



Everything Everywhere, Telefónica UK and Vodafone UK to form mobile marketing and payments joint venture

Ground breaking venture promises to accelerate the development of innovative mobile services for consumers and business customers

- 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
- Everything Everywhere, Telefónica UK and Vodafone UK to provide start-up investment

London. 16 June 2011. Everything Everywhere, Telefónica UK and Vodafone UK today announce plans to create a standalone m-commerce joint venture (JV). The new entity, the first of its kind in the UK, will bring together the expertise and technology of the UK's leading mobile operators, enabling the rapid development and delivery of new mobile marketing and payment services.

The JV will provide a single contact for advertisers, marketing partners, retailers and banks making it far easier to create m-commerce products and services. The JV will be open and available to all industry participants, maximising benefits to consumers.

The JV is subject to competition clearance and is aiming to launch before the end of the year.

Enabling mobile payments

The JV will deliver the technology required for the speedy adoption of mobile wallet and payments. This will enable consumers to transfer their entire physical wallet into a new secure, SIM-based wallet regardless of which NFC enabled mobile device, or mobile network they are using.

Companies and organisations that provide anything from credit, debit and loyalty cards to membership cards and transport tickets will be able to create secure mobile versions of their products. Consumers will be able to use their mobiles to pay for goods, services and travel using contactless technology (NFC) with one touch of their phone, or online via mobile or PC.

Enabling brands to reach consumers on the move

The new business will also provide a single contact point for advertisers, media agencies and retailers looking to reach consumers on their mobile phones. The JV will enable them to book advertising space and create campaigns as well as provide offers, coupons and loyalty cards which can be stored on the phone and redeemed in shops. For consumers, the JV means that they will be able to receive discounts and offers from brands that are relevant to them and that they want to receive.

Everything Everywhere, Telefónica UK and Vodafone UK will continue to develop their own competing products and services tailored to their own customers, which will be based on the open platform infrastructure provided by the JV.

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Tom Alexander, CEO of Everything Everywhere, commented: "This groundbreaking new business will unlock the true potential of commerce in the wire-free world.

"The benefits will be felt across the whole industry, allowing people to manage their money and make payments using their handsets, helping advertisers reach their customers on the move, and helping banks provide their clients with an easy and convenient way of making payments.

"And for partners operating in these industries, having a one-stop shop to deal with will make things quicker, easier and more efficient. This Joint Venture will further reinforce mobile as the essential 21st century device at the heart of people's daily lives."

Ronan Dunne, Chief Executive Officer of Telefónica UK, said: "We are seeing an explosion in the m-commerce market. Mobile advertising spend alone has more than doubled in two years as consumers embrace marketing on their handsets because it is now relevant to them and provides a great customer experience.

"The mobile marketing and payments market is extremely fragmented. By creating this new business we will underpin this nascent market, providing real size and scale, allowing consumers to benefit from new and innovative services, like the mobile wallet, and giving them more of the things they value, through offers and deals that are truly relevant to them. At the same time business customers will reach a vastly increased audience, utilising a single platform for sales, delivery and payment.

"This is not just something that is unique in the UK, but a JV that will create a model that many countries around the world could follow."

Guy Laurence, Chief Executive Officer of Vodafone UK, said: "Since Vodafone made the first ever call just 26 years ago, mobile phones have transformed people's lives. Along the way, the mobile phone has become the one item people really cannot be without. It is the first thing they reach for in the morning and the last thing they check at night. Over recent years it has integrated new gadgets such as digital cameras and music players as they have become popular. The new generation of smartphones is even taking on desktop PC by providing internet on the move and removing the need to be in the home or office.

"Currently people take their mobile, wallet and keys when they leave home. In the near future, people will now start leaving their wallet at home, and in the mid term their keys may also be integrated into their mobile as NFC allows the mobile to act as a digital access card. The joint venture is the next phase in realising that ambition."

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Notes to Editors

¹ Customer data will not be provided to external companies, retailers, merchants or advertisers, and will only be used where customers have given their consent

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About Everything Everywhere Limited

Everything Everywhere Limited is the company running two of the UK's most famous brands – T-Mobile (UK) and Orange (UK). Owned jointly by Deutsche Telekom and France Telecom, Everything Everywhere is the UK's biggest communications company, with a combined customer base of almost 28 million people and more than 720 retail stores across the country. Everything Everywhere plans to transform the industry by giving customers instant access to everything everywhere, offering the best value, best choice and best network experience in the country.

For more information on Everything Everywhere please call the Media Centre on 0870 373 1500, or visit www.everythingeverywhere.com

About Telefónica UK

Telefónica UK Limited is a leading communications company for consumers and businesses in the UK, with 22.2 million mobile customers and over 700,000 fixed broadband customers. Telefónica UK Limited is part of Telefónica Europe plc, a business division of Telefónica S.A. which uses O2 as its commercial brand in the UK, Ireland, Slovakia, Germany and the Czech Republic, and has 56.3 million customers across these markets. O2 employs around 11,000 people in the UK and has 490 retail stores. Telefónica Europe also owns 50% of Tesco Mobile, which operates in the UK and Ireland, and 50% of Tchibo Mobilfunk in Germany.

For further press information about O2 go to www.o2.co.uk/news

About Vodafone

Vodafone is a world leading mobile communications provider, operating in more than 30 countries and in partnership with networks in over 40 more. Across the world, we have almost 360 million customers and around 19 million in the UK. We made the first ever mobile phone call on 1 January 1985 from our Newbury headquarters. Still located in Newbury, we now employ over 8,000 people across the UK.

Vodafone is the communications partner of choice for British business leading the way in innovation, quality and network and providing a range of voice, data services and business solutions. Vodafone UK is the leading unified communications provider for businesses of all sizes and we are the first mobile phone operator to be able to offer a truly converged service for fixed and mobile. For further press information about Vodafone UK, visit mediacentre.vodafone.co.uk