

**Home Depot reports findings in payment data breach investigation; confirms prior guidance**  
**Thursday, November 06, 2014 09:35:11 PM (GMT)**

- Home Depot disclosed additional findings related to the recent breach of its payment data systems.
- The findings are the result of weeks of investigation by The Home Depot, in cooperation with law enforcement and the company's third-party IT security experts.
- In addition to details previously released, the investigation to date has determined the following:
  - Criminals used a third-party vendor's user name and password to enter the perimeter of Home Depot's network. These stolen credentials alone did not provide direct access to the company's point-of-sale devices.
  - The hackers then acquired elevated rights that allowed them to navigate portions of Home Depot's network and to deploy unique, custom-built malware on its self-checkout systems in the U.S. and Canada.
  - In addition to the previously disclosed payment card data, separate files containing approximately 53M email addresses were also taken during the breach. These files did not contain passwords, payment card information or other sensitive personal information. The company is notifying affected customers in the U.S. and Canada. Customers should be on guard against phishing scams, which are designed to trick customers into providing personal information in response to phony emails.
- As previously disclosed, the malware used in the attack had not been seen in any prior attacks and was designed to evade detection by antivirus software, according to Home Depot's security partners. As the company announced on 18-Sep, the hackers' method of entry has been closed off and the malware has been eliminated from the company's systems.
- **Confirms prior guidance:**
  - HD confirmed its previous fiscal 2014 sales growth guidance of approximately 4.8% (vs FactSet 4.9%) and its fiscal 2014 EPS growth guidance of \$4.54 (vs FactSet \$4.50), which includes estimates for the cost to investigate the data breach, provide credit monitoring services to customers, increase call center staffing, and pay legal and professional services, all of which are expensed as incurred.

**Industries:** Retail (Home Improvement)

**Primary Identifiers:** HD-US

**Related Identifiers:** HD-US

**Subjects:** All Earnings, Earnings Guidance