

The Most Powerful Name In Corporate News and Information.

With Now Over 5 Million Users Globally, CyberDefender Is Making Inroads In Their Quest Of Being A Leader In The Internet And Computer Security Space, With A Significant Technology Infrastructure That Delivers Updates To Proprietary Secure Networks

**Technology
Security Software & Services
(CYDE-OTC: BB)**

CyberDefender Corporation

**617 West 7th Street, Suite 401
Los Angeles, CA 90017
Phone: 213-689-8631**



**Gary Guseinov
Co-Founder, Chairman
President and CEO**

BIO:

A seasoned technology-marketing executive, Guseinov founded web development and ecommerce firm Digital Media in 1994, where he served as the chief executive officer. When Digital Media merged with Synergy, Guseinov served as the president and chief technology officer. During his tenure at Synergy he generated over \$2 billion in revenues for its clients including GoToMyPC/Citrix,

Oracle, Chase, Nortel, HP and Conseco. He holds a BS in Psychology and Business from Cal State Northridge.

Company Profile:

CyberDefender Corporation (OTC Bulletin Board: CYDE) believes that its Internet security technology offers the earliest possible detection and most aggressive defense against Internet security attacks. CyberDefender believes that it is the only Internet security software company to combat spyware, viruses, and identity theft using a secure peer-to-peer distributed network (the earlyNETWORK(TM)), enabling protection that is unparalleled in speed and flexibility. Products employing the earlyNETWORK(TM) include CyberDefender's MyIdentityDefender(TM) Toolbar, CyberDefenderFREE(TM) 2.0, and CyberDefender Early Detection Center(TM) 2.0. All of these products are fully compatible with Microsoft's Vista Operating system.

**Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFOinterviews.com**

CEOCFO: Mr. Guseinov, what was your vision on founding CyberDefender and where are you today?

Mr. Guseinov: "My vision when I founded CyberDefender was to create a one-stop shop where you can get all of your computer security and related needs fulfilled. We found that customers in small businesses are constantly struggling with computer security threats including spyware, viruses, identity theft, phishing attacks, and don't have a single place to get direct services. In other words, people do not have one company to call and fix their problems. CyberDefender is that

company. We offer many products that relate to security and computers, insuring that they operate correctly. That was the vision, to create a single point of contact for all your computer security."

CEOCFO: How has that developed?

Mr. Guseinov: "So far we have over 5 million users utilizing our product globally. We have created a significant technology infrastructure where we can deliver updates to proprietary secure networks. The company is very close to cash flow break-even. We are very excited. We are growing month-over-month, quarter-over-quarter, and year over year."

CEOCFO: Who is your typical customer?

Mr. Guseinov: "The typical customer is PC users in North America and we have some in Europe. We do attract small offices, home offices and small businesses."

CEOCFO: How do you reach your customer?

Mr. Guseinov: "We reach our customers through online advertising and marketing on the web. People usually search for our product on Google, Yahoo, or other search engines. Additionally, we offer them a free trial. They are then able to download the software, try it and if they want to purchase it, they can do so with a credit card. We have direct relationships with our customers."

CEOCFO: Will you give us more detail on what it is your technology provides?

Mr. Guseinov: "In a nutshell, we are an antivirus and antispyware company that uses a very unique patent-pending technology to deliver updates. Our concept is that there are thirty thousand new threats on the Internet daily, so you have to have

very quick updates. If your antivirus is two or three weeks old in terms of its updates, you are not protected. There are also other growing issues, for example identity theft. If you have a virus or spyware on your computer, chances are your identity has been stolen. Therefore, we offer an identity theft protection service. In addition, we find that computers are typically heavily damaged by viruses, in other words viruses delete some files, get rid of certain registry or they just mess up your computer, so you need technical assistance. It is not just the software solution; you really need someone to get in your computer, fix it, get rid of the viruses and then come back into your computer and remediate it so that it doesn't incur additional damage. We fix, and reinstate or delete the file. That service is provided, 24/7, so that if you have our software and you need additional help, you can call us, we will answer the phone and we will get you back to normal again."

CEO CFO: How does your service differ from other services?

Mr. Guseinov: "CyberDefender updates a lot faster, for example there are companies like McAfee or Symantec, and many of them update once a week, some of them actually update once every three weeks. There are thirty thousand new threats generated every day and hundreds of phishing scams. Updating a security product once a week, or even once a day, is not enough. We believe in updating several times a day, even every couple of minutes if possible. To do that you have to have an infrastructure that supports that kind of updating. We have created that platform and it is extremely efficient; 97% of our traffic now travels through our secure peer-to-peer network, meaning we don't have to spend a lot of money on updating each individual user. In fact, we can update people 100 or 1000 times a day without incurring significant cost. That is the proprietary component of our infrastructure. Updating is really important because if you are not updating fast enough you are technically at risk. Companies like McAfee and Symantec are struggling to update. They have many users and customers, but they are not up-

dating frequently enough. Additionally, our costs are priced 30% below the competing products and our operating system is a lot leaner. When you load CyberDefender into your computer, you are technically using less of your resources, allowing us to run faster than McAfee or Symantec. We also offer a check-on-call service that many of our competitors do not offer, at least not in the same capacity that we do. We stand by our customers and try to make the experience as seamless as possible. Something else that makes us different is that we only focus on a few products. CyberDefender does not offer enterprise solutions, complex consulting services or any other products that are not in our core competencies. When consumers think of a consumer security product or a small business security product, they think of CyberDefender because we are there for those types of customers. That is an advantage for us

"So far we have over 5 million users utilizing our product globally. We have created a significant technology infrastructure where we can deliver updates to proprietary secure networks. The company is very close to cash flow break-even. We are very excited. We are growing month-over-month, quarter-over-quarter, and year over year." - Gary Guseinov

and one of the reasons as to why we have 5 million users."

CEO CFO: Is word of mouth important in your business?

Mr. Guseinov: "Absolutely! We believe that the Internet infrastructure is designed for viral content propagation and recommendation of services and products. We pride ourselves on having a very high rating by tucows.com and downloads.com, which are very popular sites for consumers to test software. Take a look at our CyberDefender center on the site and you will see that we average four out of five stars."

CEO CFO: You mentioned customers in Europe; do you see international growth?

Mr. Guseinov: "Absolutely, we are seeing more and more growth from the BRICKS, particularly from Brazil, and a lot of traffic coming out of Asia. We believe that the future is in merged markets.

There are currently over 1.2 billion Internet-connected computers worldwide, so there is plenty of opportunity in a small company like ours."

CEO CFO: Do customers tend to stay with you, and how do you keep your clients happy?

Mr. Guseinov: "What's great about this business model is that when people sign up they can cancel. Typically, consumers and small businesses stick around because we provide the services that they are looking for, which is not something you want to rip out and constantly change. We have a very high renewal rate, well over 60% and our consumers tend to stay on. The beauty of this business is that you are building a residual customer base; it is like an annuity. As long as we keep our prices fair and continue to update our products, our renewal rate is very high."

CEO CFO: How can you guarantee that viruses won't break through?

Mr. Guseinov: "No one can guarantee that nothing will get through. In fact, security is a cat and mouse game; most companies are always one-step behind the bad guys. The bad guys are always trying to figure

out how to get around us. We are not sitting here trying to figure out how to get around the bad guys. There are a few companies out there that utilize juristic security models that use artificial intelligence to figure out whether or not there is a breach or potential breach. They tend to be fairly sophisticated, but they also run very heavily on the operating system. Most consumers will never be able to utilize such complex security platforms. CyberDefender believes that speed is everything. Even if you miss a threat or fail catch it in time and a threat does get in and damages your computer, because of our updating and propagation infrastructure, we are able to prevent others from catching the same threat. This is because we can send updates to our other users connected in our networks faster than the threat can spread. We can't guarantee that computers will never get infected, so what we do is deliver an update fast enough where most of our units will not

get infected. That is our approach. There are no companies in the marketplace claiming to protect all computers from every infection, and if they are, they are not being honest. No one can prevent identify theft 100% and no one can stop spyware or viruses 100%. However, it's helpful if the consumer follows some basic rules: never visit sites you don't trust; don't download a file if you don't know what it is; and don't give out your social security number over the Internet. Using social networks to ask friends about their opinion about a particular site is also a good way to protect oneself. If you are searching, try not to use Google as the only way to find information; there are many other reliable search engines. Asking friends and getting referrals for websites, products and services is safer than randomly searching Google. Additionally, it's imperative to update the security software; if it is not updated, it will not help."

CEO CFO: What is ahead for the company?

Mr. Guseinov: "CyberDefender has a lot of new plans. We expect to add half a million to a million new users a month. We are hiring numerous employees; we are increasing our awareness campaigns and adding more services to our current offering. We are expanding current offerings, by delivering more features and

more sophisticated technologies in security. We also have an identity protection tool bar that we recently launched, protecting computers from dangerous sites. We are updating all of our products. Our ultimate goal is to create a Web experience where people can search and download on the Internet within a safe environment. An environment that allows social network capability in the product infrastructure, yet creating a safer Web environment for consumers and small businesses. All without restricting behavior."

CEO CFO: In closing, why should potential investors look at CyberDefender?

Mr. Guseinov: "I hate to use this term now, particularly where the market is, but I'm going to use it now because it applies to our industry. We are resistant to the downturn in the market. The reason for that is because our consumers and business users' PCs are so fundamental that security is the last thing that they are going to let go. Even if you do not have a job, you are still going to use your computer and email. You still need a computer for business, so a computer is a fundamental piece of equipment. People will probably get rid of their credit card before they get rid of their computer. Therefore, we believe that we are greatly positioned in the downturn of the market for the next two or three years. I think we

will grow significantly because of that dedication and tendency to owning an operational computer. We also have annuity transactions, people pay us every month or every year and then renew. We have security products that are like an insurance policy; people do not want to cancel it. We have high-quality support, which many people enjoy having. We have many paying customers, and different forms of revenue streams. We generate revenue from licensing our software, services and advertising. Our business model is diversified, our user base is diversified, and we are not dependent on any one category or product. We have many diversifications within the model that are continuing to see very dynamic adoptions of our services. Adding half a million to a million users a month is not easy, and many businesses do not have that scale and volume. CyberDefender leverages its user base by offering a valuable service that everybody needs. In the long term, once the economy gets back up, and it will, we will be in an even better position than some of the other companies within the technology space, simply by having a significant user base and by continuing to expand the average revenue per user, as well as adding additional services to each individual account."



CyberDefender Corporation
617 West 7th Street, Suite 401
Los Angeles, CA 90017
Phone: 213-689-8631