IDC Study on the Dangerous World of Counterfeit and Pirated Software

For more information visit www.microsoft.com/news/ipcrimes

For the full IDC study results visit http://bit.ly/WICDNg
To investigate the prevalence of the risks consumers and businesses face when they acquire and install counterfeit software, IDC surveyed 2,077 consumers and 258 CIO/IT manager respondents and tested counterfeit software from hundreds of websites/P2P networks and CDs/DVDs across 10 countries.
2013 COUNTERFEIT SOFTWARE INFECTION RATES
PERCENTAGE OF COUNTERFEIT SOFTWARE THAT INSTALLED MALICIOUS CODE

- **78%** Web-based* programs installed tracking cookies/spyware
- **36%** Web-based* programs installed adware
- **28%** Web-based* programs had download Trojan horses/dangerous issues
- **20%** CD/DVD programs installed malware

*Denotes counterfeit software that was downloaded from websites/peer-to-peer networks
Consumers: The Risks Facing Those Who Use Counterfeit Software
The global supply of counterfeit software will exceed more than 2 billion programs, more than triple the amount in 2006.

1 in 3 consumer PCs with counterfeit software installed will be infected by malware in 2013.
RegionaL TuTALS fOr $ Spent Fixing secuRiTy iSSuEs* fRom COUNTERFEIT SOFTwARE

CONSUMERS WILL WASTE USD$22 BILLION AND 1.5 BILLION HOURS DEALING WITH SECURITY ISSUES FROM COUNTERFEIT SOFTWARE IN 2013

$ Spent in Identification, Repair, Recovering Data, Dealing With Identity Theft Per Infection From Counterfeit Software Package

<table>
<thead>
<tr>
<th>Region</th>
<th>External Costs</th>
<th>Labor</th>
</tr>
</thead>
<tbody>
<tr>
<td>NA</td>
<td>$203</td>
<td>$52</td>
</tr>
<tr>
<td>WE</td>
<td>$199</td>
<td>$75</td>
</tr>
<tr>
<td>LATAM</td>
<td>$151</td>
<td>$124</td>
</tr>
<tr>
<td>AP</td>
<td>$83</td>
<td>$44</td>
</tr>
<tr>
<td>CEE</td>
<td>$60</td>
<td>$36</td>
</tr>
</tbody>
</table>

IDC’s Dangers of Counterfeit Software Study, 2013

*Denotes cost to identify, repair, recover data and deal with identity theft per infection from counterfeit software program
WHEN CONSUMERS INSTALLED COUNTERFEIT SOFTWARE, IT...

- SLOWED PC, HAD TO UNINSTALL: 45%
- WOULDN’T RUN, HAD TO REINSTALL: 34%
- OVERRAN PC WITH POPUPS: 30%
- INFECTED PC WITH VIRUS: 26%
- SLOWED HOME NETWORK: 24%
- WORKED FOR A WHILE THEN STOPPED: 22%
- CAUSED HARD DRIVE TO HAVE TO BE REFORMATTED: 17%
THE PIRACY LANDSCAPE
WHERE PIRATED SOFTWARE COMES FROM

Based on Consumer Respondent Ranks of Top 3 Sources of Pirated Software*

**WEB-BASED**: 45%

**BORROWED**: 16%

**STREET MARKET**: 21%

**STORE/DIRECT FROM MFG**: 4%

**COMPUTER SPECIALITY SHOP**: 3%

**OTHER**: 4%

**AUCTION**: 7%

*This excludes pirated software that came with the computer

**Denotes counterfeit software that was downloaded from websites/peer-to-peer networks**
Enterprises: The Risks Facing Those Who Use Counterfeit Software
The global supply of counterfeit software will exceed more than 2 billion programs, more than triple the amount in 2006.

1 in 3 enterprise PCs with counterfeit software installed will be infected by malware in 2013.
REGIONAL TOTALS FOR $ BILLIONS SPENT FIXING SECURITY ISSUES* FROM COUNTERFEIT SOFTWARE

IN 2013, ENTERPRISES WILL SPEND $114 BILLION DEALING WITH SECURITY ISSUES CAUSED BY PIRATED SOFTWARE THAT SPENDING ACCOUNTS FOR 8% OF IT LABOR COSTS

*Denotes cost to detect, repair, recover data and deal with cyberattacks from malware from counterfeit software
POTENTIAL COSTS TO ENTERPRISES DUE TO INFECTED COUNTERFEIT SOFTWARE AND DATA LOSS

THE POTENTIAL COSTS TO ENTERPRISES DEALING WITH INFECTED COUNTERFEIT SOFTWARE WILL AMOUNT TO NEARLY $350 BILLION GLOBALLY IN 2013

Regional Totals in $ Billions of Direct Costs Dealing With Infected Counterfeit Software and Data Loss*

- DIRECT COSTS
- DATA LOSS COSTS

<table>
<thead>
<tr>
<th>Region</th>
<th>Direct Costs</th>
<th>Data Loss Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>NA</td>
<td>$16</td>
<td>$21</td>
</tr>
<tr>
<td>WE</td>
<td>$47</td>
<td>$25</td>
</tr>
<tr>
<td>LATAM</td>
<td>$13</td>
<td>$8</td>
</tr>
<tr>
<td>AP</td>
<td>$129</td>
<td>$27</td>
</tr>
<tr>
<td>CEE</td>
<td>$8</td>
<td>$114</td>
</tr>
<tr>
<td>WORLD</td>
<td>$349</td>
<td></td>
</tr>
</tbody>
</table>

Source: IDC Dangers of Counterfeit Software Study, 2013

*Denotes direct costs if just 1 in 1,000 infected counterfeit software programs leads to data leakage
Victims of software piracy are regular customers looking for a deal, often paying nearly full price for what turns out to be fake software.

Microsoft reminds customers to “play it safe”:
• Ask questions
• Investigate packaging
• Watch for “too good to be true” prices
• Demand genuine software—to ensure you get what you pay for

Go to www.howtotell.com for tips on what to look for and how to avoid counterfeit software.

For more information visit www.microsoft.com/news/ipcrimes
For the full IDC study results visit http://bit.ly/WICDNg