

Press Release

Nokia Launches China's first NFC Mobile Payment Trial in Xiamen With a mobile phone at hand, cash is no longer king!

(June 27, 2006, Xiamen, China) Today, Nokia and its collaborators, China Fujian Mobile Communications Co., Ltd., Xiamen Branch, Xiamen E-Tong Card Company Ltd., and Philips, announced the first NFC Mobile Payment Field Trial in China at Xiamen City, Fujian Province, China.

During the trial, one hundred of volunteer consumers of China Mobile in Xiamen will experience first hand the conveniences of mobile payment enabled by NFC technology. The consumers will use the NFC enabled Nokia 3220 mobile phones to make mobile payment through any point-of-sales covered by Xiamen E-Tong Card, including locations such as on the public transportation buses, ferry boats or at restaurants, movie theaters in Xiamen City.

E-Tong Card is a contactless transportation card, conforms to ISO 14443 Type A, compatible with Mifare. It has a volume of issuance of 800,000 in Xiamen City.

In addition to the standard E-Tong Card function, consumers can check their card balance and the last nine transaction records on their mobile phone display. They can also use their Nokia mobile phone to access a built-in, WAP-based website, to find out stores and venues that accept E-Tong Card and the interesting product or service information.

Mobile payment is one of the most welcomed emerging mobile applications. Market research in Shanghai, China by AC- Nielson in 2006 showed that over 80% of consumers are interested in the functional integration of city transportation cards and bank payment cards into mobile phone.

Nokia has launched the world first NFC enabled mobile phone, Nokia 3220, in April 2005. And the commercial trials using Nokia 3220 for mobile payment have been completed successfully in the U. S. A., Germany, and Malaysia.

Mr. Joseph Zheng, Director of NFC Consumer Solutions in China at Nokia Ventures Organization Asia, said: "Nokia is dedicated to innovations from technologies to applications and business models. The successful kick-off of the first NFC Mobile Payment Field Trial is very encouraging to all of us participating in the mobile payment value chain. It also demonstrates our confidence in the NFC technology and the new business model it enables. With the progress of NFC Mobile Payment Field Trial, there would be more types of mobile payment available, which will bring totally new user experiences for the mobile phone users in China, and create values for the whole mobile application ecosystem."

Mr. Xu, volunteer consumer of China Mobile in Xiamen said: "With the integration of E-Tong Card to my mobile phone, I feel so convenient to make payment. It is cool! I hope it will be put into commercial use soon"

NFC is a contactless technology based on open interface and standard platform. Nokia is actively participated in the development of NFC Standards, and co-founded the NFC Forum with Philips and SONY.

With the development of NFC technology, mobile phone becomes a safe, convenient, speedy and fashionable payment instrument. NFC technology is compatible with current contactless smart card infrastructure, so there is no need for significant upfront investment on NFC technology.

NFC device can work under both active and passive mode. For active mode, NFC device can work as a reader and generate its own radio frequency field to identify and read smart card and tag. For passive mode, NFC device can

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emulate as a card or tag to be read. In this trial, NFC phones work under this passive mode. In addition, two NFC devices can set up communication very conveniently as long as they are close to each other (within 10cm).