



# A new experience to live

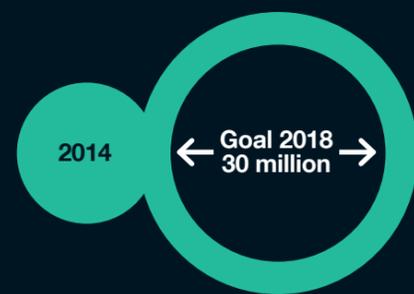


## No. 4 Essentials

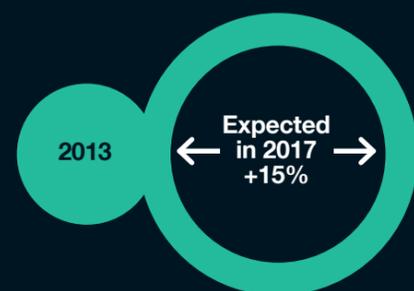
Orange 2014 – 2015

The explosion of e-commerce and the ubiquity of smartphones promise a bright future for **financial services**. Today, solutions continue to gain traction and the requisite ecosystems are taking shape.

In 2014, Orange let you discover new mobile services.



**12.6 million Orange Money customers in Africa and the Middle East at 31 December 2014.**



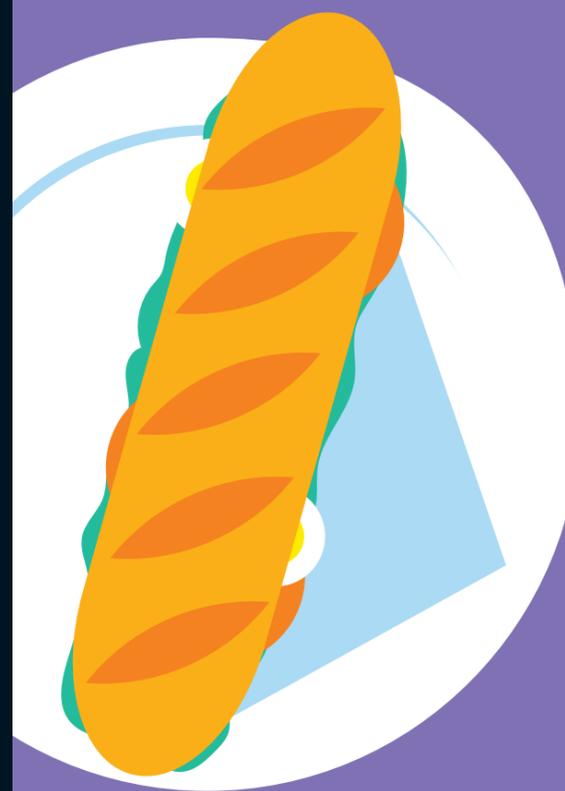
**7.5% of e-commerce revenue came from mobile devices in 2013.**

# NFC

**10 million NFC-enabled smartphones sold by Orange worldwide (by the end of January 2014).**

**€4.5 billion in Orange Money transactions annually in Africa and the Middle East.**

## Innovative



## In France, you can eat out with your mobile

Three major players have joined forces to offer a new experience in eating out. Orange, Mastercard and Edenred, the global leader in prepaid solutions, are running a pilot based on the Ticket Restaurant® meal voucher system, but with the added benefit of mobile payment, thanks to secure NFC technology built into the SIM card. Payments are made instantly by placing your

phone on the merchant's contactless payment terminal. The Ticket Restaurant® voucher system became the Ticket Restaurant® card in France last year and will soon be available on your smartphone. As well as paying for meals with your phone, you will also be able to geolocate nearby affiliated restaurants, receive special offers and check your balance at any time.



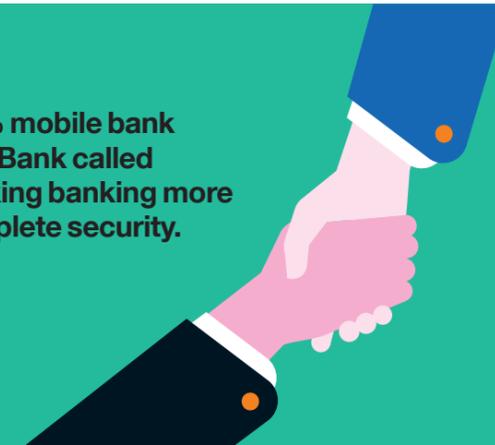
**Orange is partnering with BNP Paribas, Bank of Africa, Ecobank and other local banks to offer their customers direct access to their bank accounts and the Orange Money service via mobile phone – simply, securely and without going anywhere!**

Orange is working with GSMA (the global association of mobile operators and key players in the industry) to introduce a common interface to simplify access to NFC technology and accelerate the introduction of NFC-based services.



## In Poland,

**Orange offers a 100% mobile bank in partnership with mBank called Orange Finanse, making banking more convenient with complete security.**



# All the reasons to believe

Orange aims to play a top-tier role in mobile financial services, a booming segment spurred by the ramp-up of new uses.

## An evolving trend

E-payment is an increasingly ubiquitous part of daily life. Spurred by booming growth in e-commerce, this trend is just beginning to gather pace. Global e-commerce revenues reached nearly €1 trillion in 2013 and are expected to be almost €1.6 trillion by 2017. Over the same period, the number of online shoppers will surge from 925 million to 1.3 billion. As smartphone usage increases, more and more online transactions are mobile. Online transactions via mobile phones – m-commerce – already account for a third of purchases according to Cap Gemini, a twofold increase from 2009. Consumption habits have changed radically too. The mobile experience brings daily convenience, winning over rising numbers of consumers. Mobility is part of Orange's DNA, and the Group has anticipated these trends and gone even further: the mobile phone is no longer just a channel, but becomes a fully-fledged means of payment in itself. Leveraging extensive mobile payment experience gained in Africa since the rollout of Orange Money in 2008, Orange has developed its own payment solutions based on NFC technology in Europe, with Orange

Cash in France and Orange Finanse in Poland. These solutions let consumers use their smartphones to easily make retail purchases in complete security.

Orange is expanding this ecosystem with a host of partners, including around 20 banks to develop mobile payment solutions across Europe. Orange is also collaborating with SNCF, France's national rail company, to enhance the passenger experience when people buy and validate rail tickets, thanks to real-time access to information. With the advent of the Internet of Things, m-payment offers real growth potential for Orange.

## A global market

While technologies like NFC, RFID and QR codes compete for supremacy, mobile telephony remains a fast-evolving sector. Mobile payments currently account for less than 1% of total payments worldwide. Given the huge popularity of smartphones, however, Gartner forecasts that the global mobile payment market will grow by 35% a year and reach aggregate transaction value of \$721 billion by 2017.

The battle is global in scope and the protagonists are many and varied. They include Internet giants like Google, Apple, Facebook, Amazon (GAFA), telecom operators, smartphone manufacturers and of course banks. In the United States, where card fraud is 40% higher than in France, due to the continued use of the magnetic stripe, NFC is seen as an effective way to improve payment

security. Beyond mobile payment, most players are seeking to expand their offerings to include financial services. One market seamlessly connects with another. Payment solutions provider Square, for example, has launched Square Capital, a bank that provides funding for SMEs. Banks are seeking to maintain direct relations with their customers by launching their own mobile payment solutions. And Orange is working with them to ensure the highest levels of security, with measures such as information stored directly on the SIM card. With the explosion of mobile telephony – 60% of people in sub-Saharan Africa have a mobile phone – combined with the low penetration of bank accounts in emerging countries (less than 24% of the population has a bank account), the prospects for m-payment are excellent. Ecobank estimates that income from mobile financial services in countries situated between the Sahara and South Africa could grow from \$657 million to \$3.53 billion in 2017. Thanks to Orange's customer base, networks and expertise, the Orange Money solution is proving a huge success, with almost 13 million customers to date in 13 African countries. Key selling points include the ability to transfer money between African countries, between telecoms operators and between residents and expats in diaspora communities.

## And tomorrow?

Large-scale rollout of mobile payment is simply a question of time. While Africa has led the way, the

prospects in countries such as the United States look bright indeed. Here in Europe, the widespread adoption of m-payment will depend on two conditions. The first is absolute security, if consumer concerns are to be overcome. In this respect, the SIM card has a crucial role to play, since it is just as secure as the chips used in chip-and-pin bank-cards. The second condition is the availability of mobile payment solutions that are innovative, ergonomic and easy to use, including solutions already offered by Orange such as Orange Cash in France or Orange Finanse in Poland, as well as those developed by banks. If customers enjoy a choice of practical solutions that ensure robust security, take-up of mobile payment is set to be massive. Apple's recent decision to adopt NFC should give a boost to this technology, already chosen by Orange. Some 60 mobile operators and over 70 banks worldwide have also adopted it. In the future, our children might not even use smartphones to make payments, preferring the latest connected watches. Anything is possible!

## Orange Finanse

Ever dream of a 100% mobile bank account? It's already available in Poland for both individuals and businesses. Developed with mBank, it transforms your mobile into a fully-fledged bank account, complete with current account services, deposits, money transfers, NFC payment, instant loan application, online payment, ATM withdrawals via mobile phone and account management. Orange Finanse makes banking easier, quicker and more secure.

## Orange Cash

Orange customers in five French cities – Caen, Lille, Nice, Rennes and Strasbourg – can make purchases using the Orange Cash app. Orange Cash is the result of a partnership established with Visa in early 2014 and makes Orange the first operator in France to offer an exciting new mobile payment experience for customers with NFC smartphones. For purchases over €20, users are asked to enter a PIN code, since security is always paramount.

## Mobile Connect

Had enough of juggling passwords and typing everything from scratch every time you make an online purchase? Orange was thinking of you when it created Mobile Connect. With this app, you only have one password to remember for all your online transactions. Encrypted on your SIM card, you're the only one who knows it. No personal information or mobile number is sent via the merchant's website.

## Afrimarket

This website lets you send money directly from Europe to retail outlets in Africa. Friends and family in Africa are then informed by SMS and can collect the prepaid purchases from the store. A great way to send someone a gift, without paying shipping costs and customs duties. And soon, Afrimarket will be available on the Orange Money platform.

5 minutes to...

# understand everything about NFC technology

Near-field communication (NFC) is a short-range wireless technology that allows data to be exchanged between two terminals, such as smartphones, but even paper media with a printed NFC tag. It's simple and intuitive.

- Users simply place their smartphone or NFC-tagged media onto the reader to trigger an action, such as making a payment, reading an interactive label or validating a travel ticket or loyalty card. NFC provides quick and easy access to everyday services from a mobile phone, even if it is switched off or the battery is flat.

- For businesses, NFC opens up a whole new world of interaction between connected objects and customers in stores and via outdoor advertising, etc. With NFC, we're entering the era of machine-to-machine communication and relationship marketing. Coupled with augmented reality, it enriches the customer experience and paves the way for geomarketing!



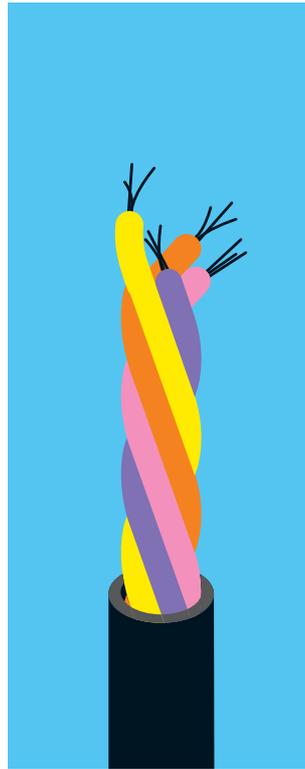
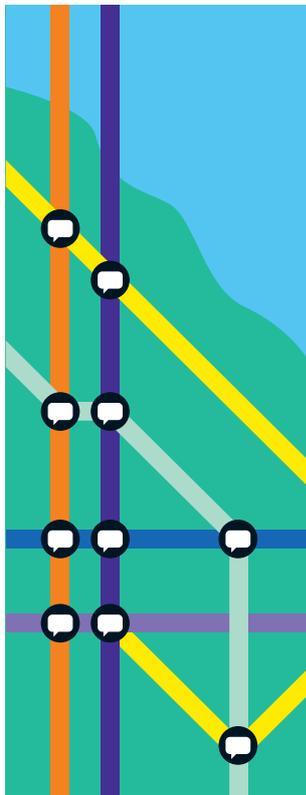
In the same collection, Wellbeing, Family, Work, Home and Fun.



# The Orange advantage

## Wholesale

Orange is a world-class player in the wholesale market. This is where carriers buy and sell wholesale traffic capacity to one other, thus ensuring continuity of voice, mobile and Internet communications around the world.



## No. 2 worldwide

Millions of voice minutes, text messages and gigabits of Internet data are traded between fixed and mobile operators around the globe. With our world-class networks over 450,000 kilometers of fibre-optic submarine cables and more than 31 billion minutes carried in 2014, we are the world's second-largest wholesale carrier. Our international network enables our customers to extend their coverage to more than 1,000 destinations, backed by 24/7 technical support and real-time network supervision. 2014 was our fifth consecutive year of growth in this segment.

## Innovating for better security and quality of service

With our SS7 and LTE location service, Orange enables mobile operators to track their roaming customers anywhere in the world, and offer them a 4G experience. This is possible thanks to the Multiservice IP eXchange service, which we designed to offer more bandwidth, lower latency and better interoperability. Security is an absolute priority in our business. And because we own our networks, we ensure it is never compromised. For international operators, we designed @first, an innovative and comprehensive anti-fraud suite for high-level protection. And to improve the range and interoperability of our networks, we signed an agreement with operators Barhi Airtel in India and Ooredoo in Qatar. This agreement – unique in the history of the industry – further improves quality, reliability and continuity of service for customers. Norwegian operator Telenor has since joined the initiative.

## No. 2 worldwide in the wholesale market.

## Committed to MVNOs

Orange has 185 million mobile customers and is the mobile market leader in France. We provide our partners with an ultra-high performance mobile network. In 2014, ARCEP, the French telecom regulator, ranked us number one for the quality of our network for the fourth year in a row. We also offer a wide range of essential products and services for MVNOs, such as interconnectivity and roaming.

**31**  
billion minutes carried in 2014.

