



Gemalto Releases Findings of 2014 Breach Level Index

Data breaches increased 49 percent in 2014 to 1 billion data records compromised, with cybercriminals targeting identity theft as top breach category

Amsterdam, February 12, 2015 — Gemalto (Euronext NL0000400653 GTO), the world leader in digital security, releases the latest findings of the <u>Breach Level Index, revealing that</u> more than 1,500 data breaches led to one billion data records compromised worldwide during 2014. These numbers represent a 49% increase in data breaches and a 78% increase in data records that were either stolen or lost compared to 2013.

Continuing with this industry-leading benchmarking from SafeNet following its acquisition by Gemalto, the Breach Level Index (BLI) is a global database of data breaches as they happen and provides a methodology for security professionals to score the severity of breaches and see where they rank among publicly disclosed breaches. The BLI calculates the severity of data breaches across multiple dimensions based on breach disclosure information.

According to data in the BLI originally developed by SafeNet, the main motivation for cybercriminals in 2014 was identity theft with 54% of the all data breaches being identity theft-based, more than any breach category including access to financial data. In addition, identity theft breaches also accounted for one-third of the most severe data breaches categorized by the BLI as either Catastrophic (with a BLI score of between 9.0 and 10) or Severe (7.0 to 8.9). Secure breaches, which involved breaches of perimeter security where compromised data was encrypted in full or in part, increased to 4% from 1%.

"We're clearly seeing a shift in the tactics of cybercriminals, with long-term identity theft becoming more of a goal than the immediacy of stealing a credit card number," said Tsion Gonen, Vice-President of Strategy for Identity and Data Protection at Gemalto. "Identity theft could lead to the opening of new fraudulent credit accounts, creating false identities for criminal enterprises, or a host of other serious crimes. As data breaches become more personal, we're starting to see that the universe of risk exposure for the average person is expanding."

In addition to the shift toward identity theft, breaches also became more severe last year with two-thirds of the 50 most severe breaches according to their BLI score having occurred in 2014. Also, the number of data breaches involving more than 100 million compromised data records doubled compared to 2013.

In terms of industries, retail and financial services experienced the most noticeable trends compared to other industry sectors in 2014. Retail experienced a slight increase in data breaches compared to last year, accounting for 11% of all data breaches in 2014. However, in terms of data records compromised, the retail industry saw its share increase to 55% compared to 29% last year due to an increased number of attacks that

targeted point-of-sale systems. For the Financial Services sector, the number of data breaches remained relatively flat year over year, but the average number of records lost per breach increased ten-fold to 1.1 million from 112.000.

"Not only are data breach numbers rising, but the breaches are becoming more severe," added Gonen. "Being breached is not a question of 'if' but 'when.' Breach prevention and threat monitoring can only go so far and do not always keep the cyber criminals out. Companies need to adopt a data-centric view of digital threats starting with better identity and access control techniques such as multi-factor authentication and the use of encryption and key management to secure sensitive data. That way, if the data is stolen it is useless to the thieves."

Through its acquisition of SafeNet, Gemalto offers one of the most complete portfolios of enterprise security solutions in the world, enabling its customers to enjoy industry-leading protection of digital identities, transactions, payments and data – from the edge to the core. Gemalto's complete portfolio of SafeNet Identity and Data Protection solutions enable enterprises across many verticals, including major financial institutions and governments, to take a data-centric approach to security by utilizing innovative encryption methods, best-inclass crypto management techniques, and strong authentication and identity management solutions to protect what matters, where it matters. Through these solutions, Gemalto helps organizations achieve compliance with stringent data privacy regulations and ensure that sensitive corporate assets, customer information, and digital transactions are safe from exposure and manipulation in order to protect customer trust in an increasingly digital world.

For a full summary of data breach incidents by industry, source, type and geographic region, download the 2014 Breach Level Index Report.

Related Resources

- Infographic: 2014 Breach Level Index
- Secure the Breach Manifesto
- Secure the Breach Web Site

About the Breach Level Index

The Breach Level Index provides a centralized, global database of data breaches and calculates their severity based on multiple dimensions, including the type of data and the number of records stolen, the source of the breach, and whether or not the data was encrypted. By assigning a severity score to each breach, the BLI provides a comparative list of breaches, distinguishing nuisances from truly impactful mega breaches. Information populating the BLI database is based on publicly-available breach disclosure information. For more information, visit www.breachlevelindex.com.

About Gemalto

Gemalto (Euronext NL0000400653 GTO) is the world leader in <u>digital security</u> with 2013 annual revenues of €2.4 billion and more than 12,000 employees operating out of 85 offices and 25 research and software development centers, located in 44 countries.

We are at the heart of the rapidly evolving digital society. Billions of people worldwide increasingly want the freedom to communicate, travel, shop, bank, entertain and work – anytime, everywhere – in ways that are enjoyable and safe. Gemalto delivers on their expanding needs for personal mobile services, payment security, authenticated cloud access, identity and privacy protection, eHealthcare and eGovernment efficiency, convenient ticketing and dependable machine-to-machine (M2M) applications. We develop secure embedded software and secure products which we design and personalize. Our platforms and services manage these products, the confidential data they contain and the trusted end-user services made possible.

Our innovations enable our clients to offer trusted and convenient digital services to billions of individuals. Gemalto thrives with the growing number of people using its solutions to interact with the digital and wireless world.

For more information visit <u>www.gemalto.com</u>, <u>www.justaskgemalto.com</u>, <u>blog.gemalto.com</u>, or follow <u>@gemalto</u> on Twitter.

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