expect to continue to fuel our growth through the back half of the year with our recently launched Wireless N-Draft family, our addition of five new SIP and Skype™ VoIP products and a host of others. Heading into next year, we expect to launch a new 802.11n solution with peak performance speeds of up to 600Mbps in the 2.4GHz spectrum, breaking new ground with the next innovation in networking.

Clearly we have a lot of exciting events happening in the coming months at TRENDnet. However, I want to take this opportunity to thank our partners from around the world for continuing to promote TRENDnet solutions. As a result of your efforts, the company continues to capture market share and expand worldwide. We look forward to a record breaking year in 2006 and look to welcome in an even better 2007.

Sincerely,

Pei Huang
President
TRENDnet





New Location

*O*n December 1 we will be moving to our new 90,000 sq. ft. headquarters which is still located in the city of Torrance, California. The new facility will combine all the departments currently in two buildings, back into one facility. The building will include a mix of office (20,000 sq. ft.) and warehouse (70,000 sq. ft.) space and with the increased height of the warehouse, TRENDnet will now be able to store products on three level racks, creating almost four times the current warehouse space to manage future growth.

We will also be upgrading the infrastructure of the building to create a state-of-the-art TRENDnet network. All of the network wiring in the building will be replaced with Cat 6 cable that will help transport gigabit speeds to each desktop using two of our TEG-448WS 48-port Gigabit Switches. Laptop users will be able to roam anywhere in the building with a mix of MIMO and Super G access points. And 24/7 surveillance will be added to the inside and outside of the building using our TV-IP301W Day and Night Camera Servers and TV-IP400W Pan and Tilt Servers.



New Technical Certification Program

*T*o continue to ensure our partners are knowledgeable about product features and installation on all TRENDnet solutions, the company is looking to provide a new training program that will offer both web-based and hands-on training at our headquarters here in the U.S. Beginning in 2007, the company will look to roll out on-demand training content that can be downloaded, or viewed as periodic live web trainings. Our support team has done initial testing on web training with success, so look for online training to arrive in 2007. Starting in October 2006, TRENDnet will also be offering hands-on training at its corporate headquarters in Torrance for customers who would like to send employees to be trained and certified on TRENDnet's complete product line. Hands-on training sessions will be held every six months. To sign up for the hands-on training please contact your respective sales representative to schedule a visit.



New Technology Partnerships

To help deliver more value and a complete out of the box solution, TRENDnet has recently established alliance partnerships with several key industry players including:

Nero



Nero (www.nero.com) develops and distributes the world's leading digital media software for consumers and professionals. TRENDnet will be including a FREE version of the company's award-winning Nero Essentials 7 software package in the new TS-I300 and TS-I300W IDE Storage Server Enclosures. The software includes Back-IT-Up and Nero Home to make saving critical data and sharing multimedia easy and secure. For more information or to download a free trial of Nero's software, visit www.nero.com

Orb Networks



Orb provides spontaneous access to a person's music, live television, videos, photos and other digital content at any time from any device that can connect to the Internet. TRENDnet will bundle this revolutionary new application in its new multimedia Wireless N-Draft Router the TEW-631BRP to provide users with full access to their content at home and on the road. For more information or to download the software, visit www.orbnetworks.com

AMD



AMDLive! is the company's campaign to create a common platform for home users to easily share all of their multimedia throughout their home. TRENDnet AMD certified products include: TV-IP100, TV-IP100W, TV-IP400, TV-IP400W IP Cameras and TEW-432BRP 802.11g 54Mbps Firewall Router. For more information on AMDLive! visit www.amdlive.com

Highspeed Conferencing



HighspeedConferencing.com provides free conference calling for up to 500 Skype™ users. The service works with both regular telephones and Skype™ users. Online control of each call and registration is free and easy. TRENDnet will be bundling a link to the free service in the TVP-SP4BK Conference Phone Kit for Skype™. For more information or to try the service, visit www.highspeedconferencing.com

SkyLook



Skylook is a plug-in for Microsoft Outlook that creates a unified messaging system for Skype™ users. The software turns Outlook into a hub for all of your communications: Voice, IM and Email together and organized in one place. TRENDnet will be adding a free 14 Day Trial of Skylook to each of the five new Skype™ solutions. For more information or to download a free trial of the Skylook software, visit www.skylook.biz



ALL NEW!

Wireless N-Draft

Need for Speed



Based on the approved 802.11n draft specification, TRENDnet's Wireless N-draft family of products delivers the fastest and most reliable wireless technology available. Simultaneously enjoy a variety of applications from streaming High Definition video and music, to file sharing and VoIP without interruption. Seamlessly connect and share from anywhere in your home or office as deadspots are a thing of the past with Wireless-N's wide coverage area.

On October 13, TRENDnet's TEW 631BRP Wireless N-Draft Firewall Router received its first glowing review from Cnet.com, a leading online content site for technology reviews and pricing. Tested and compared in the industry's first major roundup of Wireless N-draft routers, which included models from Netgear, Belkin, Linksys and D-Link, TRENDnet bested the competition in short-range maximum throughput and long range tests. The TEW-631BRP was also praised for its wealth of security features from WEP, WPA and WPA2 encryption options to its wireless capability on and off switch. The router received an Editor's Rating Very Good 7.1 out of 10.



300Mbps Wireless N-Draft Firewall Router TEW-631BRP



300Mbps Wireless N-Draft PCI Adapter TEW-623PI



300Mbps Wireless N-Draft PC Card TEW-621PC



300Mbps Wireless N-Draft Access Point TEW-630APB

Awards & Recognition

Cnet.com Wireless N-Draft Competitive Round-Up Review October 2006 - U.S.

TEW-631BRP Wireless N-Draft Firewall Router and TEW-621PC Wireless N-Draft PC Card

"In CNET Labs' test, the TRENDnet N-Draft router did very well compared to the other N-Draft routers we've tested. The TEW-631BRP bested the competition in the short-range maximum throughput test, posting a score of 83.3Mbps. The TRENDnet also bested the pack in our long-range test (200 feet), with a score of 54.1Mbps."



PC Magazine's Editors Choice Award August 2006 - Russia

TEW-603PI 108Mbps 802.11g MIMO Wireless PCI Adapter and TEW-610APB 108Mbps 802.11g MIMO Wireless Access Point

"In addition to the strongest signals and highest maintained speeds, both the TEW-603PI and the TEW-610APB performed extremely well when tested on buildings with stone walls."



Digital Tested's Editors Choice Award June 2006 - Germany

TVP-SP1BK ClearSky™ Bluetooth VoIP Phone Kit (for Skype™)

"The TVP-SP1BK is very practical since you can use it in everyday life"



Upgrade Magazine's Editor's Choice Award June 2006 - Russia

TEW-611BRP 108Mbps 802.11g MIMO Wireless Router

"TRENDnet's TEW-611BRP was evaluated for its prestige and exceeding requirements for speed, distance and functionality."



Computer Magazine's Editor's Choice Award May 2006 - Czech Republic

TEW-611BRP 108Mbps 802.11g MIMO Wireless Router

"Overall, this model from TRENDnet is a high quality router which offers everything you need."



Hardwareluxx's Excellent Hardware Award April 2006 - Germany

TEW-429UB Limited Edition HotSpot Detector + USB 802.11g Adapter

"The design and functionality of this USB adapter is refreshing."



Laptop Magazine Editor's Choice Award April 2006 - U.S.

TBW-103UB 802.11g Wireless & Bluetooth Combo USB Adapter

"TRENDnet's TBW-103UB gets 5 out of 5 stars and wins Editors Choice Award."



PC Pro Magazine Recommended Award April 2006 - U.K.

TEW-429UB 802.11g Wireless USB Adapter with HotSpot Detector

"As an adapter, it supports 802.11b and g, as well as WPA and WEP encryption, and we couldn't find any performance difference between it and Intel's integrated wireless adapter."

5 out of 6 Stars



UPGRADE's 2006 Technical Perfection Award March 2006 - Russia

TEW-453APB 108Mbps 802.11g HotSpot Access Point

"The quality and performance of the TEW-453APB was deemed perfect."



PC Guia Magazine Silver Medal Award March 2006 - Portugal

TEW-610APB 108Mbps 802.11g MIMO Wireless Access Point

"...one of the many great aspects of the TEW-610APB is the security."

8 out of 10 Stars



PC Professionell Editor's Choice Award March 2006 - Germany

TEW-611BRP / TEW-601PC Wireless Super G MIMO Family

"TRENDnet's TEW-611BRP combined with TEW-601PC received the PC Professionell Editors Choice Award for being the fastest MIMO set with also the biggest stable distance among its competitors; D-Link, Linksys, Buffalo, Zyxel, SMC and more."



PC World Magazine Recommended Award March 2006 - Bulgaria

TEW-511BRP 108Mbps 802.11a+g Wireless AP Router

"This router showed the best results in terms of speed and was one of the best in terms of coverage."



Techzone.com Editor's Choice Award February 2006 - U.S.

TEW-429UF HotFlash 802.11g Wireless & 512MB Flash Memory Combo USB Adapter with HotSpot Detector

"This is undoubtedly the perfect solution for mobile users. It is easy to use, convenient to carry around, and provides solid performance along with some very helpful features."

9 out of 10 Stars



Laptop Magazine Editor's Choice Award December 2005 - U.S.

TEW-429UB 802.11b/g HotSpot Detector + USB Adapter

"Based on features and performance, this two-in-one WiFi device is the best in its class."



Computer Magazine Editor's Choice Award December 2005 - Czech Republic

TEW-510APB 802.11a/g Wireless Access Point

"With 2.4GHz becoming a flooded frequency band, it is the time to look around for a higher quality of transmission. The hot product in our market is the TRENDnet TEW-510APB. It is the right solution as it communicates on both frequencies, supporting dual band."



4-port USB KVM Switch Kit
TK-407K



New Products

From devices that propel wireless homes and their multimedia content to essential networking equipment that drives businesses, TRENDnet does it all. Discover the latest in TRENDnet solutions for Media Storage, VoIP, KVM and Gigabit switches.

4-port PS/2 Audio KVM Switch Kit
TK-408K



USB 2.0 IDE Wired & Wireless Network Storage Enclosures
TS-I300 / TS-I300W



Advanced Day/Night Wired & Wireless Internet Camera Server with Audio
TV-IP301 / TV-IP301W



ClearLink™ VoIP USB Phone (for Skype™)
TVP-SP3



ClearLink™ VoIP USB Speakerphone (for Skype™)
TVP-SP2



USB 2.0 to SATA / IDE Converter Adapter
TU2-IDSA



2.4GHz Wi-Fi Presenter
TU-P1W



Advanced High Power Bluetooth USB Adapter
TBW-104UB



26-port Gigabit Web Smart Switch
TEG-224WSplus

Coming Soon



ClearSky™ VoIP Bluetooth® Conference Phone (for Skype™)
TVP-SP4BK



ClearLink™ VoIP USB Phone Adapter (for Skype™)
TVP-SP5G



USB 2.0 Gigabit Ethernet Adapter
TU2-ETG



USB 2.0 10/100Mbps Ethernet Adapter
TU2-ET100



ADSL/ADSL+ Ethernet Bridge Modem (Viking II+)
TDM-E400



Compact Bluetooth USB Adapter
TBW-105UB



High Power Wireless USB 2.0 Adapter
TEW-445UB



2-port USB KVM Switch Kit with Audio
TK-209K



4-port USB KVM Switch Kit with Audio
TK-409K



8-port Compact 10/100Mbps Switch
TE100-S8

Special Projects

For over 16 years TRENDnet products have played a pivotal role in providing network connectivity to government agencies, industries and companies around the world. The following are just some of the ways TRENDnet has helped shape the security and network backbone needs of our partners in recent months.



Aruba Construction Site Surveillance System

B.L. Harbert International, a construction company of industrial, retail/commercial and public properties around the world, is using TRENDnet cameras and wireless LAN solutions to create an over the network wireless surveillance system. The cameras will be used to secure a 13-story hotel construction site in Aruba to prevent theft, vandalism and trespassing during on and off work hours.



Estonia Internet Service Provider

Elion AS, Estonia's largest telecommunications and ISP uses TRENDnet's TEG-224WSPlus and TE100-S24WS to deliver internet services to their customers. With a purchase rate of 80 to 120 units a month, the switches are used to provide broadband internet services to customers in residential buildings throughout Estonia. The TEG-224WSPlus, a web smart switch, enables Elion to easily manage thousands of connections and individual accounts.



Paraguay Oil Security Project

TRENDnet partner CITA S.A., in Paraguay, is supplying Frigorifico Guarani – Biodiesel Factory with network cameras for each of their factories. The TRENDnet TV-IP100, TV-IP201 and TV-IP400's purpose is to provide IP network accessible images, sound, as well as pan and tilt security for the factories equipment and premises.



Paraguay Industrial Scales

Alvog S.A., representatives of Toledo Scales in Paraguay, is integrating TRENDnet's TEW-430APB inside their industrial scales. The new scales help supermarket warehouses keep track of deliveries by measuring the weight on items such as meats, grains and vegetables and then sending that information wirelessly to a connected network. The TEW-430APB is used in conjunction with the TEW-452BRP linking each section of the supermarket. Currently, the scales are being used by a single supermarket which has installed 20 of these integrated scales. Alvog S.A.'s goal is for wider adoption among supermarket chains across Paraguay.



Sri Lanka Public and Education Projects

Sri Lanka Telecom Service Ltd. is providing Sri Lanka's Ministry of Highways and Road Development Authority with wireless products from TRENDnet's 108Mbps Super G line. The ministries, with World Bank funding, are responsible for rebuilding coastal roadways destroyed in the 2004 Tsunami. The Ministry of Education, funded by ASIAN Development Bank, is also using the TE100-S24WS 24-port N-Way Switch in 72 LANS for public schools.



Sri Lanka Transition to ADSL

SLT Teleshops in Sri Lanka will be promoting TRENDnet's TW-100BRM504 ADSL Modem + Firewall Router in its 18 store locations as a solution for the island wide expansion to ADSL.



U.S. Las Vegas Hotel and Casino Project

The MGM/Mirage Resort and Casino company, famous for Las Vegas hotel and gaming properties such as New York New York, Treasure Island, Mirage and The MGM Grand, is using TRENDnet's TE100-S55E+ 5-port 10/100 N-Way switch to provide guest rooms with internet access.

Inside TN

Employee Profile



Employee: Joseph Fischer
Title: Technical Support Manager
Years with the Company: 3
Responsibilities: Oversees the daily operations of TRENDnet's Third Level Support team and is a direct support contact for select TRENDnet distributors.
Favorite Quote:

"Have a Coke and a smile."

Creative Partner Marketing



Customer: Paldir/Composystem
Country: Uruguay
Channel: Major full service distributor
Objectives: Increase brand awareness and sales

Initiative: Conducted a TRENDnet seminar at the Uruguayan government sponsored Electronics and Networking Week which was attended by more than 3,000 government officials and IT enthusiasts.

Initiative: Five billboards featuring TRENDnet's mobility ad were placed in strategic areas around the capital city of Montevideo.

Results: Since the August show, sales of TRENDnet products have increased substantially. TRENDnet's TW100-S4W1CA is the number one router in the country. The model is sold throughout various retail shops and 60% of sales are attributed to various projects.



New Channel Expansion

ASDA (United Kingdom)

ASDA, the second largest supermarket in the United Kingdom, has begun carrying TRENDnet's 54Mbps Wireless G LAN products. ASDA was purchased by Wal-Mart, the second largest corporation in the United States, in 1999. The grocer, with ASDA and ASDA Wal-Mart Supercentres, has over 260 stores throughout England, Scotland and Wales.



Best Buy Canada

Best Buy Canada, the country's fastest-growing specialty retailer and e-tailer of consumer electronics and personal computers, is now an official retailer of TRENDnet products. Best Buy Canada first opened eight stores in the fall of 2002 in the greater Toronto area. Best Buy stores in Canada are a wholly owned subsidiary of Best Buy Co., Inc., which currently operates more than 600 Best Buy stores throughout the United States.



D&H (United States)

D&H, the 3rd largest technology distributor in the U.S. with \$1.4 billion in revenue for 2005, is now an official TRENDnet distributor. Doing business since 1916, D&H specializes in providing emerging trends in IT, electronics, entertainment and gaming. The Harrisburg, PA based company is carrying a variety of TRENDnet Wireless LAN products and IP camera models.



Internet Technologies Angola

Internet Technologies Angola (ITA) has become the first authorized TRENDnet distributor in the south central African country of Angola. The company is responsible for the set-up and management of the first Wi-Max ready network in the capital city of Luanda, providing local embassies, banks and corporations with internet services and network solutions.



Micro Center (United States)

Micro Center, one of the U.S.'s largest computer retailers, is now carrying TRENDnet products. The retailer, which has 19 stores with floor spaces ranging up to 62,000 sq. ft. is carrying a variety of TRENDnet products from Wireless LAN, Gigabit, 10/100, and VoIP. Micro Center also has a reputable online presence with more than 3 million customers in the U.S.



Network Laboratory (Russia)

Rated one of the Top 4 Distribution Companies in Russia by IXBT in 2006, Network Laboratory is now an official distributor of TRENDnet products. The company has experienced 55% year over year growth with \$150 million in gross profit. Netlab, which has achieved success through aggressive pricing, has over 200 employees and carries over 10,000 distinctive brands.



NTCHS (Bosnia)

NTCHS, established in 1999, is a major provider of computer and consumer electronics products in Bosnia. As our newest partner in southern Europe, NTCHS is now carrying TRENDnet products such as Wireless, Gigabit, 10/100 Switches, and Print Servers.



OLDI (Russia)

OLDI, one of Russia's three leading distributors of computer hardware, peripherals, network, and office equipment is now an official TRENDnet distributor. Voted Best Distributor in 2005 by web-portal IXBT.com, OLDI supplies products to over 3,500 regional dealers from its 25,000 sq.m. facility.



Rue du Commerce (France)

Rue du Commerce, one of France's largest online retailers of consumer electronics and digital products, is carrying 33 TRENDnet products from a variety of categories such as Wireless LAN, IP Camera and KVM switches. The e-tailer, has one million customers and carries over 10,000 products. In 2005, Rue du Commerce reported an annual turnover of €179 million.



Partner Spotlight

Customer: DC

Country: Romania

Theme: "Wireless Networks from the USA"

Objective: Increase sales during the summer and to build brand awareness.



DC Shop, a TRENDnet retailer with over 56 stores in Romania, sponsored a 10-second TV spot featuring TRENDnet's 54Mbps Wireless G LAN products and hotspot detector on Realitatea TV, a Romanian news and talk show channel. The commercial was aired a total of 554 times over the month of June. The commercial which is entitled Wireless Networks from the USA was also aired on the National Geographic and Discovery channels as well as on TV Klumea and TVR1.

Customer: Valdrin

Country: Albania

Theme: Valdrin opens two new TRENDnet stores in Albania

Objective: To promote TRENDnet products in the capital city of Tirana and Valdrin's new Authorized Distributor Agreement with TRENDnet.



Valdrin, a newly authorized TRENDnet distributor in Albania, is sponsoring a TV commercial which announces the opening of two new TRENDnet dedicated stores located in the capital city of Tirana. The 14 second spot will run over 240 times from September to October 2006 on Digitalb, the most popular television system in Albania.

Customer: Buy.com

Country: U.S.

Theme: TRENDnet's TVP-SP1BK and Skype™

Objective: To educate Buy.com customers about Skype™ and the benefits that it offers



Buy.com, The Internet Superstore™, where you'll always find the latest and greatest brands at prices you can afford, features a 30 second clip of TRENDnet's Consumer Sales Manager, Lori Heninger and Marketing Director, Heath Gregory demonstrating TRENDnet's TVP-SP1BK ClearSky™ Bluetooth VoIP Phone Kit (for Skype™). The BuyTV spot began airing on June 27, 2006 on Buy.com and IM.com (Instant Media).

Customer: BAX IT Services

Country: Australia

Theme: The World on Technology

Objective: To give an overview of TRENDnet's IP Camera TV-IP400



BAX IT Services, a specialized distributor of information technology and telecommunications products to the Australian and New Zealand reseller channel, featured a 30 second radio commercial on TRENDnet's TV-IP400 Pan and Tilt IP Camera on 39 regional FM radio stations throughout Australia on August 16, 2006.



GO TEAM!

Jet to Jetty 5K

On August 26, eighteen TRENDnet team members built up a healthy sweat in the annual Jet to Jetty 5K Run held in El Segundo, California. The "TRENDnet Ringers" came in 3rd place in the team competition and most importantly helped raise money for several local charities.



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