Orange Fast Facts – Mobile NFC & Orange Money

Key Facts

Orange is committed to rolling out mobile NFC services in all its European territories:

- Orange announced in December 2010 its intention to deploy a new generation of SIM cards and handsets that will facilitate the development of mobile NFC services, and since then has taken a leading role in developing NFC in Europe.

Orange is rapidly deploying solutions and making services available in Orange markets:

- In 2011, Orange was the only operator globally to have launched commercial mobile NFC services, both in France (Cityzi May 2010) and the UK, (QuickTap May 2011) as well as run trials in all its major European markets.
- Poland has launched in November 2012 Orange Cash mobile payment offer in partnership with mBank and MasterCard Europe.
- Spain will be the next Orange market to deploy the infrastructure to manage SIM-based NFC services, and launch services in their territories.

Orange is seeding the market with handsets and NFC SIMs:

Orange sold more than 3 million (3,150,000) NFC phones by end 2012 in its 4 main European markets: France, UK, Spain, Poland and forecasts 10 million by end 2013. From 2010 to end 2012, Orange sold 3.7 million NFC phones (cumulated sales).

In Orange group catalogue 40% of smartphones references are NFC compatible in Q4 2012.

- Orange has industrialised its NFC production chain to qualify NFC handsets for compatibility with SIM-secured services.
  - In 2010, the solution was for Java phones only. In 2011, the SIM-based solution was extended to Android and RIM phones. In 2012, extension to Windows Phone 8.
  - In the second half of 2012, Orange qualified and ranged one phone every second week.
  - NFC SIM-cards available in France, Poland and UK.
  - 20 NFC phones are available in France today including best sellers like HTC Windows Phone 8X, Samsung Galaxy S2 and S3, Sony Xperia T, Nokia Lumia 920.

Orange is driving global interoperability of MNO-supported SIM-based services:

- On February 21st 2011 many of the world’s leading mobile operators (15 in total) including Orange announced their collective commitment to SIM-based mobile NFC and intention to launch commercial mobile NFC services. In November 2011, the Chinese MNOs increased the momentum of support to SIM based NFC. In January, GSMA communicated that more than 60 MNOs now support these initiatives. The GSMA-led announcement also outlined the organisation’s role in developing the necessary certification and testing standards to ensure global interoperability of mobile NFC services.

- In Q3 2011, Orange, together with the GSMA and several other operators, contributed to a new specification for NFC handset APIs & requirements to promote the global interoperability of mobile NFC services. These specifications were updated and improved in 2012 by the GSMA NFC Working group.
In December 2012, Orange and China Mobile have signed a memorandum of understanding (MoU) that aims to accelerate the commercialization of mobile contactless services by integrating standardized technical protocols based on the SIM card into their respective services. The two companies have agreed to work together.

France

- The Cityzi pass (as trialled in Nice) was launched commercially by Orange in 2011, making it one of the world’s first mass-market commercial NFC services. After Nice (May 2010) and Strasbourg (Sept 2011), more local authorities plan to develop Cityzi services in their areas.
- Services include buying and validating transport tickets, paying for purchases in shops (up to 300€), storing loyalty points, or accessing information
- In 2012, the French government has given a strong signal of its support to mobile NFC by granting 20 million euros of innovation funds to 15 local authorities to roll-out Cityzi services in their territories.

November 2012 NFC announcement by S Richard (show Hello Innovation)

- NFC payment roll-out in France: Orange is working with 3 banks who are currently proposing mobile payment solutions to their clients: BNP Paribas, Credit Mutuel, CIC. Société Générale will join in 2013
- In the transportation area, Orange is working with Air France and SNCF to propose simplified customer journey with the NFC: buy your tickets with your mobile and access directly to the train or the plane (boarding pass on your mobile). Take the bus or the Tramway with your mobile will be a reality in Caen and Strasbourg in summer 2013.
- In the retail sector: Carrefour supermarkets will accept mobile payment in France in 2013

Examples of NFC-based services that simplify everyday life (2012)

- The Toulouse Blagnac airport has launched a trial that enables passengers to pass seamlessly through the airport using just their mobile phones (May 2012)
- Stade de France NFC experimentation (May 2012): contactless mobile technology is transforming the way in which spectators can access stadiums, receive information and take part in exclusive events. The M-Stadium in Caen ran a similar trial.
- Roland-Garros: Orange has deployed NFC services at the Roland-Garros tennis tournament (French Open) with mobile payment available in the restaurants, guidance to places of interest on-site, and access in real-time to the match scores.
- Museums:
  - Quai Branly Museum in Paris (June 2012): NFC smartphones are lent for free and allow visitors to access to audio and videos content to hear the sound of historical musical instruments in the museum’s collection.
  - Cité du Patrimoine et de l’architecture in Paris (April to August 2012): NFC technology provides access to video content and to personalised tours by the exhibition commissioner.
- City of Sarlat in France is using NFC to promote tourist sites and monuments. NFC tags have been deployed in the city on historical monuments.
Cityvox is using NFC stickers to enable Cityvox users to view reviews and ratings at more than 1,500 restaurants in France.

UK

Quick Tap

- In May 2011, Orange and Barclaycard launched ‘Orange Quick Tap’ – the UK’s first mobile NFC payments service, allowing consumers to make purchases on the high street using their mobile phone.
  - Customers can make purchases of £15 and under nationwide by simply tapping their Quick Tap mobile handset against a contactless reader at over 50,000 stores
  - Using Barclaycard’s contactless payment technology, customers will be able to pay for items anywhere they see the contactless payments symbol, including shops and cafes like Pret A Manger, EAT and Subway
  - Quick Tap uses a secure SIM-based approach for mobile payments, providing a single point of contact for customer care as well as ensuring enhanced payment security for customers
- Initially Quick Tap was available on the Samsung Tocco (Java) and the Samsung Wave (BADA) and now recently available on best seller Samsung Galaxy S3
- Quick Tap is much more than payments - Everything Everywhere launched the Quick Tap Treats promotion, earlier in 2012 with EAT to launch the UK’s first NFC-powered promotion.

WEVE joint venture, formerly known as Project Oscar in the UK

Weve is a joint venture between the UK’s three largest mobile network operators (MNOs) – EE, Telefonica UK (O2) and Vodafone UK. Between them, they represent over 80% of UK mobile customers, a user base unmatched by any single handset vendor or technology company.

The joint venture was formed by the three shareholders to create and accelerate the development of mobile marketing and wallet services in the UK. Through Weve, they have created the ability for advertisers, retailers, banks and many other organisations to connect to a large-scale mobile commerce platform via a consistent set of technologies and standards, without having to duplicate effort. Weve’s shareholders have unrivalled experience of engaging with mobile customers. They understand the complex and very personal relationship their customers have with their devices and how they use them both today and in the future. At the same time, they have unmatched experience on rolling out services across a myriad of devices and their relationship with customers will play a vital component in ensuring the rapid growth of the market.

Each shareholder understands that any successful m-commerce business will need to work at scale, across millions of customers individually on a multitude of devices. Weve brings these unique components together and translates them into the m-commerce space as the core platform for its business.

In practical terms, the JV focuses on:
- Creation of a single ecosystem for m-commerce helping advertisers, retailers and banks to reach consumers through their mobile phones
- Consumers will be able to replace their physical wallet with a secure mobile wallet using Near Field Communications (NFC) technology to pay for goods and services
- Consumers will also benefit from relevant offers and coupons, delivered direct to their phone
Poland

Orange Cash

In Poland, Orange, mBank and MasterCard Europe offer contactless payments through mobile phones. Contactless payments through mobile phones are becoming a reality. Orange customers in Poland will be the first to use this possibility. Owing to Orange Cash service, prepared jointly with mBank and MasterCard Europe, they will be able to buy products and services easily, through contactless payments with a payment card in the phone, as early as in November 2012.

Spain

In Spain, Orange aims to launch commercial NFC services in 2013, a move that would mark the company’s fourth European deployment of the technology. In an exclusive interview with Mobile World Live, Thierry Millet, VP Mobile Payments, Orange, says the company has carried out “two very successful experiments” in Spain this year (one with Banco Santander, and the other one with Malaga’s transport authority EMT) and now plans to ramp up this activity. “We are working towards deployment next year,” he reveals.

- The multibrand wallet developed by Orange and B.Santander, allows payments with VISA and Mastercard on a smartphone, secured by the SIM. It received the Sesames award on the mobility category at last Cartes summit
- The transport solution deployed in Málaga, has been qualified by the users with a 8,2 and the highest level of recommendation. A NFC tag service has also been installed at 700 bus stops, providing real time bus arrival information and online transport news.

Mobile World Congress, Barcelona, February 26th 2013 – MasterCard and Orange announced the signing of a strategic agreement to enhance and accelerate the delivery of mobile payments in Spain. This new partnership will deliver improved innovation across this important market and build MasterCard’s leadership in mobile payments.

Handset/operator announcements:

- Google
  - March 2011: Google joined forces with MasterCard and Citigroup to enable users of Android mobile phones to pay using NFC.
  - Starting as of May 2011: Google launched ‘Google Wallet’ on the US market only in partnership with Citi, MasterCard, First Data and Sprint.
    - All payment card credentials will be encrypted and stored in an embedded secure element (ie not in the SIM).
    - Google Wallet is designed to work with MasterCard PayPass’s existing points of sale - around 120k nationally.
    - Google is also exploring ways to link Google Wallet to advertising and promotions.
    - The first release of Google Wallet was initially limited to the Nexus S 4G on the Sprint network, then extended to 5 other Android Phones (incl. tablet Nexus 7, HTC Evo 4G LTE and LG Viper).
  - 2012: security alerts concerning Google Wallet
  - Orange has regularly proposed to Google to secure their Google wallet wit the Orange Secure Sims. Discussions still underway.
  - August 2012: Google unveiled a new version of Google Wallet, with card accounts being stored on Google’s servers for online purchases. For the in-store purchases, Google will link these credit and debit card accounts to a virtual MasterCard card number stored on the secure element in NFC phones that support the wallet. Google calls this virtual card number the “Google Wallet ID.” Google has also added a security
feature to its new wallet version, enabling users to remotely disable the wallet from their Google Wallet account on the Web

- October 2012: A new version was announced, but no confirmed launch date yet. This new version (aka Google Wallet 2.0) may extend the service to a magnetic-stripe co-branded credit card. The agreement with Discover (most often quoted partner) would enable Google to broaden its payments service and address customers who are not yet equipped with Google Wallet compatible devices. This new version is not confirmed yet.

- Nokia
  - Nokia is strongly committed to NFC which is part of their agreement with Microsoft. Press has announced that Nokia will launch full NFC devices with Windows Phone OS installed also supporting NFC later this year.
  - Orange is now pleased to source the first Nokia devices supporting Windows Phone 8.

- RIM
  - In October 2011 – Blackberry Bold 9900 and Blackberry Curve 9360 receive Mastercard Paypass certification. Since, further RIM devices were released like the Blackberry Bold 9790, and more references will be launched in 2013.

- Samsung
  - In 2012, we have worked successfully with Samsung and launched Samsung Galaxy S2, Samsung Galaxy S3, Galaxy Note II with NFC capabilities. More references will be launched in 2013.

- LG
  - Delivered the LG Ego T530, Optimus L7 and Optimus L5 in 2012. More references will be launched in 2013.

- Microsoft

Orange officially supported the Microsoft initiative to release a NFC version of their Windows phone OS in the Microsoft Windows Phone 8 developer session (June 2012).

  - Yves Maitre, Senior VP Devices and Mobile Multimedia highlighted the strong support of Orange, as lead mobile operator for Sim-based NFC services.

- Apple
  - March 2011: Apple announced that it would not include an NFC chip in the iPhone 5
  - No further details on Apple’s plans

Consumer Electronic Show 2013

Latest announcements from CES 2013 confirm that NFC is more and more included in consumer electronic devices, and is marketed as a way to improve user experience for sharing content or pairing devices.

Panasonic launches Lumix compact cameras with NFC

"With the addition of integrated Wi-Fi and NFC capabilities, the ZS30 offers the widest shooting, sharing and viewing options," says Panasonic. "You can frame and shoot an image remotely with your smartphone or tablet, share images instantly with your favorite social network, and browse your images and videos via your TV or smartphone."

Sony pushes NFC with "One Touch" mobile phones, TVs, headsets, speakers
Sony has the largest range of NFC-enabled devices with built-in One-touch functions, including a Blu-ray disc home theater system, sound bar, wireless speakers and other home audio products; headphones, portable speakers and mobile devices. Sony’s new Personal Content Station is a high capacity storage device that consumers can use to manage precious memories with One-touch function. It can connect wirelessly to a home network to store, view, and share photos and videos from smartphones and tablets such as Sony’s Xperia models.

(Similar announcements from other players like LG)

**More NFC speakers products on the market**

Belkin has launched a music receiver with NFC functionality, designed for streaming content from smartphones and tablets directly to a home stereo system or standalone speakers via Bluetooth wireless technology.

iLuv  (Mobile accessories maker) has unveiled three new speakers that feature NFC: the MobiRock speaker dock which also includes Qi wireless charging, the MobiAria speaker plus charging port and the Syren portable speaker.

**Orange Money**

**Key Figures**
- Over 6 million customers in 13 countries
- Over €100 million exchanged every month
- Throughout 2012, the number of Orange Money customers has increased by 1.7, while the number of transactions increased by 3 and the value of transactions by 4.
- We had 10 times more bills paid and 5 times more transfer value compared with last year.

**Overview**
- Orange Money, the Group’s mobile payment service, was first launched in Côte d’Ivoire in December 2008, and it is Orange’s goal to launch the service in all 22 countries in Africa and the Middle East where the Group operates. It has since been made available in Botswana, Cameroon, Jordan, Kenya, Madagascar, Mali, Mauritius, Niger and Senegal + Uganda + Guinea + Morocco
- In only eighteen months, Orange Money has quadrupled its customer base, which now covers 14% of all Orange customers in these 10 countries.
  - This equates to over 4 million users across Africa and the Middle East
  - In Madagascar, half of all customers have opened an Orange Money account, while in Côte d’Ivoire daily transactions now exceed two billion CFA francs per day.

This exponential growth attests to the strong consumer appetite for this innovative, simple and practical mobile payment service in countries where the population has limited access to bank accounts but is widely equipped with mobile phones.
• **Access to Orange Money is very easy:** mobile phone customers may open an Orange Money account for free whether or not they have a bank account. It allows customers to carry out simple banking operations and transactions in total security. The **three key services** include:
  - **money transfers:** where users can send money using their phone to any Orange Money customer in the country;
  - **financial services:** including solutions facilitating savings and insurance (according to the country);
  - **payments:** giving users an easier way to pay their bills, as well as providing a simple way to buy mobile phone credit.

• **These two last categories of service are growing quickly.** Thanks to partnerships with local service providers, Orange Money customers can pay some of their bills with their mobile phone. This enables customers to benefit from the comfort and flexibility of a remote payment system and in many cases allows them to avoid a long and difficult journey. For example, Orange Money customers can already pay their electricity bills in eight countries, their pay-TV in 5 countries, and even traffic fines in Jordan.

• In addition to payment, **Orange Money also provides customers who do not have a bank account with a way to save money.** And in three countries, customers can now make their life insurance payments through Orange Money.

• **It is Orange’s objective to have 30 million Orange Money customers in 2015.**

**Additional Information**