

June 23, 2014

/ CORRECTION - Fortinet Reveals "Internet of Things: Connected Home" Survey Results

SUNNYVALE, CA -- (Marketwired) -- 06/23/14 -- In the news release, "Fortinet Reveals 'Internet of Things: Connected Home' Survey Results," issued earlier today by Fortinet (NASDAQ: FTNT), we are advised by the company that the homeowners surveyed, referenced in the first sentence of the third paragraph, should read "1,801 tech-savvy homeowners" rather than "1,650 tech-savvy homeowners" as originally issued. Complete corrected text follows.

Fortinet Reveals "Internet of Things: Connected Home" Survey Results

Data Loss Considered to Be Biggest Risk of IoT, Followed by Malware and Unauthorized Access

SUNNYVALE, CA -- Jun 23, 2014 -- [Fortinet®](#) (NASDAQ: FTNT) -- a global leader in [high-performance network security](#), today released the results of a global survey that probes home owners about key issues pertaining to the Internet of Things (IoT). Independently administered throughout 11 countries, the survey titled, "Internet of Things: Connected Home," gives a global perspective about the Internet of Things, what security and privacy issues are in play, and what home owners are willing to do to enable it.

"The battle for the Internet of Things has just begun. According to industry research firm IDC, the IoT market is expected to hit \$7.1 trillion by 2020," said John Maddison, vice president of marketing at Fortinet. "The ultimate winners of the IoT connected home will come down to those vendors who can provide a balance of security and privacy vis-à-vis price and functionality."

Completed in June 2014, the survey asked 1,801 tech-savvy homeowners questions relating to the Internet of Things as it pertains to the connected home. These were the top findings:

The Connected Home is a reality - A majority (61 percent) of all respondents believe that the connected home (a home in which household appliances and home electronics are seamlessly connected to the Internet) is "extremely likely" to become a reality in the next five years. China led the world in this category with more than 84 percent affirming support.

- In the U.S., 61 percent said that the connected home is extremely likely to happen in the next five years.

Homeowners are concerned about data breaches - A majority of all respondents voiced their concern that a connected appliance could result in a data breach or exposure of sensitive, personal information. Globally, 69 percent said that they were either "extremely concerned" or "somewhat concerned" about this issue.

- Sixty-eight percent of U.S. respondents said that they were "extremely concerned" or "somewhat concerned."

Privacy and trust are concerns - When asked about the privacy of collected data, a majority of global respondents stated, "privacy is important to me, and I do not trust how this type of data may be used." India led the world with this response at 63 percent.

- Fifty-seven percent in the U.S. agreed with this statement.

Data privacy is an extremely sensitive issue - Relating to privacy, respondents were also asked how they would feel if a connected home device was secretly or anonymously collecting information about them and sharing it with others. Most (62 percent) answered "completely violated and extremely angry to the point where I would take action." The strongest responses came from South Africa, Malaysia and the United States.

- Sixty-seven percent of Americans also agreed with this statement.

Users demand control over who can access collected data - When asked who should have access to the data collected by a connected home appliance, 66 percent stated that only themselves or those to whom they give permission should have this information.

- Seventy percent of those in the U.S. wanted personal control over collected data. Around one-quarter of Americans felt that either the device manufacturer or their ISP should have access to the collected data.

Consumers look to their government for data regulation - Many respondents (42 percent) around the world stated that their

government should regulate collected data, while 11 percent said that regulation should be enforced by an independent, non-government organization.

- The U.S. scored lower than most countries. Here, only 34 percent agreed that the government should regulate collected data.

Device manufacturers are mostly on the hook for security - If a vulnerability was discovered in a connected home device, 48 percent of all surveyed agreed that the device manufacturer is responsible for updating/patching their device. However, nearly 31 percent responded with "as a homeowner, it is my responsibility to make sure that the device is up to date."

- Americans responded similarly with 49 percent putting the responsibility on the device manufacturer.

The next looming battle: secure home routers versus clean pipes - A clear schism appears worldwide when homeowners were asked about how connected home devices should be secured. In nearly equal proportion were those who replied, "a home router should provide protection," versus those who said, "my Internet provider should provide protection."

- The U.S. was no different from the rest of the world, having nearly a 50-50 split.

Homeowners are willing to pay for a connected home - When asked, "would you be willing to pay for a new wireless router optimized for connected home devices," 40 percent responded with "definitely" and another 48 percent said "maybe." In a follow-on question, more than 50 percent said they would pay more for their Internet service in order to "enable connected devices to function" in their home.

- Similar to the rest of the world, U.S. homeowners would pay more; less than 25 percent said that they would not.

Price is the primary factor - Although homeowners report a willingness to pay more to enable their connected home, when asked what factors impact their buying decisions of connected home devices, the number one answer that was consistent in all countries was price, followed by features/functionality and then manufacturer brand.

"The Internet of Things promises many benefits to end-users, but also presents grave security and data privacy challenges," concludes Maddison. "Crossing these hurdles will require clever application of various security technologies, including remote connection authentication, virtual private networks between end-users and their connected homes, malware and botnet protection, and application security -- applied on premises, in the cloud and as an integrated solution by device manufacturers."

Survey Methodology

Research for the Internet of Things: Connected Home survey was conducted by GMI, a division of Lightspeed Research, a leading provider of technology enabled solutions and online responses for global market research. Each respondent claimed to be a homeowner between the ages of 20-50, and was determined to have substantial technology experience. The survey was administered in the following countries: Australia, China, France, Germany, India, Italy, Malaysia, South Africa, Thailand, United Kingdom, and United States.

About Fortinet

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