

McAfee, Inc. Research Shows Global Recession Increasing Risks to Intellectual Property

Businesses Lose More Than \$1 Trillion in Intellectual Property Due to Data Theft and Cybercrime

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DAVOS, Switzerland--(BUSINESS WIRE)--McAfee Inc. (NYSE:MFE) today announced findings from the first global study on the security of information economies. In the study, *Unsecured Economies: Protecting Vital Information*, security experts and senior IT decision makers warned that the global recession is putting vital information at greater risk than ever before. The results were reviewed by McAfee's Cybersecurity Experts Council, announced separately today.

Researchers from Purdue University's Center for Education and Research in Information Assurance and Security examined responses from more than 800 CIOs in the United States, the United Kingdom, Germany, Japan, China, India, Brazil and Dubai. The research examined where vital information such as intellectual property originates, where it is stored globally, how it is transferred and lost. The companies surveyed estimated they lost a combined \$4.6 billion worth of intellectual property last year alone, and spent approximately \$600 million repairing damage from data breaches. Based on these numbers, McAfee projects that companies worldwide lost more than \$1 trillion last year.

"Companies are grossly underestimating the loss, and value, of their intellectual property," said Eugene Spafford, professor of computer science at Purdue University and executive director of CERIAS. "Just like gold, diamonds or crude oil, intellectual property is a form of currency that is traded internationally, and can have serious economic impact if it is stolen."

"Based on the survey findings McAfee conservatively estimates that the global damage from data loss to top one trillion dollars," said Dave DeWalt, president and chief executive officer of McAfee. "This report is a wake-up call because the current economic crisis is poised to create a global meltdown in vital information. Increased pressures on firms to reduce spending and cut staffing have led to more porous defenses and increased opportunity for crime. Companies need to stop looking at security as a cost center but as a business enabler."

The McAfee Unsecured Economies report suggests that the ability to safely store intellectual property is a key driver of security investment in Brazil, Japan and China. Sixty percent of Chinese respondents cited "safer storage" as a reason for storing intellectual property and other sensitive information outside of their own country.

Key findings:

Recession puts intellectual property at risk

Organizations are clearly worried about the global financial crisis and its impact on the security of vital information like intellectual property. Thirty nine percent of respondents surveyed believe vital information is more vulnerable in the current economic climate than before.

Commitment to protecting vital information varies

Developing countries are more motivated and spend more on protecting intellectual property than their Western counterparts. Brazil, China and India spent more money on security than Germany, UK, US and Japan. Seventy four percent of Chinese and sixty eight percent of Indian respondents invested in securing their intellectual property for competitive advantage.

Intellectual property is now an international currency

An emerging target for cybercriminals is intellectual property, and experts say there has been an increase in the number of corporate data intrusions by organized cyber mafia gangs. Cybercriminals are increasingly targeting executives using sophisticated phishing techniques. The biggest concern for thirty nine percent of respondents was protecting their intellectual property from outside data thieves.

Employees steal intellectual property for financial gain and competitive advantage

An increasing number of financially challenged employees are using their corporate data access to steal vital information. As the global recession continues and legitimate work disappears, desperate job seekers or "cyber moles" are stealing valuable corporate data, which may be seen as desirable by potential future employers, to make themselves more valuable in the job market. Forty two percent of respondents said displaced employees were the biggest threat to vital information.

Geographic threats to intellectual property

Geopolitical perceptions are influencing data policy reality. China, Pakistan, and Russia were identified by companies surveyed as trouble zones for various legal, cultural and economic reasons. Twenty six percent of respondents purposely avoided storing intellectual property in China. Yet forty seven percent of Chinese respondents believed the United States posed the biggest threat to their intellectual property.

The report concludes with suggested best practices for protecting valuable digital assets, not only in order to survive—but to thrive—in these challenging times. For a full copy of the report *Unsecured Economies/Protecting Vital Information* please visit <http://resources.mcafee.com/content/NAUnsecuredEconomiesReport>.

About CERIAS

The Center for Education and Research in Information Assurance and Security (CERIAS) is currently viewed as one of the world's leading centers for research and education in areas of information security that are crucial to the protection of critical computing and communication infrastructure. CERIAS is unique among such national centers in its multidisciplinary approach to the problems, ranging from purely technical issues (e.g., intrusion detection, network security, etc) to ethical, legal, educational, communicational, linguistic, and economic issues, and the subtle interactions and dependencies among them. The Research conducted through CERIAS includes faculty from six different colleges and 20+ departments across campus.

About McAfee, Inc.

McAfee, Inc., headquartered in Santa Clara, California, is the world's largest dedicated security technology company. McAfee is relentlessly committed to tackling the world's toughest security challenges. The company delivers proactive and proven solutions and services that help secure systems and networks around the world, allowing users to safely connect to the Internet, browse and shop the web more securely. Backed by an award-winning research team, McAfee creates innovative products that empower home users, businesses, the public sector and service providers by enabling them to prove compliance with regulations, protect data, prevent disruptions, identify vulnerabilities, and continuously monitor and improve their security. <http://www.mcafee.com>

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Contact:

McAfee, Inc.

Sal Viveros, 408-346-3936

sal_viveros@mcafee.com

or

Red Consultancy

Stuart Yeardsley, 415-618-8814

stuart.yeardsley@redconsultancy.com

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