AVG Technologies Exclusive 2014 Global Launch Event New York City Wednesday, September 4, 2013

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We attended the above event hosted by <u>AVG</u> where senior executives from the company made interesting announcements.

Company Background

AVG was founded as Grisoft (after one of its founders Jan Gritzbach) in 1991 in Brno, Czech Republic, and has offices in major countries around the world—Israel, Germany, Netherlands, U. K., and U. S. It had its IPO last year, has about 660 employees, and its revenue this year is expected to be just under US\$500 million. It has 155 million users worldwide, of which 44 million are mobile users, with 3 million new users coming online every month.

Its major competitors are <u>ESET</u>, Intel/<u>McAfee</u>, <u>Kaspersky Lab</u>, <u>Sophos</u>, Symantec/<u>Norton</u>, and <u>Trend Micro</u>. With its pending acquisition of Nokia, Microsoft will be a formidable competitor.

Details

The company launched the following 2014 product portfolio:

- **AVG AntiVirus FREE 2014:** The new version of AVG's free solution includes the brand new **File Shredder** feature to help keep sensitive data private.
- **AVG AntiVirus 2014:** Includes **File Shredder** and also **Data Safe**, which encrypts and securely stores valuable files on a virtual disk on your PC.
- **AVG Internet Security 2014:** Provides protection for anyone who wants complete peace-of-mind online.
- AVG Premium Security 2014: Offers protection, privacy and performance; updated for 2014 to cover multiple Android [™] devices by including Premium Mobile Security and Premium Tablet Security.
- **AVG PC TuneUp® 2014:** Monitors and automatically maintains your PC to ensure trouble-free operation, with less crashing and increased speed, disk space and battery life.
- AVG PrivacyFix[™]: Puts control of your personal online privacy back in your hands. Available on your PC, mobile and tablet, it allows you to check, manage and personalize your privacy settings across popular sites such as Facebook[®], Google[®], LinkedIn[®], as well as overall tracking across websites in general, all from one easy-to-use central control panel.
- AVG AntiVirus PRO v3.3 for Android[™]: It is the latest version of AVG's application for Android smartphones and tablets and helps to protect your devices by combatting viruses and malware. The advanced anti-theft features also help you to find your device if it's lost or stolen.

AVG realizes nothing is dead—mainframes, PCs, smartphones, phablets, and tablets will all coexist. It took 22 years for the first 1.5 billion users to get online; the next 1.5 billion will come online in the next 5 years. More opportunities will mean more threats and AVG intends to capitalize on this trend. Mobile computing is rapidly becoming more innovative, yet no one has fully addressed issues surrounding connectivity, privacy, and trust.

Based on its online survey of 4,927 people in eight countries—Australia, Brazil, Canada, Czech Republic, France, Germany, U. K., and U.S., AVG found:

- Forty-seven percent of 25-34 year olds use four or more devices to stay connected.
- One in five seniors (65+) use four or more internet enabled devices.
- The majority of respondents (72%) believed that technology was going to become more helpful in the future.

- Overall, 69% believed that technology is going to get more invasive in years to come.
- Eighty-six percent of people are aware of privacy issues both on social networks and their devices themselves.
- Half of the respondents do give personal info online in exchange for services but 38% do so reluctantly to receive a service.
- 79% of people surveyed had stopped an app download because it was asking for access to something they didn't want to give.

Products

AVG offers security products for PCs, mobile phones, tablets, and businesses (although its market share here is small). More details (features, pricing, and availability) about these products can be found at the company's <u>website</u>. The major announcement at the event was the launch of AVG Premium Security 2014.

PCs:

PC TuneUp

- Automatically restores and maintains your PC
- More speed and stable
- Lengthens PC battery life

PrivacyFix

- Manage Facebook, LinkedIn, and Google privacy settings
- See who's tracking you on websites and block it or allow it
- Be alerted to Facebook updates, and manage them from your PC, mobile or tablet

Security Suites

	AVG AntiVirus	AVG Internet Security	
	2014	2014	AVG Premium Security 2014
Detects, blocks and removes viruses and spyware	Yes	Yes	Yes
Checks links before you click	Yes	Yes	Yes
Prevents spying and data theft	Yes	Yes	Yes
New Leaves no trace of deleted files	Yes	Yes	Yes
Helps your PC run smoothly	Yes	Yes	Yes
Direct access to free mobile apps	Yes	Yes	Yes
Safer Downloads	Yes	Yes	Yes
New Encrypts files to keep them private	Yes	Yes	Yes
Stops spammers and scammers		Yes	Yes
Helps block hackers		Yes	Yes
Safer shopping and banking		Yes	Yes
Protects personal data		Yes	Yes
Faster smoother video streaming		Yes	Yes
Proactive identity protection			Yes
New Premium Mobile Security included FREE			Yes
New Premium Tablet Security included FREE			Yes

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Mobiles and Tablets:

- AntiVirus FREE for Android[™]
- AntiVirus PRO for Android[™]
- TuneUp for Android[™]

- Cleaner for Android[™]
- Uninstaller for Android[™]
- Image Shrinker for Android[™]
- PrivacyFix™
- Safe Browser for iPhone®
- Family Safety® for iPhone®
- Safe Browser for iPad®
- Family Safety® for iPad®

Business:

- Internet Security Business Edition 2013
- AntiVirus Business Edition 2013
- File Server Edition 2013
- PC TuneUp Business Edition
- Email Server Edition 2013
- Rescue CD

Analysis

AVG's product suite for PCs is impressive and it is making bold moves into the mobile and tablet markets. Its iOS offerings definitely lag vis-à-vis its Android ones. This is expected because Android is 'open', where as Apple keeps iOS close to its chest, and rolling out products for the iPhone and iPad takes longer, according to company sources. Also, the Android market is bigger, so you get more bang for the buck.

The company also recently announced its AVG CloudCare[™] service module will be integrated within AVG Managed WorkPlace[®] which came with its acquisition of LPI Level Platforms on June 28. This integrated service module enhances its enterprise offerings and gives Managed Service Providers the ability to remotely monitor their customers' device security measures from within a single dashboard and readily identify where protection is missing or inadequate. This is a good move, especially if the company wants to move aggressively into the already-crowded Cloud Services market.

We believe AVG can improve user experience if it can 'bundle' its Mobile and Tablet product into a suite, just as it has done for PCs, so customers don't have to buy, download, and/or install individual products.

Going forward, the company will face increasing pressures from not only its competitors cited earlier (see page 1), but also from Apple, Google, and Samsung who will strengthen security and antivirus features in both the operating systems and devices.

Finally, AVG's market cap is ~US\$1.2 billion. Could it be an acquisition target? It's anybody's guess.