NFC evolution in
SMS based ticket and payment services

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mobilkom austria group

m-commerce products

mobile NFC solution
mobilkom austria group (mag) has locations in 8 countries

- mobilkom austria
- Mobiltel (Bulgaria)
- Vipnet (Croatia)
- Si.mobil (Slovenia)
- mobilkom liechtenstein
- Vip mobile (Serbia)
- Vip operator (Macedonia)
- MDC (Belarus)
## Company Overview

<table>
<thead>
<tr>
<th></th>
<th>Q1/08</th>
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<tr>
<td><strong>Customers</strong></td>
<td>15.866 m</td>
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<tr>
<td>mobilkom austria</td>
<td>4.100 m</td>
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<tr>
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<td>Mobiltel</td>
<td>5.058 m</td>
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<td>Vipnet</td>
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<td>Si.mobil</td>
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<td>Vip mobile</td>
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<td>Vip operator</td>
<td>163,300</td>
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The chart illustrates the growth of subscribers across various entities from 2000 to 2007.
Successful Innovations

- **1999**: SMS Rail Ticket - First m-commerce application worldwide
- **2001**: Paybox - First mobile payment platform in Austria
- **2002**: A1 Bank - first mobile operator to launch a bank worldwide
- **2003**: m-Parking - purchase a parking ticket via the mobile phone
- **2005**: Paybox became the first interoperable mobile payment platform
- **2006**: NFC purse - A1 BANK pilots first mobile e-cash service
- **2007**: First nationwide NFC launch, worldwide
- **2007**: 1,000,000 m-Commerce users
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mobile NFC solution
Customer’s Expectation

• “Do it with the mobile phone”
  • Order and service use
  • Payment
  • Ticket reception and validation
• Convenience
  • Easy, fast, secure and transparent
  • Do it on the move

It’s about usability, not plain technology
Most Popular m-Commerce Services @ A1

- Mobile Public Transport Ticketing
  “HANDY Fahrschein”
- Mobile City Parking
  “HANDY Parken”
- Mobile Vending
  “HANDY Cent”
- Mobile Gambling
  “HANDY Gambling”
- Mobile Event Ticketing
  “SMS HANDY Tickets”

- SMS (WAP) based services
  → no JAVA midled required
- Interoperable
- Shared SMS-number
- Payment via phone bill
  → no separate registration
- Corporate payment solution integrated
- NFC service initiation
  → “With a single touch”
Mobile Transport Ticketing
- in 6 Cities and with ÖBB

**Business Model**
- Focus: Non-regular commuters and travellers
- Buy your ticket on the move
- Combined with timetable service
- Interoperability

**Ticket Types**
- Tour and tour/retour tickets
- Single fare tickets
- Day tickets
- Adults, children, groups, reduced fare,…
- Private & Corporate tickets
- SMS-reminder and ticket prolongation

**Service Use**
- Order-process simplified by NFC initiation
- 100% capable with open system
- No gates required
- Offline and online Validation

**Number of HANDY-Tickets**

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<th>Jän.07</th>
<th>Jul.07</th>
<th>Jän.08</th>
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<td>250%</td>
<td>300%</td>
<td>350%</td>
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Mobile Payment at Vending Machines

**Business Model**
- Snack-, drink- and cigarette vending machines with an integrated GSM module
- Mobile online payment – providing credit over-the-air to the vending machine
- Interoperability

**Service Use**
- Order-process simplified by NFC initiation
- Vending machines have an individual code → Purchasing SMS must contain this code
- Vending machines receive a credit over-the-air from the transaction server

**Solution**
- Cash-less payment - cleared via the phone bill or Paybox
- Legitimation & age check
- Transparent invoicing
- Supports additional telemetric functions via the GSM module

**Mobile Vending Transactions**

![Graph showing mobile vending transactions from January 2006 to October 2007. The graph indicates a steady increase in transactions over time.]
Mobile City Parking

Solution
- SMS based parking ticket
- Mobile order, payment and validation
- Interoperability

Needs satisfied
- Order-process simplified by NFC initiation
- Simple, fast & convenient
- SMS-reminder and ticket prolongation

Number of Mobile Parking Tickets

<table>
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<tr>
<th>Month</th>
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<th>Apr.07</th>
<th>Jul.07</th>
<th>Okt.07</th>
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<tbody>
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<td></td>
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<tr>
<td>200%</td>
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</tbody>
</table>
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mobile NFC solution
NFC Launch; First NFC Package Worldwide

**Nokia 6131 NFC**
- First NFC phone, commercially available
- Nationwide distribution

**Simplify SMS services with NFC initiation**
- Outdoor infrastructure
  - ÖBB (national railway company)
  - Wr. Linien (local transport authority in Vienna)
  - Selecta (leading vending company)
- Additional NFC Tags
  - Mobile Ticketing at ÖBB
  - Mobile Parking Tickets in Vienna
  - Mobile Gambling at the leading lottery
  - 1-Click download of corporate ringtone

04. September 2007
NFC Transportation Scenario

Strategy

- Enhance existing m-Commerce services with NFC
- Provide a seamless NFC experience when travelling

Buy tickets and snacks in the most convenient way

- No need to remember anything
- The NFC Tag for ÖBB tickets is suitable for tickets all over Austria
- NFC Touchpoint at ÖBB stations along the main commuting route in Austria
- NFC Touchpoint at every ticket machine at Vienna’s subway stations
- NFC Touchpoint at 415 Selecta vending machines – mainly at train stations

Mobile Parking

- Purchase a 30 min parking ticket in Vienna
Buying Train Tickets using NFC

1) Touch the NFC logo to receive the link

2) Press ‘Start’ to visit the VFL site for OEBB ticketing

3) Order a ticket

4) Ticketing Platform generates a ticket

5) Receive the ticket via SMS
Buying subway tickets using NFC

1) Touch NFC logo to receive order SMS

2) Press ‘send’ to order a ticket

4) Ticketing Platform generates a ticket

5) Receive Ticket via SMS
Buying snacks & drinks using NFC

1) Touch the NFC logo to receive the order SMS

2) Press ‘send’

3) A1 Vending platform assigns a credit to the particular vending machine

4) Vending Machine receives a credit over-the-air

5) Press the code for the preferred Snack at the machine's keyboard
Usage figures 2007

- mobilkom austria leads m-Commerce business in Europe through number of services and number of transactions (> 1 million transactions per month)
- More than 2,600 vending machines equipped with m-payment modules
- Nearly 30% of parking fees in Vienna are SMS based
- 6-digit number of mobile transportation tickets sold in 2007

More than 20,000 NFC phones sold in Austria within first 8 months

- $\frac{1}{3}$ of NFC customers used the A1 NFC services since Sept. 2007
- NFC Tag for ordering ÖBB tickets has highest customer awareness ($\frac{1}{4}$ of NFC customers)
Thank You for Your Attention.