Bloomberg Releases Report Following Client Data Review

External Review Finds Bloomberg Has Appropriate Client Data Policies and Controls in Place

Company Adopts Further Changes to Data Access Policies and Procedures, Enhances Training, and Commits to Third-Party Reviews to Strengthen Client Security

New York, August 21, 2013 – Bloomberg L.P. today released a report resulting from an external review of the company’s client data policies and procedures, led by the law firm Hogan Lovells and the regulatory compliance firm Promontory Financial Group, which concluded that Bloomberg has appropriate client data policies and controls in place. The company also announced the adoption of additional new procedures consistent with recommendations stemming from the review.

Former IBM Chairman and CEO Samuel J. Palmisano has provided independent advice to Bloomberg’s Board of Directors on the company’s client data policies and practices since May 2013. Commenting on the Hogan Lovells/Promontory report, Mr. Palmisano stated, “The report issued today is thorough, objective and comprehensive. Bloomberg’s leadership recognized the need for a more comprehensive set of policies and procedures. They acted quickly to enhance their existing structures and put more resources behind this critical priority. Based on my own observations, I support the report’s conclusion that Bloomberg currently has appropriate policies and controls in place.”

Additionally, Clark Hoyt, previously Editor-at-Large at Bloomberg News and a former Public Editor of The New York Times, led an internal review of the relationship between Bloomberg’s news and commercial operations. The company released Mr. Hoyt’s findings and recommendations, and has begun to implement them. Mr. Hoyt said, “Based on my review, I have offered recommendations to Bloomberg with the intention of helping news and the whole company adhere fully and consistently to their already-high standards, as well as to highlight areas where policies and practices should be revisited in a rapidly-changing world.”

CEO and President Daniel L. Doctoroff, said, “We know we needed to evolve, and we have learned from our mistakes. We are already implementing many of the recommendations we received. Most importantly, we have carefully listened to our clients and other constituencies, and their suggestions are helping make us a better partner.”

Peter T. Grauer, Chairman of Bloomberg, said, “Our Board of Directors placed a high priority on ensuring the experts had full and complete access to Bloomberg employees and the company’s operations to identify areas of concern and address how could we fix them.”

The reviews included:

- Examination of more than 500,000 news stories
• 425 interviews of Bloomberg employees
• 230,000 separate tests of client data systems
• In-depth examination of more than 350 documents, including internal policy manuals, policy notes, training guides and client visit logs

Matthew Winkler, Editor-in-Chief of Bloomberg News, commented, “These changes are part of a natural evolution at Bloomberg News and will only make us stronger.” The Hogan Lovells/Promontory report, which includes Mr. Palmisano’s statement on the report, and the findings and recommendations from Mr. Hoyt can be found on the Bloomberg terminal at RVWS <GO> and online at www.bloomberg.com/reviews.

Company Actions

Bloomberg has taken several actions related to the Hogan Lovells/Promontory report, many of which were implemented during the course of the reviews. As noted in the report, those actions include:

• Enhancing the company’s governance framework:
  o The Bloomberg Board of Directors’ Audit Committee now includes oversight of risk and compliance, and the Committee is now comprised of a majority of independent directors.
  o The company is in the process of hiring a Chief Risk and Compliance Officer, reporting to the CEO. The heads of risk, corporate compliance, client data security, and security will report to him or her.
  o The company has committed to periodic third-party reviews of client data compliance controls, the results of which will be made available to clients.
  o These actions are in addition to the appointment of a Client Data Compliance Officer in April 2013.

• Augmenting Bloomberg’s prior client data compliance controls:
  o Bloomberg has created a role-based permissioning framework, with a centralized access control team that oversees the granting of access privileges to restricted data.
  o The company is enhancing its systems that monitor for unauthorized access.
  o Bloomberg has also developed a framework that formalizes client data compliance policy and procedures.

• Expanding training on privacy and client data compliance policies and procedures:
  o In addition to mandatory firm-wide training on privacy and client data issues, the company is creating tailored training modules for specific workforce roles.
  o The company has created a central portal to provide access to training modules, and a separate portal to provide privacy and client data policies and procedures.

• Restricting journalist access to client data:
  o Journalists no longer have access to client UUID and ADSK screens1 and their access to client data is the same access that non-employee terminal users have.
  o Journalists no longer have access to Bloomberg’s anonymous chat rooms.

Mr. Hoyt’s Recommendations

1 ADSKs related to News (e.g., ADSKs raising questions about articles) are forwarded to trainers in the News division, and they may forward questions or issues raised in those ADSKs to journalists as appropriate.
Bloomberg has or will be implementing Mr. Hoyt’s primary recommendations as follows:

- Bloomberg is creating a cross-platform newsroom Standards and Practices Task Force, including representatives of Bloomberg News and all other units that engage in newsgathering and reporting, to formulate updated ethical guidelines and policies reflecting best journalism practices.
- Reporters and their editors will be permitted to visit Bloomberg terminal clients only for the purpose of newsgathering.
- Bloomberg is creating a newsroom Standards Editor position to be filled by a senior journalist with the responsibility for making sure that News consistently adheres to The Bloomberg Way's high standards for accuracy, rigor in reporting, balance and tone.
- Separately, outside the newsroom management structure, Bloomberg is appointing an Independent Senior Editor as an independent avenue of appeal for complaints about news coverage and to assist in ongoing development and training on best practices.
- Where appropriate, in order to supplement other measures that restrict access to client data, Bloomberg will facilitate greater physical separation between news and business colleagues and introduce further guidelines on how employees should conduct themselves in shared-use facilities.

About Samuel J. Palmisano
Mr. Palmisano served as the CEO of IBM from March 2002 until January 2012. He was also Chairman of the company from January 2003 to September 2012. Under his leadership, IBM achieved record financial performance, transformed itself into a globally integrated enterprise and introduced its Smarter Planet agenda. He serves on the Boards of Directors of ExxonMobil and American Express. Mr. Palmisano also serves on the Board of Bloomberg Philanthropies.

About Clark Hoyt
Currently, Mr. Hoyt is a Senior Adviser to Bloomberg’s CEO and President Daniel L. Doctoroff. Before this assignment, Mr. Hoyt was an Editor-at-Large at Bloomberg News. Prior to joining Bloomberg in 2010, he was Public Editor, or Ombudsman, of The New York Times for three years. Prior to that, he had worked for 38 years at Knight Ridder Newspapers in a variety of reporting and editing positions, including National Correspondent in Washington, Business Editor of the Detroit Free Press, Washington Bureau Chief and Vice President of News, its Chief News Officer. Mr. Hoyt shared the Pulitzer Prize for national reporting with Robert S. Boyd.

About Hogan Lovells
Hogan Lovells is a global legal practice that helps corporations, financial institutions, and governmental entities across the spectrum of their critical business and legal issues globally and locally. The firm has over 2,500 lawyers operating out of more than 40 offices in the United States, Europe, Latin America, the Middle East and Asia. Hogan Lovells has one of the largest and most experienced Privacy and Information Management practices in the world.

About Promontory Financial Group
Promontory is a leading strategy, risk management, privacy, data security and regulatory compliance consulting firm focusing primarily on the financial services industry. Led by Founder and CEO, Eugene A. Ludwig, former U.S. Comptroller of the Currency, Promontory professionals have deep and varied expertise in data and privacy. From fifteen offices in North America, Europe, Asia, Australia, and the Middle East, professionals assist clients in more than 50 countries on six continents. Promontory’s affiliates complement its global strengths by
providing compliance technology, reporting, financing, and funding solutions.

**About Bloomberg L.P.**
Bloomberg, the global business and financial information and news leader, gives influential decision makers a critical edge by connecting them to a dynamic network of information, people and ideas. The company’s strength – delivering data, news and analytics through innovative technology, quickly and accurately – is at the core of the Bloomberg Professional® service, which provides real time financial information to more than 315,000 subscribers globally. Bloomberg’s enterprise solutions build on the company’s core strength, leveraging technology to allow customers to access, integrate, distribute and manage data and information across organizations more efficiently and effectively.

**Media Contacts**

Bloomberg U.S.:
Ty Trippet, +1 212-617-2443, ttrippet@bloomberg.net

Bloomberg EMEA:
Catrin Thomas, +44 7917 000 808, cthomas106@bloomberg.net

Bloomberg APAC:
Pam Snook, +65-6231-3637, pamsnook@bloomberg.net

# # #